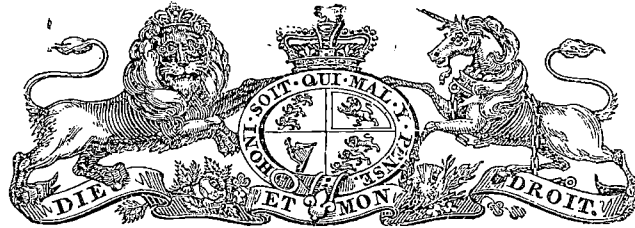


(No. 38.)



1900.

PARLIAMENT OF TASMANIA.

THE GREAT WESTERN RAILWAY AND ELECTRIC
ORE-REDUCTION COMPANY BILL, No. 4,
(PRIVATE):

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

Brought up by Mr. Propsting, July 20, 1900, and ordered by the House of
Assembly to be printed.

Cost of printing—£40 15s.



SELECT COMMITTEE appointed on the 13th day of July, 1900, to consider and report upon "*The Great Western Railway and Electric Ore-reduction Company Bill, No. 4.*" (*Private*).

MEMBERS OF THE COMMITTEE.

MR. MINISTER OF LANDS AND WORKS.
MR. URQUHART.
MR. GAFFNEY.
MR. LEATHAM.

MR. SADLER.
MR. GUESDON.
MR. PROPSTING. (*Mover.*)

DAYS OF MEETING.

Wednesday, July 18; Thursday, July 19; Friday, July 20.

WITNESSES EXAMINED.

Honourable Henry Dobson, one of the Solicitors for the Promoters; Mr. F. Back, General Manager Tasmanian Government Railways; Mr. Robert Charles Patterson, M.H.A.; Honourable Charles Henry Grant, M.L.C.; Mr. George E. Moore, M.Inst.C.E.; Mr. Edward James Burgess.

REPORT.

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

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

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

W. B. PROPSTING, *Chairman.*

*Committee Room, House of Assembly,
20th July, 1900.*

MINUTES OF PROCEEDINGS.

WEDNESDAY, JULY 18, 1900.

The Committee met at 11 o'clock.

Members present.—Mr. Propsting, Mr. Guesdon, Mr. Sadler, and Mr. Leatham.

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

Mr. Propsting was appointed Chairman.

The Committee deliberated.

The Chairman laid upon the Table the Petition, praying for leave to bring in the Bill (Appendix A).

Resolved, That the Petitioners be heard by Counsel, and that Mr. Henry Dobson be permitted to be present during the proceedings, on behalf of the Promoters. (*Mr. Guesdon.*)

Ordered, That Mr. Frederick Back, General Manager of Tasmanian Government Railways, be summoned to give evidence at 11.45 A.M. this morning.

Mr. Minister of Lands and Works took his seat.

Mr. Vivian L. Butler appeared as Counsel for the Petitioners.

Mr. Henry Dobson, one of the Solicitors for the Promoters, was called and examined.

Mr. Gaffney took his seat.

Mr. Frederick Back, General Manager of Tasmanian Government Railways, was called and examined.

Mr. Back withdrew.

The Committee deliberated.

At five minutes past 1 o'clock the Committee adjourned till 2.30 o'clock this afternoon.

The Committee met again at 2.30 o'clock.

Members present.—Mr. Propsting (Chairman), Mr. Gaffney, Mr. Leatham, and Mr. Sadler.

Mr. Dobson was further examined before the Committee.

The Committee deliberated.

Ordered, That Mr. Robert Charles Patterson, M.H.A., be summoned to give evidence at half-past 10 to-morrow.

At 3.15 the Committee adjourned till 10.30 o'clock to-morrow.

THURSDAY, JULY 19, 1900.

The Committee met at 10.30 o'clock.

Members present.—Mr. Guesdon, Mr. Gaffney, Mr. Sadler, and Mr. Minister of Lands and Works.

Mr. Guesdon was appointed Chairman for the day's sitting, in the temporary absence of Mr. Propsting.

Mr. Butler requested that the Secretary of the Hobart Railway League (Mr. T. A. Okines), and Mr. E. J. Burgess, a member of the League, be permitted to be present during the examination of witnesses.

The application of Mr. Butler was refused.

Mr. Propsting took his seat.

Mr. Robert Charles Patterson, M.H.A., was called in and examined.

Mr. Patterson withdrew.

The Honourable Charles Henry Grant, M.L.C., was called by the Promoters, and was examined, on his expressing his willingness to give evidence.

Mr. Grant withdrew.

Mr. Henry Dobson was further examined before the Committee.

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

The Minutes of the last Meeting were read and confirmed.

The Committee adjourned till 3.30 o'clock this afternoon.

The Committee met again at 3.30 o'clock.

Members present.—Mr. Propsting, Mr. Gaffney, Mr. Sadler, Mr. Urquhart, and Mr. Guesdon.

Mr. Guesdon took the Chair.

The Committee considered the Preamble of the Bill.

The Question being put—That the Preamble be found proved.

The Committee divided.

AYES.

Mr. Propsting.

Mr. Urquhart.

NOES.

Mr. Gaffney.

Mr. Sadler.

The Acting Chairman, Mr. Guesdon, 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.

Amendments made (Mr. Propsting):—

Page 2, line 14, after "expression," by striking out "the said." Same line, after "Act," by inserting "No. 1."

Page 2, line 16, after "Act," by inserting "The expression 'Act No. 2' shall mean 'The Great Western Railway and Electric Ore-reduction Company Act Extension Act.'"

"The expression 'Act No. 3' shall mean 'The Great Western Railway and Electric Ore-reduction Company Act No. 3.'"

Page 2, line 24, after "Minister," by striking out "The expression 'The Government Railway shall mean the Derwent Valley Railway, and any extension thereof.'"

Clause, as amended, agreed to.

Clause 3.

Amendments made (Mr. Propsting):—

Page 2, line 28, after "of," by striking out "the said."

Same line, after "Act," by inserting "No. 1."

Same line, after "to," by striking out "Section 83—In place of the word 'Two,' in the third line, the word 'Six' is hereby inserted."

Page 2, line 31, after "word," by striking out "Two" and inserting "Four."

Clause, as amended, agreed to.

At 4 o'clock the Committee adjourned till 10.30 o'clock to-morrow.

FRIDAY, JULY 20, 1900.

The Committee met at 10:30 o'clock.

Members present.—Mr. Propsting (Chairman), Mr. Guesdon, Mr. Urquhart, Mr. Sadler, and Mr. Gaffney. The Minutes of the last Meeting were read and confirmed.

Ordered, That Mr. Henry Dobson be recalled to give further evidence. (*Mr. Gaffney.*)

Mr. Dobson was called in and further examined before the Committee.

Mr. Dobson withdrew.

Mr. Butler requested leave of the Committee to call further evidence on behalf of the Promoters.

The application of Mr. Butler was granted.

The Committee further considered the Clauses of the Bill.

Clause 4.

Amendments made (Mr. Urquhart):—

Page 2, line 34, after "of," by striking out "The Great Western Railway and Electric Ore-reduction Company Act, No. 3," and inserting "Act No. 1."

Page 2, line 35, after "to," by striking out—

"Section 3—After the word 'hundred,' in the fourth, twelfth, and twenty-sixth lines, the words 'and one' are inserted.

"In place of the word 'August,' in the twelfth line, the word 'February' is hereby substituted.

"In place of the word 'Six,' in the last line of this Section, the words 'Seven years and six months' are hereby substituted,"

and inserting "Section 4—After the word 'hundred,' inserted by the Third Section of Act No. 3, the words 'and one' are hereby inserted.

"Section 5, Subsection v. (b)—In place of the word 'August, One thousand nine hundred,' inserted in the said Subsection by the Third Section of Act No. 3, the words 'February, One thousand nine hundred and one' are hereby substituted.

"Section 5, Subsection v. (c)—In place of the word 'Six,' inserted by the Third Section of Act No. 2, the words 'Seven years and six months' are hereby inserted.

"Section 171—In place of the word 'Six,' inserted in the twenty-seventh line of Section One hundred and seventy-one of Act No. 3, the words 'Seven years and Six months' are hereby inserted."

Clause, as amended, agreed to.

Clause 5.

Amendments made (Mr. Guesdon):—

Page 2, line 42, after "in," by striking out "the said."

Same line, after "Act," by inserting "No. 1."

Page 2, line 45, after "in," by striking out "the said."

Same line, after "Act," by inserting "No. 1."

Page 2, line 50, after "in," by striking out "the said."

Same line, after "Act," by inserting "No. 1."

Page 3, line 4, after "to," by striking out "the said."

Page 3, line 5, after "Act," by inserting "No. 1."

Page 3, line 11, after "sections," by striking out to the end of the Clause, and inserting "If the Minister shall refuse to approve any working plan or section deposited with him under Section Seventeen of Act No. 1, because of such working plan or section showing a too-frequent use of the limit grades and curves mentioned in Section Fifteen of Act No. 1, then, in the event of any dispute arising as to the reasonableness of such refusal, such dispute shall be referred to an engineer to be appointed, in writing, jointly by the Minister and the Promoters, and the decision of such engineer shall, in all cases, be final and conclusive."

Clause, as amended, agreed to.

Clause 6.

Amendments made (Mr. Guesdon):—

Page 3, line 19, after "of," by striking out "the said."

Same line, after "Act," by inserting "No. 1."

Page 3, line 24, after "substituted," by striking out—

"Section 5 Subsection i.—In place of the words 'Derwent Valley,' in the first and fourth lines, the word 'Government' is hereby substituted.

"Section 5 Subsection v. (c)—In place of the words 'Five years,' in the third line, the words 'Seven years and six months' are hereby substituted.

"Section 15—In place of the words 'Derwent Valley,' in the second line, the word 'Government' is hereby substituted,"

and inserting "Section 5 Subsection i.—After the word 'Railway,' in the second and fourth lines, insert the words 'or any extension thereof'."

"Section 15.—In place of the words 'on the Derwent Valley Railway,' in the second line, the words 'distant about Thirty-five miles west of Glenora' are hereby substituted."

Clause, as amended, agreed to.

Clause 7.

Amendments made (Mr. Guesdon):—

Page 3, line 35, after "of," by striking out "the said."

Same line, after "Act," by inserting "No. 1."

Clause, as amended, agreed to.

Clause 8.

Amendment made (Mr. Guesdon), page 3, line 41, after "in," by striking out "The Great Western Railway and Electric Ore-reduction Company."

Clause, as amended, agreed to.

Clause 9 agreed to.

Clause 10.

Amendments made (Mr. Guesdon):—

Page 3, line 52, after "of," by striking out "the said."

Same line, after "Act," by inserting "No. 1."

Clause, as amended, agreed to.

Clause 11.

Amendments made (Mr. Guesdon):—

Page 4, line 1, after "in," by striking out "the said."

Same line, after "Act," by inserting "No. 1."

Page 4, line 3, after "by," by striking out "the said."

Same line, after "Act," by inserting "No. 1."

Page 4, line 5, after "Promoters," by striking out to the end of the Clause.

Clause, as amended, agreed to.

Clause 12.

Amendments made (Mr. Guesdon) :—

Page 4, line 15, after "by," by striking out "the said."

Same line, after "Act," by inserting "No. 1."

Clause, as amended, agreed to.

Clause 13 disagreed to.

The Committee adjourned till 2.30 o'clock this afternoon.

The Committee met again at 2.30 o'clock.

Members present.—Mr. Propsting (Chairman), Mr. Guesdon, and Mr. Gaffney.

The Chairman laid upon the Table a letter dated 19th July, from Mr. Back, General Manager Tasmanian Government Railways, on trial of Langloh coal by Railway Department (Appendix B).

Mr. Sadler took his seat.

Mr. George E. Moore, M.Inst.C.E., was called in and examined.

Mr. Urquhart took his seat.

Mr. Moore withdrew.

Mr. Edward James Burgess was called in, and examined.

Mr. Burgess withdrew.

Mr. Butler put in a Paper by Mr. John Monash, M.C.E., containing a criticism of certain documents relating to the Great Western Railway of Tasmania.

Ordered, That the document be printed (Appendix C).

Clause 14.

Amendments made (Mr. Guesdon) :—

Page 4, line 19, after "and," by striking out "The Great Western Railway and Electric Ore-reduction Company."

Page 4, line 20, after "Act," by inserting "No. 1."

Same line, after "and," by striking out "The Great Western Railway and Electric Ore-reduction Company Act, No. 3," and inserting "the Acts amending the same."

Clause, as amended, agreed to.

The Committee adjourned till 6.5 o'clock.

The Committee met again at 6.5 o'clock.

Members present.—Mr. Propsting (Chairman), Mr. Minister of Lands and Works, Mr. Gaffney, Mr. Guesdon, Mr. Sadler, and Mr. Urquhart.

Draft Report brought up and agreed to.

The Committee adjourned *sine die*.

EVIDENCE.

WEDNESDAY, 18TH JULY, 1900.

MR. VIVIAN L. BUTLER, who appeared on behalf of the Promoters of the Bill, asked that he be allowed to reserve his address to the Committee until the conclusion of the evidence, which being granted, he called—

HENRY DOBSON, *examined by Mr. Butler.*

1. What is your name? Henry Dobson.

2. Are you one of the solicitors to the Great Western Railway and Electric Ore-reduction Company? Yes, in connection with Mr. Russell Young. We are associated solicitors in Tasmania for the Company, and we have been instructed by the Board in South Australia to introduce this Bill into Parliament.

3. Can you state shortly the reasons for the Company coming to Parliament and asking for an extension of time as to the recommencement of the construction—the reasons, I take it, which are shown in the correspondence which has taken place between the Government and the Company? The reasons for which we ask for the time to commence and complete construction of the line are set forth in Parliamentary Paper No. 17, and in the evidence given before the Select Committee on No. 3 Bill of the Company. By these, it is shown that the whole of the capital of the Company was as underwritten, according to the statement of Mr. Palmer, and that statement is confirmed by the Agent-General, Sir Philip Fysh, and it is also practically confirmed by Messrs. Norton, Rose, and Norton, one of the first solicitors' firms of Great Britain. The contract for the construction of the line was actually signed by Pauling and Co., but the absolute step of putting the Company on the market was stopped, owing to two or three telegrams sent to London by the then Premier.

4. Would you state what was the effect of these telegrams? These telegrams were sent, I believe, by the late Premier, in the interests of the Colony, that he was acting for the best interests of the Colony, but they were misread, or misinterpreted, at Home, and from circumstances, the purport of which we have since gathered, it was the natural effect that would be created in the minds of the promoters and English financiers by those telegrams, that the Government of Tasmania was hostile to the undertaking. The refusal of the Government to allow Sir Philip Fysh to join the board of directors of this Company, as pointed out in the correspondence, when it was remembered that Sir Edward Braddon, when Premier, had joined the board of directors of the Emu Bay Railway Company, had a most prejudicial effect. All these facts created an impression in London that the Government was hostile to the scheme, and that there were some disadvantageous facts in connection with the Company and its concessions known to the Government, but which had been withheld from the English people. All these facts are found in the Appendices to the Report of the Select Committee on No. 3 Bill, and caused the Company to stay its hand when, in the words of Messrs. Norton, Rose, & Norton, they had no doubt that the Company's capital would have been subscribed.

5. Was anything said about the New Zealand Midland Railway? Yes, the correspondence points out that in New Zealand and West Australia two Colonial Governments had, in the opinion of the London Stock Exchange and English investors, acted in such a way as to raise suspicions of Colonial Governments. It was pointed out that the Governments named in the first instance were favourable, and that difficulties were not raised or hostility shown until the works in question were in course of construction; whereas, in Tasmania, the Government raised objections and showed hostility before the undertaking was commenced. I might also say that the telegrams sent by the late Premier to England, dealing with the lapsing of concessions, was quite unintelligible to the Company's solicitors and to the Promoters' Agents in London, because they were told at the very same time that the Government was proceeding in the matter of treating the concessions as a living concern—that is, the Company was led to believe that the concessions were alive, and whilst so negotiating were suddenly informed by telegram that their concessions had lapsed months previously. Under all these circumstances it was quite natural that the Promoters and English investors should arrive at the conclusion that the Government was hostile to the undertaking, and did not wish to see the project carried out. Further information on the subject of the position of the Company at that time is given in the letters of the Agent-General and others, of the quoted correspondence, all leading the people in London to believe that the Government was hostile, and did not wish them to proceed with the undertaking. Admitting that they were led to this belief by misreading or misinterpreting the telegrams of the late Premier, yet the fact remains that under the circumstances the Promoters were unable to proceed with the flotation. Mr. Brunlees distinctly points out one reason why they had cause to fear the hostility of the Government, was the fact of Sir Philip Fysh being refused permission to join the board of directors, whereas Sir Edward Braddon, whilst Premier, was allowed to act as a Director for the Emu Bay

Company. All these show reasonable grounds for misconstruction, and caused the application of some £200,000 of the underwritten debentures to be withdrawn. The people at Home lost all confidence, and the whole matter came to a standstill. Then, when the last Select Committee sat, it was shown that nothing would restore confidence in the minds of the English investors in the undertaking, unless some guarantee was given by the Government. During the recent negotiations between the Promoters and the Government, the Promoters at the outset asked the Government for financial aid, but the Government could not see their way to mix themselves up with the Promoters, or with the Company. Now, it is proposed that the Government build 35 miles of the railway, starting from Glenora, leaving the Company to construct the remainder.

6. Is the object of the Company to obtain financial aid, or merely to have confidence restored in the minds of investors as to the position of the Government? I understand that the great object is to restore confidence, to remove the idea that the Government is hostile to the undertaking. I learn that no one in England will touch the undertaking unless it is definitely shown that the Government desire to see the work constructed. Now £200,000 of the amount underwritten has been withdrawn.

7. Is it not a fact that it is not so much that monetary aid is wanted as that assurance or guarantee should be given of the removal of the believed hostility on the part of the Government? I have said that this is the first reason; but, of course, all Promoters are glad to get money in this way, as it helps them to obtain other capital.

8. With your considerable knowledge of the political, industrial, and commercial interests of the Colony, do you think that it would be an advantage to the Colony to have this railway built by the Company? With my knowledge of the financial and industrial position of the Colony I am confident that hardly any other railway has been built in this Island on such advantageous terms to the Country as the terms proposed for this railway. Take the Scottsdale line, for instance; it has cost the taxpayers, ever since it was constructed, twelve years ago, between £13,000 and £14,000 per year. This sum, the taxpayers of the whole Colony have had to contribute annually to provide the people of Launceston and of the North-Eastern districts with railway communication. That railway has cost the Colony more than double the sum annually which it is now proposed to contribute for this railway, and if you compared the interest at $3\frac{1}{2}$ per cent., the total loss is over a quarter of a million. Moreover, the Great Western Railway will rent from the Colony the £200,000 worth of railway constructed by the Government at a rental of £7000 per year, and if any part of that rent be not paid, then the whole of the Company's line, right on to the West Coast, is to be forfeited to the Government.

9. Are you acquainted with the West Coast? Yes.

10. Is the population there large? Yes; and as the mines are developed the population increases.

11. Are there many mines in the Western district lying practically idle for the want of railway communication? It is said so, but I do not know that any material mineral discoveries have been made along the route of this proposed railway.

12. Will not the Great Western Railway, when constructed, serve the outlying portions of the Zeehan and Dundas fields? I do not know sufficient of the country to give an opinion on that question.

13. Do you think, then, that by assisting this Company to construct the railway the Colony is getting a good bargain? I do, certainly. As before stated, I do not know of any railway built on such advantageous terms to the Colony. These terms are that the Colony shall only contribute one-fifth, or at most one-fourth, of the whole of the cost of construction, and if you applied that principle to all the railways of the Colony the country would to-day be in an enormously better position. For instance, take the proposed Wilmot Railway; if you could get that line built on such terms, I make bold to say that we would get more favourable terms for the country than under the proposal that the Government shall construct the line and accept the whole of the responsibilities. The same applies to the Ulverstone-Burnie and proposed Flowerdale lines. I believe that if you could get syndicates to build three-fourths of those lines you would make better terms for the Colony than by the Government accepting the entire liability. The cost to the Colony in constructing those lines will be greater to the taxpayers than would be even the whole of the interest on the £200,000 for the Great Western line, even without the rental to be paid by the Company. The real question is as to the risk of £6000 a year, and the very great advantages that will accrue from the Great Western line against, for instance, the Scottsdale, with an absolute loss of nearly £14,000 a year. When we consider the splendid land in the Florentine Valley, and the mineral country along the route, the advantages of opening up this country must be of enormous benefit to the Colony.

14. Is it the opinion of Sir Philip Fysh that the proposed bargain would be a good one for the Colony? Yes, that is the opinion of Sir Philip Fysh as set forth in his letters, and no man knows more about Tasmania and its financial condition than does Sir Philip Fysh. In his letter published in the Appendices to the report of the last Select Committee, Sir Philip, I take it, is decidedly of opinion that it would be well worth the while of the Colony to accept the risk of loss of £6000 a year to obtain this railway.

15. Is there anything more you would like to say? Of course, the Company requires further time to construct the line, and I really think that, under the circumstances, the Committee should be liberal in this respect at least, and give the Company reasonable time. All the amendments in the Bill now before the Committee are consequential upon the policy of the Government in the Bill which they intend to introduce, and which is based upon the compromise arrived at. The Bill

has been submitted to Ministers, and I believe that the Crown Law Officers have no objection excepting in the way of making a few verbal alterations.

16. The objections of the Crown Law Officers, I think, are merely verbal amendments to bring the Company's Bill into conformity with the proposals of the Government? Yes, exactly.

17. Take the correspondence published in Parliamentary Paper No. 17.—You are aware that the Government, before granting any assistance, insist on the Company surrendering certain privileges? Yes; in that correspondence the Government have refused to assist the Company under the original terms of the Act; but under certain conditions they propose to continue the Derwent Valley railway 35 miles along the route of the Great Western line. This 35 miles will carry the Government railway through the Florentine Valley.

18. Are the present Government favourable to an extension of time being granted to the Company? Yes, I believe so. In fact, it is necessary to do so to carry out the proposed compromise, because, before the compromise is given effect to, the time to recommence construction will have transpired.

19. *By the Chairman.*—Your Bill can be divided into two parts—the first part providing for an extension of time, and the second part providing for an alternative line? Yes.

20. Can you suggest to the Company any verbal alterations which appear to be necessary in the Draft Bill? I understand it is proposed by Mr. Butler to deal with that at a later stage of the inquiry.

21. *By Mr. Guesdon.*—From facts within your knowledge, and correspondence received, do you feel satisfied that if the Government proposals are ratified by Parliament that the Company will be successfully floated? I am of opinion, from letters received from the Company's officers, and also from the Agent-General, that the required capital would have undoubtedly been found had it not been for the telegrams sent by the then Premier, but I am not prepared to say what the effect will be if the Government now insist on taking away from the Company the privilege already given them, as to the use of the curves and grades. Mr. Pauling is very emphatic in insisting that this concession shall be retained, and Norton, Rose, & Norton declare that the contractors will build nothing if you place the control of the limitation of the curves and grades in the hands of the Government. The Government, however, insist on that concession being surrendered, and I cannot say what the effect of that will be.

22. Have you a knowledge of the character of the country through which the line will pass? I have not much personal knowledge of the country.

23. Do you consider that it would be reasonable if the Government were to provide by special legislation that the revenue from the alternate blocks along the line should be set aside as a sinking fund to liquidate, say in 25 years, the £200,000 proposed to be expended by the Government on the railway that the sinking fund should amount in that period to sufficient to cover the cost of construction? I could not answer that; I have not given it any consideration.

24. The land to be traversed is quite useless now? Yes, and will be, until it is opened up.

25. Would this railway not give a value to the land retained by the Government? Yes, undoubtedly.

26. If you were now a Minister of the Crown would you consider it as very probable that you would receive a considerable revenue from these alternate blocks? If the reports of experts are borne out there should be a considerable revenue received by the Government from the alternate blocks. All these phases of the case have been considered by the people at Home, and Sir Philip Fysh distinctly says that he did not accept a seat on the board of directors until the board were seized of all the facts, and were in full possession of the true prospects of the Company.

27. *By Mr. Sadler.*—Do the Company propose to go on with the Ore-reduction and Electric Works? Mr. Palmer states that a separate company, with a capital of £200,000, was being formed for the ore-reduction works, and to supply electricity.

28. You state that if the Government subscribe £200,000 for the construction of 35 miles, and the Great Western Railway Company guarantee the interest, and, in the event of their failing to pay the rent, that the whole line shall revert to the Government? If the Company do not pay £7000 rental for that portion of the line constructed by the Government the whole line will be forfeited. I take it for granted this term will be imposed.

29. Of course you know that Mr. Palmer, in his evidence on the first Bill, said that there would be a loss of about £40,000 a year in working the railway? That was considerably qualified: that estimate was based on the line costing £10,000 a mile.

30. But at any rate it would not be a good thing for the Government to take over the line? Not if it is a losing concern.

31. Are you aware that the gross earnings of the Main Line Railway are only between £60,000 and £70,000 per year? I believe that is so.

32. You think that the Company would have been floated if those telegrams had not been sent Home? Yes, I have every reason to believe so.

33. I suppose that the Promoters had the Bill before them showing the provision in regard to the curves and grades? Yes, and Sir Philip Fysh pointed out to them that one clause was specially put into the Bill to give the contractors the control of the curves and grades, but it was interpreted by the Government to read hostilely to the Promoters.

34. Supposing that when the Government propose to construct this 35 miles of railway that Parliament refuses to vote the £200,000—will the Great Western people go on with the work, and commence construction within the six months asked for? If Parliament will not vote the £200,000 I do not see much hope for the Company. Certainly, in such case, six

months will not be sufficient. It is so hard to take up what is called on the London market a "fly-blown" proposal, that I very much doubt a successful flotation being obtained, but they certainly will require more time. If the developments on the West Coast increase, and electricity comes more into use, they may manage it, but I have serious doubts on the subject.

35. *By Mr. Gaffney.*—Do you not think that the fact of the Promoters asking for so large a slice when the capital of the Company at present is only £44,000? I think you are confusing the old company in Adelaide, with the new company in London. In the old company the capital was £40,000.

36. In your evidence you have said that you do not think the Company will go on with the undertaking if the Government do not build 35 miles of the line—is that so? I do not think that the Company can float the whole undertaking—an undertaking which has been hawked about—successfully, without some assistance from the Government.

37. The Government can only afford this assistance by the consent of Parliament—what position will the Company be in if Parliament does not vote the money? All we can do in that case is to ask Parliament to extend time, for say 12 months longer, otherwise the whole thing would lapse permanently.

38. If the money were not voted, you would have to ask for further extension of time? I do not think that if they had to commence the whole thing over again without any help from the Government that they could possibly float the Company in six months. I doubt if they could float it at all.

39. Seeing that the Great Western Company have been asking for further concessions and alterations in their Bill ever since 1896, and do not seem to be any more forward, I would like to get something satisfactory and definite—if we now extend their time for only six months, will we be any further forward than we are now—what reason have you to believe that if Parliament does not vote the £200,000 the Company will be in any better position than it is now? I have already explained that, on the receipt of the telegrams sent to London by the late Premier, the greatest distrust was created in the minds of the English people. The opinion created was that the Government had some information in its possession which had not been given to the people in London. The capital was underwritten, but the undertaking had to be stopped on account of those cables, and if the Government will not build 35 miles, then the Company will be in a much worse position than before, because the people in England will think that the Government or Parliament do not wish the railway to be built.

40. Do you not think that the fact of the Promoters asking so much out of the flotation had something to do with the difficulties in floating? I do not think so, and I am sorry that this impression has gained ground. The ordinary shares which the Promoters are to take are a mere nothing. I challenge anyone of the Committee to instance another company which has been so moderate in the flotation as this Company. If you deal with the cash to be distributed, Messrs. Pauling will take, in ordinary shares, half the cost of construction, and I doubt if the ordinary shares are worth much now on the London market.

41. The Promoters are asking £60,000 cash, whilst the share capital is only £44,000? The £60,000 is to pay for everything—all the expenses incurred by the Company since 1896. You are quoting the capital of the Adelaide Company, £40,000.

42. They are also asking 200,000 ordinary shares? Suppose the Company said they would sell those shares—now what would they be worth? You are speaking of the old prospectus.

43. Have not the shares to be held by the Promoters the first call on the profits? No, the last call. The debentures have the first call; then the preferential shares. The ordinary shares only come in after these shares have been provided for.

44. After these shares and cash are taken by the Promoters, will there remain sufficient money to build a railway to the West Coast? Yes. Messrs. Pauling & Co., the contractors, are responsible for underwriting the £500,000 worth of preferential shares; and I do not think that the Colony can possibly complain that anyone is getting too much "buntz" out of it.

45. Only 20 miles of the construction survey have been made. Are Pauling & Co. prepared to sign a contract for the construction of the whole line without a survey? Yes, they have signed the contract. They have sufficient information to enable them to make up their minds; and the contract was actually signed and the capital subscribed when the telegrams sent by the late Premier were received in London.

46. In the event of the Government not building these 35 miles of the line, will not the Company have at once to ask for further time? I should advise the Company to ask for another six months. I anticipate that if the Government do not grant this assistance there will be such disappointment in the minds of the English investors that they would withdraw from the concern, and the whole thing would have to be done over again.

47. Do you think it wise to only ask for six months' time, when if the money asked for is not voted, the Company will have to come to Parliament immediately for a further extension of time? I think that your suggestion is a good one, and that the further extension of time should be granted now. The Company is now asking for six months because we were led to believe, by Ministers, that we would not get any further time.

48. I do not want to put any obstacles in the way, but I think that this Company has had very fair time to decide whether they will go on with the undertaking, especially as they have such large concessions—what further time would you want? I should say that a further six months would be sufficient for the alternative railway, and twelve months for the original railway.

FREDERICK BACK, *called and examined.*

49. *By the Minister of Railways.*—What is your name, and position? Frederick Back; I am General Manager of Railways in Tasmania.

50. Have you read the proposed Bill now before the Committee? Yes.

51. You know the purport of it? I think so.

52. The Company is asking for extension of time? Yes.

53. You had something to do with the preparation of the specifications of the original Act? Yes.

54. They were, I think, prepared by the Government Engineer—were those specifications much better for the Colony than those which we passed in the amending Bill last Session? I think so.

55. Have you noticed the amendments in this Bill with regard to construction? Yes.

56. And the provision for the supervision of the work by the Government Engineer? Yes.

57. That gives the control of the limitation of the curves and grades to the Government Engineer? Yes.

58. Are such provisions more satisfactory than the existing ones? Yes; I think so, decidedly. Sub-section 4 of Section 5 requires an alteration to bring it into line with the original Act.

59. What alteration would you suggest? Why not adhere to the wording of the original Act? The original Act, Clause 19 provides:—"The Governor in Council may, at the cost of the Promoters, from time to time appoint one or more officers to inspect the said railway during the construction thereof, and it shall be lawful for every officer so appointed for the purpose aforesaid from time to time to enter upon the said railway during the construction thereof and to inspect the manner in which the same is being constructed, and the condition and state of repair thereof, and the Minister, upon the report of any such officer as aforesaid, may require the Promoters to make such additions or repairs to the said railway as may be necessary to make the said railway comply with the plans, sections, and specifications thereof approved of by the Minister or to ensure the safety of the said railway; and the Promoters shall, within such time as the Minister shall require, make all such additions or repairs to the said railway as the Minister shall so require as aforesaid." But here in the amending Bill you import a fresh condition by placing the control in an engineer appointed by the Minister. I fail to see any advantage by such change, and would suggest that you adhere to the wording of the original Act, and to make it quite clear, I suggest that the clause read in this form—"The minimum curves and maximum grades shall only be used within such reasonable limits as will meet with the approval of the Government Inspecting Officer whose appointment is provided for in Section 19 of the original Act."

60. In other words, you want the conditions of the original Act adhered to? I think so. I have gone into this matter with some little care—that is, the subject of curves and grades—and I repeat now what I said when the matter was placed in my hands to report on, that the indiscriminate use of the minimum curves and maximum grades would give you a cheap surface line, and my contention has since been borne out. The Promoters asserted that unless they had absolute power to use the minimum curves and maximum grades as often as they deemed fit, the contractor would not take up the work. Now, it is asserted, that if the Government makes 35 miles of the line, then the Promoters are prepared to waive their right to indiscriminate use of minimum curves and gradients; but if the Government will not make the 35 miles, they still wish to retain their rights. What difference can the construction of 35 miles by the Government make in this matter? And why should not the Government retain the right to say what curves and grades should be used, as originally, in the Bill?

61. You think it desirable that the provisions *re* curves and grades should be altered back to the terms of the original Act? I think so. I think the alteration in the original Act should never have been made, and if further concessions are now to be given by the Government, I think those reasonable precautions against a cheap and light line should be maintained.

62. You think that the concessions previously given by the Government should now be taken from the Company? Yes; a *quid pro quo* being given in the shape of fresh concessions. I think it only reasonable to revert to the provisions of the original Act, which should, in my opinion, never have been departed from.

63. In any case, is it not exceedingly desirable that the Government should obtain an amendment of the provision in the amending Act dealing with the control of the curves and grades? I think it is all-important.

64. Without asking you for any exact figures, can you give us any idea whether the construction of the line under the conditions of the original Act would be very much higher than it would be under the amending Act? If the Company were allowed the unlimited use of these curves and grades they could make a very cheap line, and not such a line as would be typical of the standard lines of Tasmania. They could, under such circumstances, make a cheap line, because they could make an indifferent one.

65. So that if we impose these conditions upon them, it means a considerable increase in the cost of the line to the Company? Not if they carry out their first intention of building a standard line; but the Act, as it stands at present, will give them power to make the cheapest possible line, by reducing earthworks and other expenditure.

66. Will the change in weight in rails from 43 lbs. to 60 lbs. per yard be an advantage? Yes, both to the Colony and to the Promoters: to the Colony, giving them a better line, and to the Company, in that they will be enabled to use heavier engines, and thus be able to draw heavier loads.

67. But it will increase the cost of construction? Yes.

68. And the increase in the ballast? Yes, the increase in the ballasting, and heavier rails, will give you a stronger and better line; and if the standard is kept up, as it should be, it will give you a very much better line. You will then have the same line as that portion of the Main Line from Colebrook to Hobart, where we have the 60-lb. rails. The advantage would be that they would be able to use heavier engines, and draw bigger loads.

69. Have you considered the question of the extension of the Derwent Valley Line? Yes, 12 or 14 years ago, under instructions from the Government, I spent some time on both banks of the river, examining the country; and the result of my investigations is to be found in a Parliamentary Paper.

70. Did you make any recommendation at that time? Yes.

71. Was that recommendation in the direction of an extension? Yes, the matter on which I was directed to report was as to which was the better route to leave Glenora—by the river bank or *via* Ellendale—the latter being $1\frac{1}{2}$ or 2 miles the longer. I favoured the Ellendale route.

72. That is practically the route adopted by the Great Western Railway? Yes, but my recommendation was as to one of two given routes, not the best route.

73. Was the object of the extension, then, on to the West Coast? No; from Hobart to the Ouse was the object at that time. I think that was the intention.

74. Apart from the construction of the Great Western Railway, would you be prepared to recommend the Government to make an extension of the Derwent Valley Line now? I would be disposed to recommend the extension of that line to the Ouse, but before giving any definite recommendation I would want to make myself much more acquainted with the country.

75. You know that in the Florentine Valley there is a large area of really first-class land? I have heard such very contradictory reports of that country that really I do not know.

76. We have reliable reports, and granted that there are 20,000 acres of first-class land in the Florentine Valley, will it, in your opinion, be only a matter of time before a railway is constructed to that locality—would there be any possibility of developing that country without a railway, and utilising the land for agricultural purposes? Probably not. I do not see how the land could be utilised for agriculture without a railway.

77. Under the Bill now before the Committee the Company are asking for an extension of time, giving them to 1904 to complete the line—is that a reasonable time to ask? Yes; certainly not too long. I would not undertake to build the line under five years. It will take at least a year for the construction survey.

78. The Bill before the Committee imposes on the Promoters the work of commencing from Gormanston, or the western terminus simultaneously with a commencement at the Glenora end—would the construction from the two ends as proposed prove more expensive than if all the work were done from one end? Yes; there would be additional plant, engines, &c.

79. Would that add much to the cost? Considerably; there would be extra plant and supervision.

80. *By Mr. Sadler.*—What is your opinion of the Government building 35 miles of this line? My opinion is that the Government should keep the Company to their original Act.

81. Supposing there are 20,000 acres of good agricultural land in the Florentine Valley, would you recommend the Government building a railway at a cost of £200,000, to open up 20,000 acres of good land? No, not for that alone, it would not yield sufficient traffic. From a purely commercial point of view—that is purely from a Railway Manager's point of view—no.

82. *By Mr. Guesdon.*—Have you considered clause 26 of the original Act, which reads—“No part of the said railway shall be opened for public traffic until such officer as the Governor in Council may appoint has certified that such part of the said railway has been efficiently constructed in accordance with the provisions of this Act, and all the rolling stock to be used thereon is in good and efficient condition and repair, and may be safely used for public traffic thereon. Should the Promoters work the said railway by steam locomotives, then they shall adopt such types of locomotives, rolling stock, brakes, couplings, and other appliances as may be approved by the officer appointed by the Governor in Council for such purpose.”—Does not this clause ensure the construction of a good, safe railway? I think that Mr. Guesdon has fallen into a mistake. Clause 26 in the original Act provides that the officer appointed by the Government shall see that the line is constructed in accordance with the provisions of the Act. It provides that the curvature shall not be sharper than 5 chains or the gradients steeper than 1 in 40, but the original Act does not provide that these curves and grades can be used as frequently as the Promoters choose—a reasonable restriction was provided. Without this restriction you would probably get a very much inferior line. Section 15, original Act, says—“The said railway shall be constructed and worked from a terminus to be approved by the Minister on the Derwent Valley Railway, to a terminus to be approved by the Minister within the Western Mining Division, and shall have a gauge of three feet six inches, with curves of not less than five chains radius, and steel rails of not less than forty-three pounds to the yard, and gradients not steeper than 1 in 40 adhesive, or steeper than 1 in 12 where the Abt, Fell, or other approved system may be sanctioned by the Minister. The line shall be constructed in terms of the specifications set forth in the Schedule hereto: Provided that after survey such deviations in the matter of grades and of minor details may be so modified as the General Manager of Railways may recommend the Minister to adopt.” With all these provisions, to which Mr. Guesdon has called my attention, it is possible to

construct a line under the Amending Act of an inferior, because cheaper, character. It would be possible to maintain the specified speed, and carry out other conditions on a grade of 1 in 30, only you would not be able to draw such a heavy load; therefore the 1 in 40 grade is the more economical line. Clause 15, quoted above, provides for the limitation in extent of curves of grades. The following Clause 16 says:—"The said railway shall be constructed in a substantial manner fit for the carriage of vehicles at a rate of not less than fifteen miles per hour with a load of not less than eight tons upon each axle of every vehicle, and shall be maintained and worked by the Promoters, in accordance with the provisions of this Act and subject thereto, to the satisfaction of the Governor in Council or such officer as the Governor in Council may appoint." Therefore, in calling my attention to Clause 15, I think Mr. Guesdon will have to consider that this Clause provides only for supervision under the original Act. To my mind, it is quite clear that Clause 15 should be read with Clauses 16 and 26. The provisions in Clause 15 are decidedly the provisions of the Act which govern these two Sections. If Mr. Guesdon asks, "Would the provisions under Clauses 16 and 26 prove sufficient to guarantee you a good and proper line?" I say no; because, without provision to control the limitation of the use of the minimum curves and maximum grades, you could make a cheap and inferior line, and the stipulations in Clauses 16 and 26 could be got on a line with grades of 1 in 30.

83. If the curves and grades are used at the discretion of the Company's engineer, would not the Colony be protected under the other Clauses, when the Government officer could step in and refuse to give his certificate because the line was not safe? It would never reach that point, for the plans would be handed over to the officer of the Government before the work of construction was commenced.

84. Would not safety and a proper line be guaranteed under Clause 26, as the Government officer may refuse to certify to the line being opened? No; you abandon all control if you allow the 5-chain curves and maximum grades to be utilised at the mercy of the Company's engineer without the Government possessing any power to limit their use, and you will get an inferior line.

85. *By Mr. Butler.*—You know that it is proposed to substitute 60-lb. rails for 43-lb.? Yes.

86. Has not the cost of rails increased lately? Yes, very considerably, within the last two or three years.

87. Does not one of the conditions provide that the line, before being opened, shall be passed by a Government inspector, to certify that it is safe for traffic? Yes; that is one of the conditions.

88. In Sub-section 5 of Clause 5, it is provided amongst the conditions of forfeiture—"If the said railway is not completed, fully equipped and ready for traffic, to the satisfaction of the Governor in Council," &c.—Is there not in this condition another safe-guard that the railway shall be built to the satisfaction of the Government, who, I presume, would be guided by their expert officers? Yes, that should provide for the safety of the line.

89. You have expressed the fear of a merely surface line being built, unless the Government retain power to limit the curves and grades—could a surface line be built when the minimum curves and maximum grades are directly specified? Certainly not; a contour line could.

90. What standard of line do you expect the Company to give to the Government? The standard that the Promoters in their evidence said they would give, and under the conditions of the original Act. The evidence on which the Bill was granted by Parliament was that the line should be typical of the ordinary standard of the Colony, and the Scottsdale line, being regarded as typical, it was accepted as the standard.

91. You would be content with a line of the Scottsdale line type? I would not give an opinion.

92. The Scottsdale line has 5-chain curves, and grades of 1 in 40? Yes; but they were used to advantage, and were not put in without any control in their limit.

93. What is the speed on the Scottsdale line? It averages 18 miles per hour, but is capable of a much higher speed. The speed is regulated (for economical purposes) to carry a load.

94. The Great Western Railway provides for a low speed of 15 miles per hour? According to their Act—yes.

95. *By the Minister of Railways.*—A similar provision, limiting the use of curves and grades, is in other railway syndicate Acts, is it not? I think so.

96. Has there been any complaint of arbitrary acts on the part of the Government engineers in regard to this limitation? I have not heard of any complaints.

97. I would like your opinion as to whether the construction of a railway from Hobart to the West Coast is likely to be a benefit to the Colony, apart from its strictly commercial aspect? That depends very much on what the Colony's liability is in the matter.

98. Would it be advantageous, apart altogether from the question of the Colony's liability? If the line were built to-morrow, it would not pay wages.

99. I did not ask that—would it be advantageous? I can only repeat my answer.

100. The Scottsdale line does not pay? No.

101. Is that line a benefit to the Colony? Yes, I suppose so, indirectly.

102. Your Main Line does not pay—is that line a benefit to the Colony? I suppose so; it pays one per cent. over working expenses. If you put away from your consideration every financial consideration, and every other risk, you can say that a line to the West Coast would be a convenience.

103. *By Mr. Sadler.*—If the line were built by an English syndicate, and the Government had to find no money, would it not be an advantage? Not necessarily an advantage—it would be a convenience.

104. *By the Minister of Railways.*—Will the line from Emu Bay to the West Coast be nothing more than a convenience? Yes, for they have an assured traffic.

105. Has not that line already proved an advantage, by causing the development of mines—North Farrell, to wit? I do not know if the railway had anything to do with that.

106. Would not a line running through the heart of the country, much of which is mineral land, be an advantage? You have nothing to send from Hobart to the West Coast. We are bringing in here everything we eat. People will not send stuff to Hobart to send it from here to the West Coast. I do not see that the line would be anything more than a convenience for a very considerable time to come.

107. Then, with the knowledge of what it has done, and is doing, you think that the railway communication given by the Emu Bay–West Coast line, is only a convenience? No, I do not say that. There is a certain amount of traffic assured on that line; there is produce to be sent from Emu Bay to the West Coast. You have no produce to send from Hobart. I do not see what we have to carry.

108. You think it would be of no advantage to have a railway constructed through what is known to be mineral country? Under existing conditions, I do not think that the advantages would be very great. If you found another Mt. Lyell it would be different.

109. *By Mr. Guesdon.*—Have you any knowledge of the quantity of stock travelling overland from the Derwent Valley to the West Coast? I have an idea.

110. Can you give us any figures on that point? No; only from what owners and drovers tell me.

111. Did you give any opinion on the Strahan–Zeehan line before it was constructed? I was not asked for an opinion.

112. *By Mr. Butler.*—When the Government construct railways do they adopt the principle that the railways shall pay before they undertake to construct them? I am afraid not, but the conditions are not the same; quite different principles guide a Government and a private company in the construction of railways. A company builds a railway for one object—only to make money and pay dividends. A Government has a very much higher object—to open up and develop their country. If we had only private railways in Australia, not one-half the country would have been opened up.

113. Do private railways always pay? No; at least one-quarter of the private railways of the world do not pay dividends.

114. Do you know anything about the coal in the Derwent Valley country? Yes.

115. Granted that this coal is good—would it not be a great advantage to the Zeehan fields to have connection by railway? It depends on the price at which it can be landed.

116. Can they not put it on the market at a cheaper rate than the Sydney and other coals? I doubt it. The coal in the Derwent Valley is on private property, and it is not clean, like the Newcastle coal.

117. In South Australia and New South Wales they carry coal very cheaply to Broken Hill? Yes; the distance is about 266 miles, but the line is very level. They carry coal on the Silverton tram, about 34 or 35 miles, for 3s. 3d. per ton, and to Broken Hill for, I think, 12s. 3d.

118. Do you know the price of coal at Zeehan at present? At Zeehan it should be about 25s.

119. *By the Minister of Railways.*—Do you know that they are charging 35s. a ton for Newcastle coal at Zeehan by the truck? I am not surprised. The railage is 5s. a ton. The coal can be landed here at about 17s.

120. *By Mr. Sadler.*—What is the quality of the Hamilton coal? Somewhat similar to Mount Nicholas coal in value. It has not had a fair trial. What we had was from the surface, and water-logged.

121. Would it do for steam purposes? You could use it, but it has not, however, had a fair trial.

THURSDAY, 19TH JULY, 1900.

The Committee met at 10.45 A.M.

Mr. Butler.—I have been asked by the Secretary of the Hobart Railway League if he might be present during the proceedings, and also Mr. Burgess, who is a Member of the Hobart Railway League. It is a very reasonable request to make. This is a matter that interests the League considerably, and the Committee have power to allow—

Mr. Sadler.—I do not think it is a reasonable request at all—the most unusual thing I ever heard of.

The Chairman (Mr. Guesdon).—It is entirely in the hands of the Committee.

The Minister of Lands.—I have no personal objection, but of all the Committees I have ever sat on here I fail to know of one in which those interested were permitted to attend.

Mr. Butler.—I have seen other members present during the sittings.

The Minister of Lands.—You have not seen strangers present unless they have been specially interested and admitted—witnesses concerned may occasionally remain sometime. As a matter of fact, everything that takes place in select committee is regarded as strictly confidential, and the member who divulges anything outside is guilty of a breach of privilege. That being the case, obviously, the meeting is not open to outsiders.

Mr. Butler.—I make the application, that's all. Of course I abide by your ruling.

The Chairman.—You have heard the expression of opinion. Personally, I do not like to depart from what is regarded as the practice.

ROBERT CHARLES PATTERSON, *called and examined*.

122. *By the Minister of Railways*.—What is your name? Robert Charles Patterson.

123. You are a Civil Engineer? I am.

124. You have had a good deal of experience in railway construction? Yes.

125. Are you acquainted with the specifications under which the Great Western Railway Company might construct a line from Glenora to Zeehan? Yes.

126. Do those specifications permit of a cheap and unserviceable line being made? Are you referring to the original Act or the amended Act?

127. The Act as amended? The law as it stands, permits the Company to construct a surface line, using the minimum curves and the maximum grades as often as they please.

128. What would probably happen to a firm of contractors under such specifications? What would happen would be exactly what has happened in this Colony before, in the case of the Main Line Railway Company. That company, also, was allowed the indiscriminate use of minimum curves and maximum grades. The result is that we have almost an absolutely surface line from Hobart to Evandale, with the exception of the tunnel; and for traffic purposes, that line is crippled for all time, by the frequent use of these minimum curves and maximum grades.

129. If the condition allowing the contractors to use as frequently as they please the maximum grade and the minimum curve was amended, and that use placed under the control of the Government or the Engineer of the Government, would that involve the Company in constructing a line at an increased expense? Certainly.

130. Increased to a very great extent? Possibly to a very great extent. Messrs. Pauling and Son estimated that concession of the right to put in maximum grades and minimum curves at their pleasure as being worth £200,000.

131. Are you in a position yourself to give any approximate estimate of the difference in cost? Well, I don't think I am; although, in the case of the Main Line Railway, I could give you an approximate estimate. You yourself, in the House the other night, said that to make certain alterations in reducing curves and grades at a point in the Main Line would cost £70,000. Possibly, the refusal of the concession as to curves and grades would cost the Great Western contractors more than £200,000. Without going over the country and seeing the survey, one could not say precisely; but it certainly would make a very large difference in enhancing the cost of construction.

132. You think that, in the case of the construction of a line of that character, it would be desirable for the Government to resume the right of control over these matters of curves and grades? Certainly.

133. You have offered to construct the line yourself on the existing specifications for £600,000? Yes, for £600,000.

134. Was that a serious offer? A serious offer, which still holds good. I should have to resign my seat, but I am still in a position to complete an arrangement to put £20,000 in the hands of the Government as guarantee at any time up to the end of this year. That is a serious arrangement made with the bank.

135. You think, then, that if the Company are asked to give up the right they already hold to use the maximum grades and the minimum curves as frequently as they please, that will be asking them to do a thing that will involve a great increase of cost in construction? No question about it.

136. *By Mr. Butler*.—In Paper No. 17, Mr. Patterson, which of course you have read—it is the negotiations with the Government—you notice there that the Company has to commence at Gormanston and the Western terminus? Yes.

137. Will that very much increase the cost of construction? Well, I do not know; it is liable to. To get a line like this constructed from both ends, it would increase the cost, I suppose; because you would have—

138. Two sets of plants? Yes.

139. Two sets of overseers and men—two working parties? Yes, it would increase the cost certainly.

140. Is it not the usual practice in lines of this sort to commence the construction from the most accessible end? Certainly.

141. So that the Government, by imposing these terms upon the Promoters, are putting them to further expense? Undoubtedly, but if the railway is to be constructed within a reasonable period, operations should be started from both ends.

142. Well, we know that the survey has been made for a distance—when I say the survey, I mean the permanent way survey—for a distance of about five-and-twenty miles? Well, I have seen twenty miles of it.

143. That is from the Glenora end Yes.

144. I will ask you first what definition you would give to the commencement of construction—does it mean that construction commences when you commence to make your cuttings and tunnels, and so forth; or does it mean when you commence to clear the line after your survey is made? If you follow the work up, that is the beginning of construction.

145. That is a question on which I wish to know your opinion—you will see my reason in a minute—according to the Act, we have to commence construction within a certain time—six months? Yes.

146. Well, we ask now to have that time extended to the first of February—the survey is made at present for twenty miles from this end—we shall have to commence the survey from Gormanston and the Western terminus—we have to make this permanent survey; and, if construction means earthworks and tunnels, and so forth, we would have to commence construction—now, how long, in your opinion, would it take to make a permanent survey and clear the country, in order to allow you to commence on earthworks and tunnels at the Gormanston and the Zeehan end? Well if you started the survey, you could commence construction as soon as you had got the survey three or four miles ahead. You have the survey for 20 miles already.

147. And would you start construction straight away with such a short amount of line surveyed? I have. Yes; I have started construction with only two miles of survey before me. The survey ought to keep well ahead.

148. How long should the survey take? It all depends on the number of men. The permanent survey would probably take twelve months, and the construction of the line would probably take three years; so that you could always keep your survey well ahead of your line under construction.

149. That would be the detailed survey of the line? That is the working survey—the line pegged out with all the cross-sections, and so forth.

150. Now, you know Messrs. Pauling and Son's contract? Yes.

151. Have you seen the contract itself? I have seen extracts from it.

152. The price is £1,019,500? Yes.

153. The length of the line is 160 miles—is that so? That is what is stated. That is what the contractors say.

154. You offered to build the line for £600,000? Yes.

155. Do you include in that offer the rolling-stock, rails and fastenings, sleepers, &c.? Everything.

156. That includes everything? Everything.

157. Then what rails do you put in, and what ballast? I put in the rails that are specified.

158. Forty-three-pound rails, and one thousand three hundred and thirty yards ballast? I carry out the specification in all respects.

159. And what curves and grades—do you construct on Section 15 as passed in the original Act, or on the Section as amended by the Act No. 3? On the Act as amended.

160. Giving you the opportunity of putting in minimum curves and maximum grades when and where and how you like? As often as I please.

161. Can you tell me the length of the line that you propose to build? I propose to build the railway whatever length it may be.

162. How long? From information I got from surveyors it is under 140 miles in length.

163. Can you tell me how much you have calculated per mile for the construction of the railway? Yes; if you will divide £600,000 by 140 you will get it exactly.

164. Would it be about £4000? Between £4000 and £5000. I will tell you exactly in a moment—roughly about £4300 per mile.

165. Have you been through the country through which the line passes? No.

166. Have you got any survey of it? I have seen the surveyors, and received information from them; and I have also seen people who have gone through—Mr. Howard Wright, and many other people.

167. Then, have you seen any survey or plans? I have seen the survey of the first 20 miles.

168. Then, is your estimate made on information received from other people? Yes; but principally from the fact that I am now allowed the use of 5-chain curves and 1 in 40 grades, which in almost any country will give a surface line.

169. What do you mean by a surface line? A line that adheres closely to the natural surface, and follows the contour of the country.

170. Does not every line do that? Certainly not.

171. Within these limits of curves and grades? Certainly not. If you allow a contractor, of almost any country in the world, to follow the contour of the country, and use such minimum curves and maximum grades whenever he likes, you can have a continuous grade of 1 in 40 and continuous 5-chain curves, and so get a surface line, so long as there is no limit to the length.

172. And could you get up to the speed regulated by the Act? Certainly.

173. But would you have to put on heavier engines? You would have to put on the same engines as you have on the Main Line here. It would be an inferior line for commercial and traffic purposes, of course.

174. You know the survey of the first 20 miles? Yes.

175. Do you see any objection to that? I see two or three very objectionable curves; but I could not say until I saw the ground whether they are necessary or not. One is about three parts of a circle.

176. Do you know that these plans and surveys were approved by the Government engineer? I know that they passed through his hands.

177. I may tell you that he stated to the Committee, when giving evidence here last year, that he found no objection to the surveys—do you know that? The objection I have named is the only objection I have to find, and that may be inevitable.

178. Do you know the Scottsdale Railway? Very well.

179. Can that be taken as a guide to the construction of a railway to the West Coast? The specifications and drawings can be taken as a guide. You cannot take the actual works as a guide, because they vary a good deal on different railways.

180. As regards the curves and grades, particularly, I would ask you the question—Do not such curves and grades occur pretty frequently on that line? Not pretty frequently. They do occur.

181. These maximum and minimum curves? Yes; but they have not sacrificed the utility line to them.

182. The speed is 18 miles an hour, is it not? I do not know. They can travel faster than that.

183. Would there be any objection to taking that line as a standard for a line to the West Coast? You mean the curves and grades as employed there?—yes. I do not think there would be any objection. One would like to know the country; but I do not see that *prima facie* there is any objection.

184. You say you know the Scottsdale line? Yes.

185. You built part of it? No; I estimated for it, and tendered for it.

186. Now, is this country the Great Western will go through difficult country? I believe that with the use of 5-chain curves and 1 in 40 grades it would be an extremely light line to make.

187. Putting that aside, is it rough country? Some of it is rough, and some of it very easy.

188. You built the Sorell line? Yes.

189. Is the country the Great Western Railway will go through more difficult than the country from here to Sorell? Much more expensive works: no comparison.

190. Much easier to build a railway from Glenora to the Western terminus than from Hobart to Sorell? Oh, there is no comparison whatever. The railway to Sorell was much more costly per mile than this line would be.

191. The Sorell country is more difficult than the country this line would traverse? Oh, much more. There is no comparison at all.

192. Do you know the country between Gormanston and Zeehan? No. Oh, I beg your pardon, I know some of the country. I misunderstood. I was thinking of the country from this end.

193. Is that country between Gormanston and Zeehan as easy as any of the Sorell line? Oh, some of the Sorell country is extremely easy.

194. Is it as easy—the country between Gormanston and Zeehan, I mean—as the worst of the country on the Sorell line? I had sooner put it another way: we are getting a little bit at cross purposes. The Sorell line is a short line of 14 miles, having in the middle of it a long and costly tunnel, lined with masonry and concrete. A little further on there is a bridge, the construction of which involved the use of piles 90 feet long; and this bridge is three-quarters of a mile in length. Then there is a jetty at this end, having its piles sunk in blue-stone rock. In short, we had in that 14 miles of railway all the difficulties in a short length of line, which in this line would be extended for a great length, and would so tend greatly to reduce the cost per mile. The Sorell line was an extraordinary costly line to build, as all the difficulties I have named had to be dealt with and overcome. The line differs entirely from the line it is proposed to make to the West Coast. You cannot compare the two at all. Besides all that, on this proposed Great Western Railway the culverts, which on the Sorell line are built of solid concrete and masonry, are to be built of logs—round logs simply, with the bark taken off—got in the country the line has to run through. The two things are not comparable at all.

195. Could you describe the country, then, from Gormanston to Zeehan, as anything but most difficult country? It is difficult country; but the indiscriminate use of these minimum curves and maximum grades which is provided in the Act, enables almost a surface line to be built.

196. If you are told by a competent authority that that is the most difficult country in Tasmania of all the country through which, up to the present, railways have been made, would you say that is an exaggeration? No, I should not say so.

197. What did the Derwent Valley Railway cost per mile? I do not know what the Derwent Valley Railway cost.

198. If I told you that the cost was £9100 per mile, what would you say? I am not surprised.

199. What did the cost of the Scottsdale Railway come to per mile? I also only know what the contractor got there; I don't know what the actual cost was in full.

200. If I say that it was about £8300 per mile? I should think it would be about that.

201. Do you know what is the average cost per mile of the Government Railways in Tasmania? I could tell you by looking it up; I don't know for the moment.

202. If I told you it was £8150 per mile? Very likely, I should think.

203. Including, that is, the cost of the purchase of the Main Line Railway, which cost £10,000 per mile? Yes.

204. Including also the cost of the Western Railways? Yes.

205. *By the Minister of Railways.*—May I ask you, would it be a safe specification to make a comparison of the Scottsdale line with the line that is to be constructed through to the West Coast? No comparison can be instituted at all.

206. But you said it would be a fair thing to expect the curves and grades—? Oh! you mean curves and grades? Well as I said before, one must go over the country before one can say. The Scottsdale line is constructed through extremely difficult country, including one very heavy and expensive tunnel; through country that could not be got over without.

207. The only safe way, then, is that Government should have sole control? As to the use of these minimum curves and maximum grades—yes.

208. Do you think that the provision, as set forth in this Bill or in the specifications, that the curves and grades should be used as they have been used on the Scottsdale line—do you think that that will protect the Government? It might, and it might not. It would be much simpler, and infinitely more safe, to leave it to the discretion of the Government altogether.

209. You know that the Company has agreed to do that? I know that somebody has agreed to it; I don't know anything about a company.

210. *By Mr. Butler.*—You did not build the Scottsdale Railway, then, Mr. Patterson? No, I did not build the Scottsdale Railway; I tendered for it, and settled with the Government on behalf of the contractors four years afterwards.

211. You know the character of the line? Intimately.

212. Are there any reverse curves there without a straight? I do not think so.

213. What straight do you think it necessary to put in between reverse curves? It is advisable to have at least a chain.

214. Nothing less than a chain? I would not have less than a chain if I could help it.

215. Speaking as a contractor now, and not as a Government inspector, would not half a chain between reverse curves do? As far as that goes, you can have a reverse curve 5 chains across without a straight; but it is extremely objectionable.

216. Of course there is wear and tear? Yes; and the superelevation of the rail on reverse 5-chain curve is such that you have to slow down to pass it; and that is always a thing to be avoided when possible.

217. If there is a straight, does that minimise the danger, or only the wear and tear? Both.

218. And you think a chain of distance should be between the reverse curves? Yes, at least a chain.

219. Now, what is the danger of having curves close together? Well, the danger of having reverse curves close together is, first of all, that it greatly increases friction in working the line.

220. That is to say, it causes more wear and tear? Speed has to be slackened; and altogether, it limits the usefulness of the work—cripples it, so to speak.

221. These objections you have advanced—are they not more detrimental to the owner of the line than to the Government? Certainly.

222. And is not the maintenance very much heavier on a line of that description than on a line where the minimum curves and the maximum grades occur less frequently? Yes.

223. You know that wages are higher now than they were when the Government railways were built—when the principal ones were built, that is? I can only speak of my own experience of building railways, and that is they are very much lower now.

224. Lower? Yes.

225. Mr. Back says they are higher now? I can only give the facts of my own experience. I built certain railways in this colony—a portion of the Derwent Valley line, and the Sorell line—and my wages paid to labourers were 7s a day. The wages paid here now by the gasworks people are 4s. 9d. per day; and up at the waterworks they pay 5s. a day.

226. Would you pay navvies at the same rate as these other labourers? These are navvies. People working at the waterworks, and others employed in opening up roads and laying gaspipes, and so forth, are navvies.

227. If I put it to you that Mr. Back has told this Committee that the wages paid now—within the last year, that is: "All I can say is that the wages are considerably lower than they were 10 years ago, when the principal railways were built," what do you say? That goes beyond my experience. My experience began here 11 or 12 years ago. All I can say is, that the wages paid by me in 1889, 1890, 1891, and 1892, as compared with the wages paid now, are as seven to five—5s. to day, 7s. then. Another illustration I can give you of that is, that on the Derwent Valley Railway I paid for horse, cart, and driver, 11s. a day. The price of a horse, cart, and driver to-day is less than half that. Wages are much lower in Hobart now than they were some years ago.

228. You said that your contract price for this railway would be £4300 per mile? Yes.

229. And you admit that a portion of the country, round Gormanston and Lyell, for instance, is some of the most difficult in Tasmania? Yes; yet it is country that would allow for the construction of a surface line.

230. I have also asked you if the Scottsdale Railway could be taken as a guide for the construction of a railway to the West Coast? Yes; I would reply to that, that specifications and drawings could be taken.

231. The Scottsdale Railway, with the grades at 1 in 40, and curves of 5 chains radius? Yes.

232. And you are willing to complete this railway for £4300 per mile? Yes, on the basis of the law as it stands.

233. And you know that the average cost of construction of Government railways throughout Tasmania is £8150 per mile? Yes; but that does not apply in the slightest degree to this case. You are comparing things that differ entirely.

234. If I tell you that the cost of any of the railways that have ever been built in Tasmania—any single railway—is over £5000 per mile, would that alter your opinion as to how you could build this one? That would not be an accurate statement.

235. I may be wrong, Mr. Patterson—I will not say that I am absolutely right? You will find that the line to Bischoff, through extremely difficult country, cost much less than that.

236. I meant Government railways? There, again, you see, you are comparing things that differ. The Government railways are built for Government requirements, in a substantial and permanent manner, under the close supervision of Government engineers, while this is a line of a totally different description, with culverts, for instance, that will not last more than ten years.

237. But this specification has been prepared by the Government engineers—you know that? Exactly.

238. And passed by Parliament as sufficient and suitable for this class of country? That does not affect the question that you are comparing things that differ.

239. Do you know what the cost of the Zeehan line was? Oh, I have known, but I have forgotten. I know that it was a costly line.

240. £9000 per mile? I dare say.

241. Do you know that the Western line cost £9093 per mile? Yes.

242. The Sorell line £9123 per mile? Yes.

243. And the Derwent Valley line £9100 per mile? Yes.

244. And yet, in the face of that, you would build your railway, on the specifications prepared in the Government office, for £4300 per mile? I would build it on this specification for the amount stated; a surface line, with culverts and so forth of perishable materials, as prescribed.

245. Have you perused the Act under which these concessions are granted? Yes; I know it pretty well by heart, I think.

246. Do you know the Clauses as to the inspection by the Government officers? Yes. The Government officer has no power to refuse to allow the construction of any bridge or culvert that the Promoters may make of round logs, with the bark taken off, and nailed together, so long as they are nailed efficiently.

247. That is your reading? That is a fact.

248. Then look at Section 5, Sub-section v., Clause c. These are the contingencies under which the railway has to be forfeited to the Government:—"If the said railway is not completed, fully equipped, and ready for traffic, to the satisfaction of the Governor in Council, within five years from the date of this Act," and so on—you know that? Yes.

249. Now, what would that mean, Mr. Patterson; supposing you were the Minister of Railways, advising the Governor in Council as to the completion and construction of this railway? I do not see what you mean.

250. Does it not mean that, unless the railway was sufficiently substantial and solidly constructed, you would advise the Governor in Council to forfeit the lease? I should say it means this: That if the said railway is not completed in accordance with specifications that form the subject of the Act, I should advise forfeiture.

251. Do you see that it is provided in Section 16—"The said railway shall be constructed in a substantial manner, fit for the carriage of vehicles at a rate of not less than Fifteen miles per hour, with a load not less than Eight tons upon each axle of every vehicle, and shall be maintained and worked by the Promoters, in accordance with the provisions of this Act, and subject thereto, to the satisfaction of the Governor in Council or such officer as the Governor in Council may appoint."—Now, bearing in mind what you have said with regard to the specifications, could a line be built by them which would carry vehicles of eight tons at a rate of not less than 15 miles per hour? Certainly.

252. Then the specification under the Act is fit for the conditions prescribed in this Section? Oh, yes; certainly.

253. Now, look at Section 26: "No part of the said railway shall be opened for public traffic until such officer as the Governor in Council may appoint has certified that such part of the said railway has been efficiently constructed in accordance with the provisions of this Act, and all the rolling stock to be used thereon is in good and efficient condition and repair, and may be safely used for public traffic thereon."—Now, is not that a safeguard to the public—an assurance that before the line is opened the railway shall be properly and efficiently constructed? Taken in conjunction with the other provisions of the Act, and according to specifications, I presume it is.

254. Well, all these Sections, Mr. Patterson, go to protect the public, do they not? They do.

255. And if you were an officer of the Government Department, drawing a specification, you would draw such a specification as would enable a good and substantial line to be built? When you come to substantial, that is another question.

256. But does it not say here that it shall be built in a substantial manner—"The railway shall be constructed in a substantial manner"? That is as to the specifications that form the subject of this Act.

257. And do you consider the specification a bad and foolish one, such as should not have been passed out of a Government office? Certainly not. I should object to such a specification, if it was in the hands of the Government, providing for a Government railway. In the Schedule of this Act there are certain alternatives provided. For instance, there is a specification for "concrete," which will never be used, because the contractors have the option in every instance of building these culverts with round timber. No Government could afford to build a line which would have to be reconstructed within ten years. With regard to a company, that is a different thing. The Government has allowed a Schedule to be attached to this Act, containing specifications which give alternatives at the discretion of the contractors. Of course, you can use timber for culverts and other such works, and make them strong enough for the time, but they are not enduring.

258. Bearing in mind, Mr. Patterson, that there is a Clause in this Act providing that after the expiration of 25 years the Government shall have power to take over the railway, would you not consider that in drafting the specifications, the Government officers would pay special attention for the safeguards to be put in—you told me just now, you know, that you consider that the line will not last ten years on that specification? I am talking about the culverts, and so forth.

259. Are they vital parts of it—could they not be renewed—would they necessitate the reconstruction of the whole line—or is it a matter that could be easily remedied? Well, it could not be easily remedied, in some instances. On a heavy embankment, for instance, if you have a log culvert that you wish to renew, you have to carry the whole mass of the superincumbent earth, and put in a tunnel, in order to make a new culvert.

260. On whom would that expense fall? On the Company, naturally.

261. Well, I would like you to consider that, Mr. Patterson—under this Section 42, it is provided that at the expiration of 25 years the Government may resume this railway, is it not? Yes.

262. Then, if you had been in the Government office, or if you had been the Government inspector concerned, you would not have allowed such specifications to go out? For the Government?

263. No, for the Company? For the Company—I certainly did not say so.

264. For the Government, then? I would not advise the Government to put in log culverts for that line—certainly not.

265. You say you would not allow that specification to go out for a Government railway; but for a company it is sufficient—is that so? You misunderstand me. What I said was this:—If the Government were building a railway from here to the West Coast, they would not take the alternatives which this Company is allowed to take here, of putting in their structures from the timber of the country.

266. The specification would not have that alternative, then? The specifications would not have that alternative in—no.

267. Cannot these culverts be renewed at a trifling cost? Certainly, some wooden culverts can be renewed at a trifling cost. But in a heavy embankment it would be absurd to put in a wooden culvert which would have to be taken out in ten years.

268. Would you, knowing that the Government may take the railway over in 25 years, have taken out a specification in that form? I do not know what the question is, exactly.

269. Well, you see that under the Act the Government may take this railway over at the expiration of 25 years—according to your evidence, given to me just now, the railway built on that specification would require to be very much repaired in ten years—is that not so? The culverts—the wooden culverts—would, certainly.

270. Then, at the expiration of another ten years, that would require to be done again? Yes.

271. And the same at the end of another ten? Yes.

272. So that in five-and-twenty years the life of the culverts then existing would be just half spent? Yes.

273. Well, bearing that in mind, would you have allowed the alternative providing for wood or concrete culverts to be put in? Yes, certainly. It does not matter to the Government—the thing has to be maintained at a high state of efficiency, and kept in that state of efficiency all through. As I understand, this specification was not drawn up in the Government offices; it was drawn up by the Company, and approved by the Government.

274. No; that specification was drafted in the Government offices, without assistance or suggestion from the Company—Mr. McCormack drafted these specifications; and the Company never saw them until they were brought here and amended, at the instance of the General Manager—and what I wanted to get from you was, whether these specifications really provide for the building of a substantial line? They do.

275. And then you said that if it had been a Government railway you would not have allowed wooden culverts to have been put in for heavy embankments? I did.

276. Then, that would mean that, as the Government may take this line over in 25 years, that alternative should have been taken out, because it may fall into the Government's hands? I suppose it may fall into the Government's hands for what is worth then.

277. There is another question, Mr. Patterson, that I would like to ask you—supposing that the Government object to the curves and grades being under the control of the contractors, and

the contractors object to the curves and grades being under the control of the Government, can you suggest some middle course which would suit both parties and be fair to both parties? To my mind, the provision in the original Act is amply sufficient to protect both the contractors and the Government. From my knowledge of the Chief Engineer, I am perfectly certain that he would not—

278. Ah, but we might have another engineer to deal with some time? I do not think that any vexatious interference with the contractors in the use of these curves and grades would be allowed by the Government of the day—I mean an unreasonable and harsh interpretation of the Clause in the original Act.

279. Could you suggest any course which would be acceptable to both—supposing, Mr. Patterson, that you were a contractor in England who did not know the Tasmanian Government, and did not know anything about the Government engineers—what course would you suggest? It is extremely hard to define any other course. I do not know how you could do. You must leave it to the discretion of somebody, because the question of these curves and grades constantly arises on the ground. It might, perhaps, be left to a Board of Engineers; for instance, the General Manager of Railways, the Chief Engineer, and some other engineer who might be nominated by the contractors.

280. That would be two Government engineers and only one appointed by the contractors—would it not be fair to have an arrangement whereby the Scottsdale Railway could be taken as a standard for the curves and grades on this railway? I do not see how you could do that; the country is so widely different; the conditions are so different.

281. Well, put it this way, Mr. Patterson—put it that supposing that the country is similar to the Scottsdale Railway country (I will tell you why I suggest this afterwards) would that do, then? If the conditions were similar, of course it would do.

282. Well, Mr. Back, in reply to a question I asked him last year, said that, were he to take a standard for the construction of a railway to the West Coast, he would take the Scottsdale Railway—under these conditions, do you think it would be safe to take the Scottsdale line as a standard? I think that the conditions are so varied as between the two lines, that if such an arrangement was made, it would be likely to lead to litigation.

283. Then is not Section 15 likely to lead to litigation as it stands: "The said railway shall be constructed and worked from a terminus to be approved by the Minister on the Derwent Valley Railway to a terminus to be approved by the Minister within the Western Mining Division, and shall have a gauge of Three feet six inches, with curves of not less than Five chains radius, and steel rails of not less than Forty-three pounds to the yard, and gradients not steeper than one in forty adhesive or steeper than one in twelve where the Abt, Fell, or other approved system may be sanctioned by the Minister. The line shall be constructed in terms of the specifications set forth in the Schedule hereto: Provided that after survey such deviations in the matter of grades and of minor details may be so modified as the General Manager of Railways may recommend the Minister to adopt."—Is not that Clause likely to cause litigation? I think that this whole question about these curves and grades has been raised unnecessarily. I am quite satisfied that no engineer of standing would vexatiously interfere with the use of minimum curves and maximum grades by any company.

284. But look at it this way, Mr. Patterson—take this Section—now you know the construction the Promoters put upon that; they say that they can put in these curves and grades where they like, and the Government say they cannot—now is there not an element of doubt about that which should be removed, and which, if not removed, might lead to litigation? I understood that the question had been settled.

285. Oh, no? Well, if it is not, it should certainly be cleared up.

Mr. Propsting.—Has it not been settled by the amending Act?

Mr. Butler. That has been eliminated; the present Bill puts us back to the same Section.

The Witness. That provision in the Amending Act clearly defines the position.

286. *By Mr. Butler.*—But we are now asked by the Government to give that up; and we therefore come back to this as it is in the Act; and I asked you whether there is not an element of doubt here which should be removed, and whether it is not unwise for us to give that concession up—now, I am reading from a letter written by Mr. Henry Dobson and Mr. Russell Young, on the 26th of April, 1900 (Paper No. 17, page 11, paragraphs 3 and 4):—"From letters received by Mr. Palmer from London by to-day's mail we notice that the contractors are relying upon the Act passed last Session in reference to curves and grades. If, therefore, the benefit of this Act is to be given up, it can only be done upon the terms offered by Mr. Palmer, namely—that the Scottsdale Railway be taken as the standard for curves and grades to be used in the construction of this railway. Should any dispute arise between the Colony's engineer and the contractor's engineer in reference thereto, the same can very easily be disposed of by appointing an engineer beforehand to settle all such disputes."—Now, do you think that is a fair proposal? No, I do not; not fair to the Government of the Country. The thing is too vague. Disputes will arise constantly between the contractors and the Government, and you must have one authority to decide them.

287. But there he is—an engineer is to be appointed beforehand by Government and the contractors—it is not to be an engineer named by the contractors alone—you understand that? Well, I must say that I should prefer that the Government should keep the matter of curves and grades in their own hands.

288. That is looking at it from the Government's standpoint—would not that be a fair proposal from the general standpoint? I should prefer that the Chief Engineer of the Government should decide.

289. Supposing you were a contractor concerned? Oh, if I were a contractor, I should prefer this; but what I should prefer as a contractor, and what I think should be done by the Government of the Country, are different things altogether.

290. Is this proposal fair to the contractor? To the contractor—oh, certainly.

291. Is it safe for the colony? Not so safe as the other.

292. Supposing the whole thing was going to fall through altogether, would it not be more to the advantage of the Colony to accept this than to let the whole thing go? Certainly it would be more to the advantage of the Colony to accept it. I was going to illustrate what I meant just now by referring to this: supposing there was a dispute between the engineer, the Government Engineer, and the contractor—under this proposal, that dispute has to be referred to an engineer appointed by both the Government and the contractors. If that proposal were adopted, see what endless difficulties would arise. Suppose that it was extended—

293. It is not proposed to extend it—it is only to apply as to these curves and grades—we do not ask it for anything else—what do you say to that? At present it may seem to be a mere matter of detail; but it is a very vital matter, in my opinion.

294. *By Mr. Sadler.*—Mr. Patterson, would you be prepared to build a properly-equipped and safe line, such, as the present Company proposes, under the amended Bill, for £600,000? Yes.

295. And you are prepared to put up a sum of £20,000 straight away, to prove your *bond fides*? Yes.

296. Now, with regard to the Scottsdale line—there is a lot of rock-cutting on that line, I think? Yes, a lot of very heavy rock-cutting.

297. And other very extensive works? Yes.

298. And, of course, there is no comparison whatever between the two lines? No; one is a surface line and the other a solid, enduring work.

299. Last for ever? Yes.

300. And I suppose, in fact, that the Scottsdale line was one of the most difficult lines in the country to build? Yes; and one of the best in the country when it was built.

Mr. Butler.—It did not cost so much as some others. The Derwent Valley line cost £9100 per mile; and the Western £9023.

Mr. Sadler.—Of course, the Western Railway was built in the early days, and it was a broad-gauge line.

The Witness.—In their estimates, the contractors were about £60,000 too low for the Scottsdale line.

301. *By Mr. Sadler.*—You do not know whether they cleared their expenses or not? I know what they told me. I know that they did not; they lost four or five years of their time.

302. *By Mr. Butler.*—I want to ask you, Mr. Patterson, what the cost of the Mount Lyell Railway was per mile? I do not know.

303. I am informed that it was £6700? Possibly. That is very difficult country, too.

304. Was that a long line? No, it was not; 23 miles, I think.

305. Is the Zeehan line a long line? Difficult country, that, and different construction again.

306. *By Mr. Sadler.*—Do you know what ballast is proposed to be used on this Great Western line? Yes.

307. What is it—sand, or metal, or gravel, or what? You can use anything.

308. And on the Scottsdale line? It was all blue stone and gravel.

309. And all the work is concrete work? Yes.

310. And on this line there is no concrete? No concrete at all.

311. And there is no doubt about the safety of this line? Oh, this line will be quite safe; certainly.

312. At a speed of not less than 15 miles? Yes.

313. *By Mr. Gaffney.*—You have already stated, I think, that you are prepared to build the line according to these plans and specifications for £600,000? Yes.

314. How do you get at your estimates—there is only a small portion of the permanent survey done, 25 miles I think? I have seen surveyors. But I go principally by the fact that I am able to use 5-chain curves as often as I please, and continuous grade at my option. That involves practically a surface line.

315. You estimate the distance at 140 miles? Yes.

316. Well, making a surface line—that enables you to run round when you come to a difficult part, and you would lengthen your line very much? Yes; lengthen the line, of course.

317. And you would be prepared to build a railway according to these plans, without any extras, for £600,000? I would like to have the chance; that is, according to the amended Act, not the original Act.

318. *By The Acting Chairman (Mr. Guesdon).*—You know the terms of the contract that was entered into between Messrs. Pauling & Co. and the Company? Yes.

319. And you know that the engineer of the Company, acting on behalf of the shareholders, was to exercise his discretion as to the use of these curves and grades? Yes.

320. Well, do you think he would be acting in the interests of these shareholders if he allowed these curves and grades to be used in such a way as to enormously increase the cost of maintenance of the line after it was constructed? It all depends on the objects of the Company; whether it was intended to sell to somebody else.

321. Well, you saw the prospectus the Company was floated on, and the undertaking entered into by Messrs. Pauling & Co., in respect of the consideration they got in shares—supposing you were acting as engineer in that Company, would you consider it right to allow a use of curves and grades in such a way as to increase the cost of maintenance, and so deprive your Company of a reasonable profit on the working of the line—do you think you would be working honestly if you did? It depends upon my circumstances. If my instructions were to get the cheapest line I could, I would use the curves and grades wherever it was possible. If economy was not to be regarded so much as the cost of future maintenance, I should limit them.

322. Are you aware that in the drawing of that contract, all through it, the engineer of the Company was allowed to approve first of the use of the curves and grades in the terms of the Act? Yes.

323. But it was distinctly provided that after he had approved of all such curves and grades, each decision must subsequently be approved by the Minister of Lands? Yes.

324. Would you not allow that that is a great and sufficient protection to the Colony—would not you regard that as a fair contract? The engineer of the railway, although he has the discretion, says to the contractor, "Before you are entitled to act on my decisions, they must be submitted to the Minister of Lands; and upon his approval the whole thing hangs." Don't you consider that a fair contract? I do.

325. Well, that, as you know, is the contract that was drawn up between Messrs. Pauling and Co and the shareholders? Yes; but that does not give absolute control to the Government.

326. The Government always have the eventual right of approval—you know the Act provides, in Section 17: "Provided further, that all detailed plans of any of the works, together with specifications under which the same are to be executed, shall also be lodged with the Minister as the construction of the said railway proceeds—and the Promoters shall construct the railway in accordance with the plans, sections, and specifications so deposited with the Minister, and thereafter approved of by him, with such alterations therein as he may have approved or required to be made."—The approval of the Minister is paramount all through these sections—you see that? I think these contentions have been raised needlessly. The Company had every protection under the original Act.

327. But the Section I have just read to you is clear: "And the Promoters shall construct the railway in accordance with the plans, sections, and specifications so deposited with the Minister, and thereafter approved by him, with such alterations therein as he may have approved or required to be made."—The paramount power in these Sections is the approval of the Minister—in this contract that was drawn up, that paramount power was recognised right through—therefore, there is no evidence there of a desire on the part of the Company to build, what you call, a surface line, unless the Minister was prepared to approve of a surface line? He cannot help himself.

328. Not with these powers in his hands? It would be unreasonable. The object of this thing is to obtain a surface line.

329. But if the Minister says, "I decline to approve of these plans"? I do not think he is likely to do that. I do not think, as I have said before, that there is any need to raise this question at all; there would never have been any bother about it.

330. I agree that there has been no difficulty in this Colony as to the curves and grades; but, you see, from the evidence, that there is a feeling in England, with reference to the affairs of this Company, that the Government of Tasmania is hostile to the construction of this line—with that feeling of distrust at Home, would you consider it an unreasonable thing for the contractor to ask that this question of curves and grades should be submitted to the joint discretion of a representative of the Company and a representative of the Government, with a third to decide in the event of any difference arising, only in the matter of when these curves and grades are to be used? I think the Government should be the supreme judge.

331. Would you regard that as an unreasonable request? No, certainly not.

332. Would you consider the Colony would be fairly safe-guarded with such a tribunal as that to deal with? It might be; I do not like these mixed tribunals.

333. You know what the specifications of the Emu Bay line are? Yes, I have seen them.

334. Do they vary in any particular respect from these? Well, they vary in this way: that on the Emu Bay line they are putting up very enduring structures—iron spans to the bridges, and so forth.

335. Are you aware that in the contract entered into by the Company provision was made by Mr. Brunlees that the bridges should be spanned with iron? I do not know about that; I am going by the Act.

336. You know the specifications of the Emu Bay Railway? Yes, I have been through them.

337. Do they differ materially from these? They are much more detailed than these, as far as I remember.

338. Do you know the specifications of the Mount Lyell or the North Lyell Railways? No, I have not seen them.

339. *By Mr. Gaffney.*—Then I would understand that the offer you propose as to making this Great Western Railway for £600,000 is owing to the cheapness of the material you would have

to use—that enables you to make such an offer? It is because the conditions of the amended Act would enable me to get a surface line.

340. You remark as to culverts—they would be built of timber you would get along the line? Exactly: yes.

341. You would not be compelled to bring blue gum? Oh, certainly not. As to my offer, I would point out that the contractors, Messrs. Pauling & Co., themselves only get £559,000; the rest of their payment is to be in scrip. My price is really more than theirs if the value of the scrip is such as has been represented.

342. In a well constructed railway, then, you would have concrete or brick work in embankments? Yes.

343. Therefore, by being allowed to use the material of the country, you could complete the railway cheaper? Yes, and much more expeditiously.

344. You would not be able to build the Emu Bay Railway on such terms? No; the things do not come together at all.

345. *By Mr. Propsting.*—One question, Mr. Patterson—you say that the Company can use any ballast that they choose? Yes.

346. Sand, I think you said? Yes.

347. What reason have you for saying that the Company could use sand as ballast?—

Mr. Sadler.—Mr. McCormick says in his letter that sand ballast is specified.

The Witness.—It is not in the Act, but I have seen it somewhere. It is in the contract of Messrs Pauling & Co.

348. *By Mr. Butler.*—You describe the Main Line Railway as a surface line? Yes.

349. Do you know what speed they run over that line? 23 miles an hour.

350. Do you know if there have been any serious accidents on that line—with reference, I mean, to the curves and grades? I know that an engine went over one of the curves and turned upon its back.

351. Do you know that the contract for the Main Line Railway allowed the Company to use 4-chain curves? I do.

352. And do you know if they did use them? I believe there is one.

353. One in 122 miles? Yes.

354. Is it there now? I believe it has been taken out; I am not sure.

355. And could you improve upon that line? Very much, if you gave me the money. The Minister of Lands, in the House the other day, pointed out that £70,000 would be necessary to cover the cost of taking off, reducing a grade, and enlarging the radii of some curves.

Mr. Patterson withdrew.

CHARLES HENRY GRANT, *called and examined.*

356. *By Mr. Butler.*—Your name is Charles Henry Grant? Yes.

357. You have had considerable experience of railways? I have.

358. You were the Manager of the Tasmanian Main Line Railway for many years? I was.

359. You know Section 15 of the Great Western Railway Act, which provides that the maximum of grades shall be 1 in 40, and the minimum of curves, 5-chain? I do not know it positively; but if you say so, I accept the statement.

360. That is so—you also know, I think, that there has been a different construction put upon that Section by the Government officers and by the contractors? I know there is a difference between them on this subject.

361. The contractors claim the right to use the curves and grades wherever they think necessary, and the Government say that is not so? I know that the Government have been insisting upon their having the right to dictate what the curves and grades shall be, and that the contractors very naturally object to the sole control of the curves and grades being in the hands of the Government, without appeal.

362. You think that is the only thing for the contractors to do? I certainly think so.

363. Now, I will just read you a portion of this letter which has been written by Mr. Dobson and Mr. Young to the Premier—(Paper No. 17, page 11, paragraph 4):—"From letters received by Mr. Palmer from London by to-day's mail we notice that the contractors are relying upon the Act passed last Session in reference to curves and grades."—"That Act gave us the right to use the minimum curves and maximum grades wherever the contractors thought it necessary."—"If, therefore, the benefit of this Act is to be given up, it can only be done upon the terms offered by Mr. Palmer, namely, that the Scottsdale Railway be taken as the standard for curves and grades to be used in the construction of this railway."—"That is the point I want your opinion on."—"Should any dispute arise between the Colony's engineer and the contractors' engineer in reference thereto, the same can very easily be disposed of by appointing an engineer beforehand to settle all such disputes."—"Now, do you think that, in the event of the contractors refusing to construct this railway, rather than lose the benefit of the railway to Tasmania, the Government could fairly agree to that last Clause, namely, that should any dispute arise with reference to the curves and grades it could easily be settled by the Government and the contractors agreeing to appoint an

umpire? I think it is a very equitable and necessary Clause. I might say, with Mr. Patterson, that perhaps the contention over these curves and grades is somewhat unnecessary, because the contract, I believe, provides that the plans and sections should be subject to the approval of the Government. I have been concerned in many railways acting for contractors as against Governments. Mr. Patterson has mostly been a Government engineer. In all my contracts it was prescribed that the plans and sections should be subject to the approval of the Government; in the construction of the Main Line that was so. I think that is a sufficient safeguard for the Government, and therefore there need not have been any question now about this matter of curves and gradients, because, as a rule, the engineer for the contractor never unnecessarily uses curves and gradients to the prejudice of the line, unless it is to save money in very substantial amounts indeed. Because it must be remembered that the use of many curves in the making of a surface line involves the lengthening of that line very considerably, and an engineer always endeavours to get the shortest possible line between two places. That is the cardinal maxim of railway engineers. No engineer would use more curves than could reasonably be helped. Gradients are determined by the nature of the country. I think that reference to the Scottsdale line is misleading, for the reason that you cannot adduce one part of the country or one description of country as against another part or description in the matter of curves and gradients; each must stand on its own bottom.

364. Then you think a mutual referee would safeguard the Colony and protect the contractors? I think it is only reasonable that the contractors should have that safeguard. Although the contractors would be perfectly safe with the present staff, still another Government engineer might come in who might have fads, and be unreasonable. In making a line, a difference of a few feet in the centre line may mean a matter of thousands of yards of earth-work, and the contractors are naturally jealous of placing themselves entirely in the hands of a man of whom they have no knowledge.

365. This is a letter from Messrs Norton, Rose, & Co., to Mr. Bakewell, dated 5th June, 1899—I will read an extract:—"Taking the principal points that occur to us in order, it must be borne in mind that when a doubt was raised by the proposed contractors as to the real construction of Section 15 of the Act, the Government insisted upon the construction least liberal to the Company, and claimed that the maximum grade and minimum curves specially authorised by the Act should not be used as a matter of right, but must be in each case at the discretion of the Government engineer. If this construction were to be maintained as a general principle in such contracts, it would render calculations by contractors impossible, because, instead of being able to make their own calculations upon the basis of the limits authorised, they would have to make allowance for the possible or probable peculiar opinions of the Government engineers—in other words, they would be entirely in the hands of the Government engineers; and, as the natural result, in accordance with the practice of contractors, who are naturally obliged to protect themselves against all dangers of the kind, they assume a more than reasonable stringency on the part of the Government engineers, and add a very large margin to the contract price. This actually arose in the present case. The contractors required terms which necessitated providing for the creation of another £200,000 of debentures, and indemnifying the contractors against any special demands by the Government engineers in respect of curves and grades."—Do you think that is a reasonable opinion? Perfectly so. It is reasonable in the interests of the contractors who take the contract for a line without knowing the officials they will have to deal with. They might have to deal with an engineer strongly prejudiced in favour of an absolute straight line, who would have a nearly straight line at all costs, even when it involves a question of millions of money, where thousands only might be spent if deviations were made. A reasonable character should be given to all contracts; and, as to this particular matter, in case of dispute there should be a referee.

366. In examining Mr. Patterson just now, Mr. Grant, in answer to a question, and having the specifications before him, he said that the object of this thing is to obtain a surface line—now, you have read this specification? I have not had time; I have not seen it, as a matter of fact.

367. Here it is—would not that be the specification for an ordinary good railway? Of course, without reading it, I could not say; but at the time when the Bill was passed it went through my hands, and I thought the specification was quite safe enough for the character and prospects of the line to go through that country.

368. Just to go back to the amending of these contracts, Mr. Grant—I want to put it to you this way: these contractors being in England, and the Tasmanian Government being out here, is this a natural position for the contractors to take up? Certainly I would not advise the contractors to take a contract without some safeguard of this kind, although, with the present staff, I should think they were quite in the right hands.

369. But they not being on the spot? They not being on the spot and not knowing personally the controlling powers, they are, of course, quite justified.

370. You heard Mr. Patterson, I think, state that the Main Line Railway is merely a surface line—is that not an exaggeration? It was made on a stringent specification of curves and gradients, the same as this is—only not so generally stringent. It provided for a light line. A surface line is scarcely the right name to use. The object was to save earthwork as much as could reasonably be done. Practically, the surveyors of the Main Line Railway were uncontrolled; they made their curves and gradients as they pleased, and the saving of expense was thought a very important consideration with them; especially as the price agreed upon by the Colony and the Company for the

construction of the line indicated in itself that it should be a light line, and could not have any other interpretation. But the fact in this, as in all surveys, would be that the best was done that was reasonably possible. You saw that lately a question was asked about the alteration of gradients at two important points. These matters were thoroughly investigated, and although the gradients are very objectionable, it was proved by Mr. Back's own surveys, and by the advice of the professional advisers that the Government had over at the time of construction, that practically the surveys of the contractors could not be improved upon. The contractors, I am quite certain, in a matter of this kind, would do justice to the Colony, and there is no occasion for any extra severity of specification against them.

371. *By Mr. Sadler.*—Would this line compare favourably with the Main Line? I do not know the country; but the specifications are certainly strict enough to make it compare favourably with the Main Line.

372. *By Mr. Propsting.*—Then do we understand, Mr. Grant, that you consider that if the original Act were adhered to, it would impose a hardship upon the contractors? I say it might: that is, having reference only to the particular point I have been under examination upon.

373. I mean as to curves and grades? I think that the matter can very well be left with the provisions that the plans and specifications should be approved by the Government, and I do not think there should be any special reference to curves and grades in the Bill. The general specification that the curves should not exceed five chains or the gradients one in forty, and that the plans should be subject to approval is ample for the protection of the Colony.

374. And do you think that there is required, in addition to that for the protection of the Contractors, a provision that a referee should be appointed? No, not without that Clause giving the Government absolute control over the curves and grades is kept in. I do not think that the contractors, Messrs. Pauling & Co., would object to the general Clause that the plans and specifications have to be approved by the Government engineer, if that part making the curves and grades absolutely at the discretion of the Government engineer were eliminated.

375. There are three positions really under consideration.—There is the Clause in the original Bill as to curves and grades, Clause 15?—That is a reasonable Clause, I think. Is that objected to?

The Chairman.—That is amended in this Act. It takes the discretionary power out of the hands of the Government, and places it in the hands of the engineer of the Promoters.

376. *By Mr. Propsting.*—Then there is the clause now proposed, to give the whole of the discretionary power over to the Government,—it is really a worse position than the original one—it says, in plain language, that the Government shall have sole control—what do you say to that, Mr. Grant? I do not think any difficulty would arise under the original Clause.

377. Do not you think, Mr. Grant, that in the event of the contractors objecting to the clause now proposed, the country would be fully safeguarded and the contractors satisfied if a referee were appointed? Yes, I think so—mutually appointed.

378. *By the Chairman.*—I would like to put the point to you in another way—you see, here is the amended Act, which puts the discretion in the hands of the engineer of the Promoters; and here is the original Act which provides that the discretion should be in the hands of the General Manager of Railways? Well, I take it that, personally, I should have no objection to adopt that Clause; but then there is a special Clause placing the discretion entirely in the hands of the Government engineer; it puts an entirely different complexion on the matter.

379. But taking into consideration that the whole plans and specifications are to be deposited with the Minister, and not to be acted upon until they are approved by him, is there any necessity at all for the latter part of this Section? No. I think that Clause should be in the original Act, because it specifies what is only in general terms elsewhere.

380. But is it necessary to have this latter provision at all—the power of approval rests ultimately with the Minister or his officers, does it not? I think that was intended to be rather in favor of the contractors; but it is an awkward wording, certainly. There is no occasion for it; certainly not.

Mr. Henry Dobson.—It was held to be in the contractors favour in England; but in Tasmania the Law Officers of the Crown held that it was dead against them.

381. *By the Chairman (to witness).*—I would like to ask you this question—Mr. Patterson said that there was a 4-chain curve on the Main Line—is that correct? No; there is not one on the whole running line. The curves and grades were inspected by Mr. Green, the eminent engineer from Victoria, who could not find any fault with them. It has been frequently said that the gradients were false; but it has been proved that that is absolutely inaccurate.

Mr. Grant withdrew.

HENRY DOBSON, *re-examined.*

The Honourable Henry Dobson was recalled.

382. *By the Acting Chairman (Mr. Guesdon).*—You know that under the original Act, if the concessions made to the Company expired, it was on the 26th November, 1898? Yes.

383. The Bill was passed on the 26th November, 1896? Yes.

384. And two years afterwards, if the concessions did lapse, they lapsed on the 26th November, 1898? Yes.

385. You are aware that Sir Philip Fysh, who was a member of the Government at that time, continued to be a member of the Government for some time afterwards, before he went Home to take up the position of Agent-General? Yes.

386. But you know that under date of London, 20th April, 1899, (page 2 of the Appendix, par. 2), Sir Philip Fysh says:—"I hope their local expenditure is continued to your satisfaction, thus keeping alive their rights under the Act."—You are aware of that? Yes.

387. Well, certainly, when Sir Philip Fysh left here he could not have been aware that the Government had decided that these concessions were forfeited? No; he wrote as if the concessions were all alive.

388. Did he leave here subsequent to the 10th December, 1898? I think he left early in January, 1899.

389. Then, it seems that he was here on the 10th December, when Mr. Alfred Dobson gave his opinion (page 5 of the Appendix) that the concessions had lapsed? Sir Philip Fysh wrote months afterwards, as though the concessions were alive. That is what the people at Home could not understand, and they naturally thought that there was some rooted objection on the part of the Government to the thing going on at all.

390. Then I will draw your attention to another thing—Mr. Moore's letter, on page 5—"I have the honour to inform you that under the Great Western Railway and Electric Ore-reduction Company Act, 1, as Minister of Lands, have elected to retain the most eastern block north of the proposed Great Western Railway, and westerly alternate blocks coloured blue on the plan attached to the Company's application deposited in the office of the Surveyor-General, leaving the alternate blocks coloured red on the said plan available to be acquired by the Great Western Railway Company in pursuance of any Act authorising such acquisition."—That is dated 30th December? Yes.

391. In that letter, Mr. Moore, as a Minister, practically admits that the concessions are still alive? Quite so, and that information was given to them in England; and they had that information when the Government cabled that the concessions had lapsed. The people at Home could not understand that inconsistent position.

392. *By Mr Sadler.*—Yesterday you told us that the ore-reduction works were to be a distinct company? I have only Mr. Palmer's statement as to that, and you will find it in the evidence.

Mr. Butler: Question 339, Parliamentary Paper No. 71, 1899, page 16, reads:—"339. That is, the Bill would not touch them at all? No. We have practically made arrangements for a subsidiary company of £200,000 to work the electric power."

393. *By Mr. Sadler:* If that is the case, and that was the project by which he proposed raising the funds to cover the anticipated loss on the working of this railway, would it not be better to start the ore-reduction works first? No; I think the railway is absolutely necessary first, to open up the country and to find more mines.

Mr Butler: We could not put our machinery up until we got our railway to take it there.

394. *By Mr. Sadler.*—I suppose there is some prospect of that being carried out? I believe that arrangements were made for that to some extent.

395. As far as we know now, the capital is not already subscribed? No, it was subscribed; but now they have to commence *de novo*. That does not mean that they will have to get entirely new and different financiers; but it means that you cannot ask financiers to lay down £400,000 to buy debentures with until they see the Act setting forth the terms of the altered concessions.

396. Then this Preamble is premature, is it not—"Whereas by an Act of the Parliament of Tasmania, intituled 'The Great Western Railway and Electric Ore-reduction Company Act,' certain rights, powers, and authorities and privileges were vested in certain persons, in the said Act, called 'The Promoters,' for the construction, maintenance, and working of a line of railway from a point on the Derwent Valley Railway to some point within the Western Mining Division, upon the terms and conditions in the said Act mentioned: And whereas it has become necessary to extend the times limited and fixed by the said Act for the commencement and completion of the construction of the said railway: And whereas the Promoters may desire to construct only a portion of the said railway, commencing at a point distant about Thirty-five miles west of Glenora to be approved by the Minister, and extending to some point within the Western Mining Division, to be approved by the Minister; and in such case the Promoters offer to construct such portion of the said railway in a more substantial manner," and so on—Of course, until this is accepted by Parliament, would not this Preamble be premature? You may say that every Bill is premature, until it is passed by Parliament. They say they may desire to complete the alternative railway; and they offer to do it in a more substantial manner than is provided in the Act. It is an offer to the Ministry, who are the servants of Parliament.

397. Then this is conditional on Parliament giving £200,000, and the other money being found at Home? Quite so.

398. *By the Chairman.*—As a matter of fact, it was originally understood by the Promoters and the Government that the two Bills were to run through Parliament concurrently—the Bill giving effect to the expenditure of £200,000, and this Bill; but the Government insisted that this Bill should take precedence? Our Bill is to go first; but I understand that the Government Bill is to come close on its heels.

Mr. Dobson withdrew.

Mr. Butler: I would like to point a few things in the last Report, because, going on this last Report, we have ample reason to come to the Government and ask for an extension of time, and, also, for the assistance of the Government in the way that is being done, by building a portion of the line, and so removing in the minds of the London financiers that idea of hostility on the part of the Government which is abundantly proved by reference to these letters. I wish that the new members of this Committee would peruse the last year's Report, because you really cannot take one without the other. The present proceedings are not so full, and these letters are not repeated, as they really should be. I should like the Committee, if they would do so, to peruse, if it were only the Appendices of last year's Report. If you will bear with me for a minute, I will just shortly inform the members how it was that this Company got into this position. In 1896 the original Bill was passed. Within two months the Company had to put down a sum of £2500. That was done. Sir William Clarke found that money. In March, 1897, Sir William Clarke came over to Tasmania, and was interviewed by a *Mercury* reporter, to whom he stated that the prospects of the line were very favourable. In the May following, Sir William died, and his executors asked for the return of the £2500 lent. Before the 26th May, the Company had to pay £10,000 in order to comply with the conditions of the Act. The Company in Melbourne went into liquidation. The assets of the Company were sold. The purchasers went to Adelaide; and on the eve of the expiration of the time, £10,000 was telegraphed to Tasmania. I want to show you, gentlemen, the trouble and the difficulties we have had to contend with in putting this matter before the public. Since that was done, Mr. Palmer, the Company's representative, set to work to gather information together to take to England, in order to put this matter before the financiers. He collected a heap of information in a pamphlet, which was produced to the Committee last year. He started for England, and had got as far as Adelaide when the branch-line question arose. That brought him back again to Tasmania, and he was here four or five months. That important matter of the branch-lines was disposed of, and he again started for England, and arrived there in the early part of 1898. When he was in England, Messrs. Horne & Bakewell had the flotation of this matter in their hands. They kept it for some time, and the matter was not floated. The Fashoda incident came up, war between France and England was seriously talked of—talked of, indeed, was considered inevitable; and as every financier knows, that sort of thing delays the flotation of a scheme like this; in fact in the evidence it is stated that that did delay it. Messrs. Horne & Bakewell failed to float the matter, and handed it to Mr. Palmer, and he, or his people, telegraphed some £500 to keep the rights under the Act going by continuing the construction that had already been commenced. The matter was then put in good trim, and a strong Board of Directors was formed. Sir Philip Fysh wrote out here and stated that a very good Board had been formed. Matters were going on satisfactorily, and the contract would have been signed, when Sir Philip Fysh sent a cable message asking for the interpretation of the section dealing with curves and grades. Mr. Palmer has stated in his evidence, that the contractor desired to test the question of whether the Government was hostile to the project or not, and so wished that question to be put. A reply came, that these curves and grades could not be used. As a result of that, Mr. Palmer had to get £200,000 extra, to cover any loss that might be incurred by the Company through the enforcing of the stringent provision *re* curves and grades. Again, matters were going on swimmingly, when a telegram came from Tasmania that the rights had lapsed. Mr. Trevis Moore's evidence—and he is an entirely disinterested witness, and puts it very mildly—is, that the telegram did not assist the flotation. Mr. Palmer says that it completely stopped it. They took Sir Edward Clarke's opinion on that question, and he advised them that rights had not lapsed; and on that another telegram came from this side, saying that a new Bill would be introduced, giving them the rights again. On that, Sir Philip Fysh writes out, saying that he hopes the Bill will remove the "burning fear" that the Government were hostile. He himself, the Government representative in London, could not but admit that there was a fear in the minds of the financiers that the Government were hostile. Well, Sir Philip Fysh was asked to take a seat on the Board of Directors. He was not asked to take a seat on the Board of Directors until the Company had been floated. His name did not appear on the prospectus like Sir Edward Braddon's did on the prospectus of the Emu Bay Railway Company, so that nobody could say that the Company had been floated on the representation that the Agent-General was a director of the Company. He promised to take a seat on the Board, and he received instructions from this end to withdraw, and he did so—although as he states in his letters, the Promoters asked him to reconsider his decision to withdraw, and he wrote to the Government here to ask to be allowed to remain. After he had withdrawn a telegram appeared in the *Times*, the leading paper of London, to the effect that he had withdrawn from the Board; thus making public property what had merely been known to a few of the leading financiers in the scheme. That pretty well settled the whole concern, and Mr. Palmer could not then induce the financiers to advance any money until, as they put it, a guarantee was obtained from the Government—not to assist them with money, but to remove the fear that they were dealing with a hostile Government. And they point out in these letters here that, in the case of the Midland Railway of New Zealand, the Government were at first friendly; while here, as they point out, the Government is already hostile; and they say, "How can contractors put themselves in the hands of a Government which has already shown the cloven hoof, and does not intend to treat them with the liberality they could reasonably expect?"

Mr. Palmer then came out to Tasmania, in order to get some sort of guarantee from the Government to satisfy the London financiers. Mr. Palmer, when the Select Committee met last year, was told that if the Government amended the Act, that should be sufficient for us to re-float the Company on. The amended Act was sent to England, and Messrs. Bakewell and Brunlees have informed the Adelaide Board that they were unable to float without some guarantee from the Government that they were not hostile. Then these negotiations were entered into by the solicitors of the Railway here and the Government of Tasmania. During the time of these negotiations, some four or five months, no work could be done, and our rights will lapse on the 1st August next if we do not get an extension of time. That is absolutely in order to keep the rights alive. I think members of this Committee will agree with me that we have not shown laches in dealing with the matter. There is ample evidence of *bonâ fides* in this correspondence with the Government; ample evidence that we intend to carry out the line if we can only convince the English people that the Government is not hostile, and that they will be treated in a liberal spirit. I might say, as to the question of curves and grades, that the Great Midland Railway Company has these apparently objectionable Clauses in its Bill, and nobody objects to them; and what it is fair to give one railway it is surely fair to give another. Mr. Grant's suggestion seems to be a very fair one, and should guide Members as to the treatment we should receive. I hope, gentlemen of this Committee, that before you come to any conclusion, you will read the correspondence in the Appendices of last year's Report. I do not think it is necessary to go through that myself, although I have marked it up, and had the time been longer I should have asked you to do so. I think that Mr. Gaffney's suggestion that we should get 12 months, in case this alternative railway is not built, is a very fair one, particularly when we come to take into consideration Mr. Patterson's statement as to the survey. I understand that the Minister has promised to take survey work as construction, so that the question I asked of Mr. Patterson need not be pressed; although, otherwise, it might be necessary to press it. Mr. Back says the railway will take five years to build, and Mr. Patterson says it will take three. Anyhow, we leave the case in your hands, to give us such fair treatment as will enable us to obtain for the Colony a railway which everybody will admit must be an advantage to Tasmania. Looking at the evidence given by my learned friend, Mr. Dobson, as to the cost of the railways to the Colony, surely this railway, which will bring them in three per cent. on the £200,000 they are asked to spend upon it, should be passed without hesitation. Is there any other railway that is doing so well? I do not think that there is; indeed, I am sure that there is not.

FRIDAY, 20TH JULY, 1900.

HENRY DOBSON, *re-called and examined.*

399. *By Mr Gaffney.*—From the printed correspondence I find that Messrs. Dobson & Young wrote on 9th May that £400,000 was underwritten by some of the most substantial capitalists in London—is that correct? It was correct at one time; but the situation has been altogether altered during the last year, as I have already shown. You have the letter from the Agent-General, printed in the correspondence, stating that Mr. Palmer had allied himself with some of the most substantial and well-known financial men in England.

400. A cablegram from the Agent-General repeated by Dobson, 15th May (p. 4, No. 17), says "Important alterations necessitate *de novo* underwriting"—how do you explain that, if the capital or a large part of it had been already subscribed? The meaning is what it says, or rather what has been explained. The debentures were underwritten, but the flotation was stopped for the reasons given. The Premier pressed us to show that the underwriting still held good under the altered conditions. The underwriters very naturally wanted to know what these altered conditions are. We cannot say that the underwriting still holds good. How can you expect men, when they have underwritten under certain specified conditions, to say that they will allow their underwriting to remain good when the conditions are entirely altered, and when they have to depend entirely on the terms which may be passed by a Parliament 12,000 miles away. They say very properly that they cannot now be bound to their agreement until they see the new Act. Although the Promoters have to commence with the flotation *de novo*, they have to go to the old underwriters and ask them to renew their agreement. When the Government asked that the underwriters who had agreed to underwrite the concern under the existing Act, should allow their underwriting to hold good under a new Act which had not yet been introduced into Parliament, they were asking the impossible. When the statement was made that the amount had been underwritten it was perfectly correct; but now, all the conditions are altered, and the Promoters have to commence *de novo* under the new Act, with its altered conditions.

401. Was Mr. Lawder correctly described, in the issued prospectus of the Company, as a Royal Commissioner of Tasmanian Railways? I had nothing to do with the prospectus; that was prepared in England.

402. *By Mr. Sadler.*—Had not Mr. Lawder been engaged as a Royal Commissioner on Tasmanian Railways? I think he was one of the Royal Commission on railways, being associated with Messrs. Stanley, of Queensland, and Zox, of Melbourne.

403. *By Mr. Gaffney.*—Was Mr. Lawder's estimate of profit to be earned by the railway sufficient to pay interest on debentures, share capital, and leave a margin for other purposes, as stated in the Great Western Railway prospectus, justified by facts, in the opinions expressed by Major Officer and Mr. Palmer before the Select Committee on the original Great Western Railway Bill? I did not go into that; I am not competent to give an opinion.

404. Did the Agent-General see and approve of the prospectus I have referred to, or, if not, what prospectus was it to which he was ready to give his name as a director? On that question, the Agent-General says, in his letter to the Premier, dated 19th May, 1899, published in the Appendices to the last Company's Report,—"The prospectus, for the contents of which, as a Director, I might have been responsible, is not being published for the purpose of obtaining subscriptions for share capital. Before I was asked to join, all the share capital, preferent and ordinary, had been underwritten as to which, therefore, I have absolutely no responsibility. Therefore, as Mr. Hansen agreed with me, that responsibility was to be measured by the trust imposed by investors in the £600,000 debenture capital, I may not be able to enclose with this the prospectus, as the draft has yet to undergo, at my suggestion, certain modifications. This gives me the opportunity to say I have found all concerned to be sternly critical of all statements claiming documentary support before accepting them, and that the names of all the firms associated in the prospectus are exceptionally reliable. Messrs. Bircham & Co., solicitors to the trustees of debenture holders, is the same firm who had charge of the Government case *v.* the Tasmanian Main Line Railway Company, and with them, and every one associated, I have had the fullest intercourse; and from them been enabled to gather all the details of the negotiations. The capital formed by preference shares and debentures is a first charge on net earnings, and any further profit, as a dividend on the original share capital. All risk, therefore, lies with the holders of share capital, who, if the venture be a success, get paid; if a failure, nothing." The Agent-General evidently thoroughly satisfied himself as to the reliability of the prospectus. He had the services of the solicitor to some of the underwriters, and went carefully into the matter. But, as a matter of fact, the prospectus was not issued. The letter of the Agent-General, which I have just quoted, I think, covers all the objections that could reasonably be raised.

405. Mr. Patterson has offered to construct the line for £600,000—in view of this offer, are not the very much larger sums proposed to be given in cash and shares greatly in excess of what should be paid, unless the shares are recognised as being valueless? The cash that the Promoters are to receive will be to a very great extent swallowed up in the cost, which the Company has had to meet up to the present. Besides, you are dealing with a prospectus which never was and never will be issued. The prospectus which the Promoters now propose to issue will provide that the ordinary share capital of the Company will be largely reduced. The issue of first mortgage debentures of £100 at 5 per cent. interest is to be reduced from £600,000 to £400,000. The contractor has underwritten the £500,000 worth of preferential shares himself, therefore taking upon himself an enormous risk, thus showing that Messrs. Pauling have confidence in the venture. This firm, of large experience, are also prepared to take half payment for construction in the preferential shares of the Company. So far as the ordinary shares go, I do not place much value on them at present.

406. Out of a Company of 2½ millions the Promoters are asking £895,000 in shares and cash? The cash asked for is very moderate compared with other flotations, and as stated before, you are quoting from a prospectus that will never be issued.

407. No value at all is then placed on the ordinary shares? They only come in after the debentures and preferential shares have been paid their interest in full.

408. Is it not often found that shares are worth more before the railway is built than they are afterwards—the Emu Bay Railway shares were worth more before the work was commenced than they are now? Shares fluctuate in price.

409. Did you not say in the House of Assembly last Session, that this line would run through a barren waste, except for minerals? I did not mean that the whole of the country was valueless. I was thinking of the button-grass plains, which are valueless, except for minerals. I was pointing out that the value placed upon the concessions granted to the Company by some people, both in and out of Parliament, was excessive and sometimes ridiculous; the concessions have been so hedged round by conditions that in any discovery of minerals made on the Company's land the Colony will reap a larger revenue from it than if it were found on Government land. In addition, were a rich mine found on one of the blocks of the Company, on top of the 2½ per cent. royalty, the Colony reaps all the benefit from the increase of population, expenditure of wages, receipts from customs, &c.; the colony has made a good bargain.

410. Will not the contribution of £200,000 by the Government for the construction of part of this line be naturally regarded by British investors as an act by which the Government and Colony become associated with the Promoters? No; I think that a scheme has now been devised which absolutely keeps the colony free from the Company. The Government refused to subscribe to the debenture capital of the Company; they refused to guarantee any portion of the capital—in short, told us plainly that the Government and the Colony must not be mixed up with the prospectus or with the Company in any way. The Government is now proposing simply to extend their own railway a distance of 35 miles into what is known to be very fine country in the Florentine Valley. No one can fairly draw a connection between the Government and the Company under the conditions of the present proposal.

411. You said that this land was of no value now? I have not said so. The statement to which you refer was in reference to the button-grass plains along the Linda track, over which I had

travelled and which is a barren waste, unless minerals are discovered there, but there is really good land in the Florentine Valley.

412. Are you aware of the fact that there has been for many years a good macadamised road into the Florentine Valley? I do not think that there is a macadamised road there; a road was made very many years ago.

413. I have been informed that there is a good macadamised road? You mean, I suppose, the road that was made in Governor Denison's time.

414. If the land is good would it not have been taken up seeing that there was a good road? Do you not find that the good land back from the Coast, even on the North-West Coast, requires railway communication before it can be profitably worked. That is the case in the Wilmot Valley the people there are asking for a railway because the land is too far back for road traffic.

415. But those people went back and took up the land first, and now very properly, when they have made their homes, they are justified in asking for a railway—if the land in the Florentine Valley is good, why have not the people gone in there and taken it up? Settlement is increasing in that locality. I know of many persons who are taking up land at Tyenna.

416. *By Mr. Urquhart.*—There seems to be some confusion about the 800,000 ordinary shares—I understand that in the original prospectus there were 500,000 preferential shares, and a certain amount of capital in debentures which was to construct the railway—is that so? Yes, precisely so.

417. The other, or ordinary shares, are taken up by the syndicate for what they are worth? Yes.

418. If, then, they took only 100,000 ordinary shares they would get no more than if they made them into 800,000? At the present moment, I think the ordinary shares are of no value.

419. The preferential shares and debentures are the first charge, and after that is met the ordinary shares take all the profits, is it not so? Yes, that is so.

420. Then, what does it matter whether the remaining profit is divided among 800,000 shares or 100,000 shares, if the Promoters take them all? That appears to be correct.

421. *By Mr. Sadler.*—How many shares are there altogether? I cannot say. The original prospectus was never issued and I do not know how many shares there will be in the new prospectus which is not yet, I understand, prepared.

422. Under the original prospectus I understand that the Company was to consist of 2,250,000 shares, out of which the Promoters were to take 800,000—practically one-third? Yes, but the shares to be taken by the Promoters are only third-degree shares and did not share in the profits until all the other shares had received their interest. That was in the original prospectus, but now the Company will be floated on totally different lines.

423. *By the Chairman.*—Is this Colony concerned in any degree as far as this railway is under the prospectus of this Company? It is not concerned in any way, and cannot be.

424. Is this Colony conceding certain water and land concessions in exchange for the construction of this railway? Yes, that is so.

425. Is this Colony concerned in any way in the profits or losses of the Company? No, not in any way.

426. *By Mr. Urquhart.*—Are not the land and water concessions restricted? Yes, on all minerals found on its land the Company has to pay a royalty of 2½ per cent.; and if any large discoveries are made on the Company's properties the Colony will be much better off than if similar discoveries were made on ordinary Crown lands.

427. Does not the same apply to the water? Yes, the Company has to pay so much per sluice-head for all the water it uses, and return it back into the stream from which it was taken.

428. As a matter of fact, this land is second-class land? Except the 20,000 acres in the Florentine Valley, as far as we know.

429. Then it could be bought for 10s. per acre? Yes.

430. *By Mr. Butler.*—In the event of the Company's blocks proving valuable, would not that increase the value of the Government land? Yes, undoubtedly.

431. Is it not just as likely that discoveries will be made on the Government blocks as on the Company's blocks? Yes, certainly, it is all chance.

432. Can any of this land become valuable without a railway? No; it must always remain as it is now, unproductive, until it has railway communication.

433. Has not Mr. Frodsham reported that there is a large area of good land in the Florentine Valley? Yes.

434. Has not some prospecting been done in this country since 1896, when you described it as barren land? Yes, prospectors have reported that there are promising mineral shows there.

435. Has not a man named Terry given evidence stating that he has been prospecting, with satisfactory results, in that district? Yes, I have heard of several prospectors who say that they have made good finds there.

436. Has Mr. McLean made a favourable report of a discovery there? Yes.

437. Is it a fact that the Derwent Valley Railway is now worked at a loss? Yes, that it shown by the Report of the General Manager of Railways.

438. If the Great Western line were constructed, is there not a provision in the Company's Act that they have obtained running powers over the line from Glenora to Hobart? Yes.

439. Will the Company not have to pay for that? Yes, for every passenger or parcel they carry.

440. Will not that traffic go to make the Derwent Valley line a profitable one, or rather to reduce the present loss? It is bound to reduce the loss: it must add considerably to the profits of the line, and would probably make it a profitable line.

441. As to Mr. Patterson's offer to construct the Great Western Railway for £600,000—you heard it stated by him that the distance was 140 miles—has not the distance been ascertained by survey to be 160 miles? Yes; 160 and some odd miles.

442. Mr. Patterson states that his estimate was based on only hearsay evidence? Yes; from Mr. Howard Wright and others.

443. Do you know if Howard Wright was negotiating with the Government to build a railway from Hobart to the West Coast? Yes.

444. Can he not be looked upon as a rival competitor? He is out of it now, I suppose, but he and Mr. R. Jones were the first to propose the railway, I think.

MR. GEORGE E. MOORE, *called and examined.*

445. *By Mr. Butler.*—What is your name? George E. Moore.

446. You are an engineer? Yes; I am a M.Inst.C.E.

447. Were you engaged in railway matters? Yes.

448. Will you tell us where, and in what capacity? I was until recently in the employ of the Indian Government, where for many years I was employed as railway engineer. I was also Government Inspector of Railways, at Calcutta, for the last five years. Altogether, I was 25 years in the employ of the Indian Government.

449. All that time as a railway engineer? Yes, almost entirely.

450. Then you have had large experience in railways? I think I may fairly say so.

451. What is the character of the country there? The character of the country through which the railways pass is various, from very easy to very rough.

452. Is there any difficult country? Yes, there is the Himalaya country.

453. Have you been at our West Coast? Yes.

454. Do you know the Mount Lyell and North Lyell Railways? Yes. I went over the North Lyell Railway six weeks ago.

455. What is the nature of the country through which it passes? It is very rough country for 15 miles from Kelly's Basin; then it is fairly easy country to the Linda Valley.

456. Can you give us an estimate of the average cost of that line? It would cost a little over £6000 per mile.

457. Do you know the Mount Lyell and Emu Bay Railways? I have passed over the lines.

458. Have you ever seen wooden culverts in the West Coast railways? I have never seen any others.

459. Would you consider wooden culverts good enough to put in on those railways? It depends on what money you have. No one will deny that stone is better than wood. In new countries, however, the practice is to put in wooden culverts, and when the country becomes more settled, then stone is put in or brick. It is difficult, sometimes impossible, when constructing a railway in such difficult country to get brick or proper stone.

460. Would it be very costly to afterwards replace the wooden culverts with masonry or concrete culverts? It is the proper thing to do when the traffic justifies the expenditure.

461. You have heard of the Great Western Railway and its route? Yes.

462. One of the conditions which the Government are imposing is that the contractors shall commence work simultaneously at the Glenora end, at Gormanston, and at the Western terminus—would that increase the cost of construction? I should think so, very largely.

463. In what way? The contractors should get the material at one end and carry the work right through. If there are any large tunnels or other works likely to cause delay, they would go on with the work there—carrying the work on from one end would be the more economical and proper way under ordinary circumstances in such a work as this. If the contractors can get easy access from one end they will do so, but to start platelaying at both ends is not desirable.

464. Is that the general practice? Yes, the economical practice; you must have the men together as far as possible, and under one supervision, to do good and economical work.

465. The average cost of the Government railways in this Colony is about £8159 per mile, including the purchase of the Main Line and the construction of the North-Western line, which is a broad-gauge railway—I asked the question to a witness, how it was that a private company could build a railway so much cheaper than the Government could—can you explain anything as to that? I cannot explain that; I do not see how it can be if the same specifications are given to be worked to.

466. For instance, the Derwent Valley line cost £9100 per mile; would you think it a low estimate to continue that line from Glenora on to the West Coast at a cost of £4300 per mile? The conditions are not quite equal. The Derwent Valley line has masonry bridges, but, under equal specifications, it would be much more expensive to build a line from Glenora to the West Coast than from Bridgewater to Glenora.

467. Why should a private company build a line cheaper than the Government? I cannot understand why, unless it would be that they would look better after their own interests.

468. If you were going to give an estimate for the construction of a railway from Glenora to the West Coast, what would be your first step? I should first have a survey made.

469. Suppose no survey were made, would you not want to go over the country? Yes, I should go over the country gathering information, and, by the aid of an aneroid, form as good an opinion of the country as I could get.

470. You would ascertain the length of railway? Yes, as far as I possibly could.

471. What value would you place on an estimate based on purely hearsay? I should probably add 50 per cent. to the estimate.

472. If it were a low estimate, would you place much reliance on it? Certainly not.

473. If that estimate were nearly less by half than the average cost of railways in Tasmania, what then? I should disregard it entirely; but, if possible, I should get a similar line in similar country, and add 50 per cent. to the cost of the hearsay estimate for contingencies.

474. Section 15 of the Act says:—"The said railway shall be constructed and worked from a terminus, to be approved by the Minister, on the Derwent Valley Railway to a terminus, to be approved by the Minister, within the Western Mining Division, and shall have a gauge of three feet six inches, with curves of not less than five chains radius, and steel rails of not less than forty-three pounds to the yard, and gradients not steeper than 1 in 40 adhesive, or steeper than 1 in 12 where the Abt, Fell, or other approved system, may be sanctioned by the Minister. The line shall be constructed in terms of the specifications set forth in the Schedule hereto: provided that, after survey, such deviations in the matter of grades and of minor details may be so modified as the General Manager of Railways may recommend the Minister to adopt"—under that Section would you claim to use the minimum curves and maximum grades, at your discretion, if you were the contractor? If no restrictions were placed upon me I would use them as often as necessary to do so.

475. Do you think that by so doing you would render the line less substantial? How could that be so. If there is no danger in one curve, could you increase the danger by multiplying them?

476. If the Government put a different construction on that Section, would you, as a contractor, have to submit to it? If it were a material difference I would contest it in a court of law; if not material, I would submit it to an umpire.

477. You would have a limit to the curves? Yes; it is customary to do so. In the case of reverse curves, a certain amount of straight should be put in for reasons of economical working, and of course this would be longer in easy country, but in rough country a lesser amount of straight would be used. As regards the 1 in 40 grades, it has been the practice for the last 20 years to compensate the ruling or limit grade where it is used in conjunction with sharp curves as the same load cannot be carried on 1 in 40 round curves as can be carried on the straight. Where the 5-chain curves are used, a gradient of about 1 in 44 should be used. If you do not do this, your limit grade is practically reduced to 1 in 35, which means less load and more expensive working. But it does not matter how frequently you use the limit grade, excepting in the cost of working. It means more coal, and consequently it would be against the interest of the Company; but the interest of the Government in the matter—as they will not have the working of the railway—is extremely remote.

478. Last session an Act was passed amending Clause 15, by allowing the minimum curves and maximum grades to be used when the engineer of the Company deemed it necessary. The Government have now asked the Company to give up that amending Section. Do you think that this is a fair request to make on behalf of the Government? I think that it is very probable that differences will arise.

479. It is suggested that when such differences arise the difference shall be referred to a M. Inst. C.E., mutually agreed upon by the Government and by the Company. Do you think that this is a reasonable request? Yes, certainly, I think it fair to both sides to have an umpire.

480. Does it not remove the chance of litigation? To a certain extent; but it is always irritating to a contractor to be bound to the opinion of one man, and that engineer may be replaced by another who may hold quite different opinions; and contractors do not want to be always going to arbitration. They prefer to have the conditions distinctly specified in black and white in the specifications.

481. Looking at it from all standpoints, if the Government desire to limit the use of the curves and grades, you do not think that there is anything unreasonable or unfair in the request to have any difference on that subject settled by an umpire? No; I think it very fair.

482. Considering that the promoters in London fear that there has been a certain amount of hostility to the undertaking on the part of the Government, do you think that this suggestion should be accepted by the Government? Yes; I consider it very fair and reasonable.

483. Is it a vital question? It is very vital to the contractors; it is against the interests of the Company to unduly make use of them, but to the Government their interest seems very remote.

484. Do you think that this line, if constructed, would pay? At the first I do not see how it would pay, but eventually I think it should pay as well as any line in the country. It would have to make its own traffic; but lines like this one always make their own traffic.

485. Are such lines an advantage to the Country? Yes; a very great advantage.

486. You were in England some short time ago? Yes; this time last year.

487. What do you think of the Board of Directors of the Great Western Company? It is a strong working Board; not an ornamental one.

488. Do you know Mr. Tennant, one of the Directors? I knew him well 35 years ago. He was then Traffic Manager on the North-Eastern (England) Railway. He was afterwards General Manager of that Railway, but is now retired. He is a first-class man.

489. Do you know William Frederick Pepper, another Director? Yes, he is a railway man and Director in some of the Argentine railways, I believe.

490. Is he of repute in the railway world? Yes; he is a good man.

491. Do you know Mr. Robt. Miller, another of the Directors? Yes, he belongs to a large London and Calcutta firm. He is managing director of one of the largest lines in India, and is on the Board of other railways.

492. From your personal knowledge you think that the Board is a good one? Yes, it is a very strong Board.

493. Would those men put their names to a false or improper company? No, most certainly not. Their reputation is all-important to them.

494. Do you know Mr. Brunlees? Yes; I know him.

495. Do you know Messrs. Norton, Rose, & Norton? I know them by repute. They are a leading firm of solicitors in the City of London.

496. Do you know Barclay & Co.? They are financiers and bankers.

497. Do you know Pauling & Co.? I have heard very largely of them.

498. What is their class of business? They are very substantial railway contractors; there can be no doubt of that.

499. Would Pauling & Co. lend their name to an undertaking which they did not intend to carry out? Most certainly not.

500. Have they not done large railway works in South Africa? I believe they have done most of the railway work in South Africa.

501. Have those railways been built to the satisfaction of the country? You may be sure of that; I have never heard anything against Pauling & Co. whatever.

502. We have heard a great deal about a surface line being constructed, if the use of minimum curves and maximum grades is unrestricted,—what is the objection to a surface line? My idea has always been to get as near the surface as possible, and every engineer would do the same. It is far better to have your line on the surface than to have it 50 feet upon a bank or down in a cutting.

503. If you have a limit to the curves and grades—that is if the Act provides for a minimum curve and maximum gradient—can a surface line be constructed? You can stick to the contour of the country much more closely if you have a free hand. No engineer will put in a sharp curve for the fun of the thing. A perfectly level and straight line is the ideal line of the engineer.

504. Have you read the evidence given by Mr. Back at this enquiry? Yes.

505. See Question 41.—Mr. Back there admits that a surface line cannot be built where the minimum curves and maximum grades are directly specified—do you agree with that? I do not quite understand what he means by a surface line. I do not follow the question quite. It would be easier, of course, to build such a line on 5-chain curves and 1 in 40 grade, than on 10-chain curves and 1 in 100 grade; but the engineer has to look at economy; and there is no reason why a line, because it is cheap, must necessarily be inferior: it all depends on the country.

506. You would, then, have no objection to a surface line? I repeat I do not know what you mean by a surface line in this connection. If you mean a contour line, of course you follow the contour of the country. You may have to make the line so much longer to obtain a certain height or grade.

507. Having read the specifications, can you say that this line would be a surface line? That is all a matter of estimate; in this case it is all conjecture.

508. Is it not a sweeping assertion to say that this line would be a surface inferior line under those specifications? It is a sweeping assertion, of course.

509. *By Mr. Guesdon.*—Have you read the specifications? Yes.

510. You know the Mount Lyell, and North Lyell, and other West Coast railways? Yes, I have been over them.

511. Would you regard these specifications as fair? Yes; I should regard them as equal, at least, to the standard of those lines. They all have timber culverts, I believe.

512. Is the Emu Bay line superior to what this line would be according to the specifications? I cannot say.

513. You have had, I believe, a good deal of experience in controlling contracts? Yes, I have.

514. As to the use of the expression—"the earthworks should be as light as possible with efficiency"—would you regard that as unusual? Not necessarily so in a line of this kind. You specify that it shall carry a certain weight per axle, and run at a certain speed, and if the engineer carries out those conditions I do not see what else you want.

515. If the engineer were to give more than is necessary, would he not be committing the contractor to unnecessary expense? Certainly; the safety of a line does not depend on the earthworks—it is on the weight of the rails and the ballast.

516. Have you seen the contract between Pauling and the Company, in London, for the construction of this line? No.

517. If I tell you that the contract provides that the curves and grades shall be as specified under the Act, and the engineer in charge of the construction of the line on the part of the contractors specifies that the work shall first be subject to the approval of the Company's engineer, but before he can act on these specifications they have to be submitted to the Minister of Railways of Tasmania for his approval, would you regard that as taking every necessary precaution to safeguard the interests of the Colony? Yes; but I do not see where the contractors' specification comes in. It is the Government specifications which have to be worked up to.

518. Under the contract the engineer provides that the plans and sections shall be submitted to him, and also to the Minister—would you regard that as safeguarding the interests of the Colony? I should think that it provides a complete safeguard to the country.

519. *By Mr. Sadler.*—You refer to a surface line, and prefer it to a well-constructed line with curves and grades, so long as it is well built? You seem to connect an inferior line with a surface line. I do not see where the connection comes in. If you can keep to the surface all the better, earthworks certainly do not improve a line. I should avoid earthworks as far as possible. Earthworks afford no safeguard to a railway.

520. You would not build a surface line for the Government? I do not understand that. In open country you keep to the surface, in difficult country you keep to the surface as far as you can, but necessarily you have to put in curves and grades to avoid useless, heavy earthworks.

521. In the difficult country you would prefer to use curves and grades, but in no other country? I should say, where they can, the engineers will keep a perfectly level and straight line, only using curves and grades where they are necessary to avoid unjustifiable expenditure.

522. No concrete is to be used in culverts—would that make much difference? Wooden culverts are perfectly good for a certain number of years, if the design is good.

523. What would be the life of wooden culverts? That depends on the country and on the timber.

524. You think that this line would pay in future? I think that probably it would pay in time as well as any line in this country.

525. If Mr. Back says that the line would not pay would you set up your opinion against his? No, I would not, but there are no figures to go on. I base my opinion on the fact that a line from Hobart to the West Coast, with a large and increasing population, should pay.

526. *By Mr. Gaffney.*—I understand that you only travelled over the Mt Lyell, North Lyell, and Emu Bay lines? Yes. The North Lyell, I went over that with the contractors and engineer.

527. You are not then in a position to say whether on the other lines they have or have not wooden culverts? No, excepting from observation in travelling.

528. Are you aware that there is a certain kind of wood on the West Coast, that is, Huon Pine, which is much more lasting than other timber, but on the Emu Bay line they use concrete—in building large earthworks, is it usual to put in wood? Wood is only used when it is much more expensive to use better material.

529. You say you do not think that the Board of Directors and the contractors of this Company would lend their names to an undertaking when they did not mean to carry out the work? Yes, I am confident of that.

530. Is it, then, not usual for men to get mixed up with contracts before they know whether they are genuine? They can only depend on the reports of the officers of the company and on the reports received.

531. Is it usual for a firm of contractors, such as Pauling & Co., to give a price or sign a contract for a large railway work without a permanent survey having been made? No, I should say that was not usual.

532. You would hardly expect to hear of a firm such as that named signing a contract for this railway over such rough country, which they have never seen, without a survey having been made? Unless they had a report from someone they could trust.

533. If you had a contract to construct a railway overland to the West Coast, and you had the right to alter your grades to suit the country, would you build a surface railway—run the railway to save the cuttings? As an engineer, I would do that as far as possible.

534. You said, I understand, that it would not matter whether you had one or more grades—could you run your line as quickly, or as cheaply, if you had many of such grades? The limit grades and curves limit the load and the speed, the multiplying the number of such grades and curves only increases the cost of working by necessitating increased consumption of coal, and greater wear and tear on the permanent way and rolling-stock.

535. Mr. Patterson says that he would build such a line as that for £600,000. No doubt he would run over the country with a cheap line, is that not so? I doubt if he could do so on the Government specification. If he made a cheap, inferior line, it would matter very considerably to the company that had to work the line.

536. If he had the right to put in the curves and grades as often as he liked he could make a cheap line? Yes, more cheaply; it is a vital matter to the contractor.

537. *By Mr. Guesdon.*—Is it unusual for a contractor to undertake work of this sort without his having seen the country? He would send one of his staff, or obtain information from someone on whom he could depend.

538. In Tasmania there are works of the same character under similar conditions to this railway, and in practically the same country, and in the same neighbourhood, in some degree—

under these circumstances would it be unusual for a contractor to base a reasonable estimate on such information? That would be valuable information, certainly; but I would add a considerable sum for contingencies.

539. The Railway League and newspaper agencies have obtained information which has been tabulated and sent Home—that would all be at the disposal of the contractor? You can generally leave the contractor to look after his own interests.

540. *By the Chairman.*—Was it ever your duty to supervise the construction of railways for the Indian Government? Yes; I have done so.

541. You are acquainted with the plans and specifications of such railways? Certainly.

542. Do you notice any marked difference between the specifications of this railway and those provided for the contractors in India? No comparison can be made. The railways are not generally built by contractors in India, and the Government would never build railways of this description at all. I know one private line in the hills. Under their specifications they build permanent lines from the start.

543. Did you ever overlook the construction on any lines in India for the Government? Yes.

544. Did you ever see the curves and grades limited? Yes, but the conditions were all quite different. The Government never allowed a line to be commenced until the plans were all prepared, estimates made out, and all information given in detail.

545. Do you think it possible to build a line from Glenora to the West Coast, and utilise the minimum curves and maximum grades as frequently as you like, and construct such a line without any cuttings whatever? No; I do not think it would be possible.

546. We are told that the contractor by using these curves and grades as often as he liked could avoid cuttings? Not at all. In some places it would be found impossible to get through without a cutting.

547. In the event of a difference arising between the Government and the contractor, would it be reasonable for both parties to leave the decision to an umpire? I certainly think so, and that this would be the best way for both parties.

548. Do you think that the joint appointment of a M.I.C.E. would suit, practically, both parties to the difference? I should think so.

549. *By Mr. Guesdon.*—Have you any special reason for not using wood in the earthworks of railways in India? For one reason—the white ant would soon destroy it. In that climate it would be impossible to use timber.

550. *By Mr. Butler.*—The original specifications provide for the use of 43-lb. rails to the yard, and that the ballast shall be 1330 cubic yards to the mile—the Company propose to use 60-lb. rails, and to put in 1760 cubic yards ballast to the mile—in your opinion, is not that evidence of their intention to build a more substantial line than was provided for in the specifications? My idea is that light rails and lesser quantity of ballast are only used to save money. The use by the Company of the heavier rails and greater quantity of ballast will certainly give you a better and safer line.

551. Is there not an engineer appointed on behalf of the Company as well as the Government? There must be.

552. Presuming that you were the engineer for the Company, would you allow the contractor to put in curves and grades as frequently as he liked? Certainly not; that would mean to increase the cost of working. I should restrict their use as far as possible, and only permit them when the necessities of the line actually required their use.

EDWARD JAS. BURGESS, *called and examined.*

553. *By Mr. Butler.*—What is your name? Edward James Burgess.

554. You are a merchant in Hobart? Yes.

555. Were you a surveyor? Yes, for over 20 years.

556. Have you had any experience in railway surveys? Yes, I was engaged in railway work in Tasmania, and also in New South Wales.

557. Do you know the country between Zeehan and Gormanston? Yes, very well.

558. Is the country in that locality not some of the roughest in Tasmania? Yes, it is rough country, and the route that this line would take from Zeehan to Gormanston would be some of the roughest country in Tasmania. The distance being about 16 miles, as the crow flies, whereas the railway route would be at least 40 miles.

559. Do you know the proposed route of the Great Western Railway? Yes, fairly well.

560. What is the length of the line? It will be 110 miles from Glenora to Gormanston, and about 40 miles further to Zeehan.

561. Would the contractors be fairly correct in calling the total length 160 miles? Yes, I should think so. They had surveyors engaged on the work for some months.

562. Can the railway works be carried out on the West Coast on as advantageous terms to the contractor as they can be in other parts of Tasmania? No; the conditions are entirely different. You cannot approach it from different points, owing to the "peaty" and boggy character of the country. You would have to construct it from one end for the actual heavy work.

563. By the construction of this railway, would Hobart obtain any advantage in trading with Zeehan as compared with Melbourne? Undoubtedly, it would. At present we are altogether isolated. Under existing conditions Hobart has no advantage over Melbourne—indeed, the contrary—although part of Tasmania. Freights regulate the trade, and the freights from Melbourne to Strahan are 16s. per ton against 12s. 6d. from Melbourne to Hobart; and as the goods from England can be landed cheaper at Melbourne than at Hobart it will be seen that Hobart is at a disadvantage. If we wish to travel by railway to the West Coast we have to do about 360 miles of railway travelling and the time occupied on the journey would run into three days.

564. What is the population of the West Coast? Zeehan, 9000; Strahan, 2000; Queens-town, 7000; Gormanston, about 3000; and other outlying districts, about 5000; total, about 26,000.

565. With the completion of the Emu Bay railway, and connection with Gormanston, what mileage of railway construction would be required to encircle the whole Colony? The 110 miles between Glenora and Gormanston.

566. If this railway was constructed, what traffic would pass over it? Just at present, not much mineral traffic; but it is always impossible to say what traffic will be created by a railway. The Union S.S. Company has just entered into a contract with the Emu Bay Railway Company to carry 30,000 tons of coal and coke over their railway. If anyone had said before the railway was commenced that such a contract would have been made, he would have been laughed at; the same applies to the traffic on a line from Hobart to Gormanston.

567. What would the passenger-traffic be? There would be, immediately, a very considerable passenger-traffic. The present number of passengers carried by steamer between Strahan and Hobart has steadily increased, and now averages 120 per week each way, and it is a reasonable assumption that, with direct railway service, the passenger-traffic would be at least quadrupled, which, at a return fare of £3 10s., would total £87,000 per year.

568. What about the freight on goods going that way? It all depends on what part of the coast they went to. If they went to the Lyell field, I believe that the railway would carry a fair amount of goods, and certainly a large number of passengers. There would also be, from the very first, a large quantity of produce from the Derwent Valley and adjacent country, including sheep and cattle, which would be carried over this railway to the West Coast.

569. It is understood, Mr. Burgess, that your firm does a very large business with the West Coast? We have been associated with the West Coast since the first inception of its trade.

570. You should then be competent to form a good knowledge of the probable goods-traffic? I think I have a very fair knowledge, and I believe the traffic would be considerable, and must rapidly develop.

571. It has been shown that the Derwent Valley Line does not pay. Would not the passengers and goods carried over the Derwent Valley Line on to the West Coast help to make it pay? Undoubtedly, in my opinion, it would. A large amount of traffic would come to the mineral fields. It is also a fact, that the people on those fields travel by railway more than the average. This is especially the case at Lyell, where the men generally take a holiday trip every year; and I believe that it will be found that the people on the West Coast, with a smaller population, travel fourfold more by railway than do the people of Hobart or Launceston. I am satisfied that if we had railway communication the amount of travelling between Hobart and the West Coast would surprise people. Before five years I am convinced this railway would carry more passengers than is carried by the Main Line Railway.

572. Would there be other advantages to be derived from the construction of this railway? Yes, several. It would open up the country in the Florentine Valley. By official reports to be had in the Lands Department it is shown there are 18,000 acres, of which 12,000 acres are some of the finest agricultural land in the Colony, there being 6000 acres to 8000 acres of land not quite so good. There are also other tracts of good land. Passing up the Gordon you travel through the Rasselas Valley, where there are 80,000 acres of pastoral land including good areas suitable for agriculture. The land in both these valleys—Florentine and Rasselas—have up to the present remained undeveloped owing to the want of communication. They will never be developed until we have a railway through this country. There are also indications of copper, silver, and gold.

573. Have not Messrs. Moore and party reported a good mineral find in that country recently? It was reported so, but this country has for a very long time been known to be mineral-bearing. The late Mr. Chas. Gould, F.R.S., Geological Surveyor, said in one of his reports, which can be found in your official records:—"If we regard the limestone as the highest number of the series, it follows that the line of country between the 'Great Bend' of the Gordon and the West Coast presents every member of the series from perhaps the upper Silurian down to the Metamorphic mica schists and quartzite. It is reasonable to suppose that all of this may be auriferous, and that more valuable tracks will be found to lie in zones running in accordance with the prevalent strike in the direction from 10 degrees to 20 degrees west of north, and east of south." Mr. Gould's report is, I take it, of great value, and he expresses the opinion that this part of the country is second to none in the Colony for its mineral-bearing qualities.

574. Coming to the question of railway construction—in the matter of curves and grades, is it desirable that the Government should agree to the appointment of an umpire to settle any differences that may arise between the engineer of the Government and the engineer of the contractors? I think that the Promoters and the Government should both agree to that proposal. It seems to me to be a very reasonable and fair one.

575. When it is so well known that the Railway Department of this Colony has shown so much hostility to the construction of private railways, and, I may add, to this line in particular, would not the appointment of an umpire to settle differences be a fair proposal? Yes, I think it would be fair.

576. In your opinion, why should the Government be asked to build the first 35 miles of this line? I take it that the object of the Promoters is undoubtedly to restore confidence in the undertaking in England—a confidence that was so seriously shaken some few months back.

577. What governs what might be termed a light-grade railway—is it curves and grades? It is not only governed by curves and grades, and earthworks, but by the weight of the rails and the ballast. I understand that the Company intend to use 60-lb. rails, which would be a superior rail to any rail used throughout on any railway in this Colony. The heavier rail and increased ballast would make a very substantial line.

578. Have you seen wooden culverts used on the railways on the West Coast? I have seen nothing else that I am aware of. It would be very difficult to obtain the proper kind of stone to use.

579. What would be the effect of the Government compelling the contractors to commence work at both ends of the line simultaneously? It would be interfering with the work of construction in such a way—interfere with the general carrying out of the work by the contractors—as to entail an enormous increase in the cost of the work. So much so, that I believe at the Zeehan end the cost of work would be at least 25 per cent. extra, and at the Gormanston end in a similar degree.

580. Why is that so? Because the whole conditions of the work would be quite different, and you would have in addition the unnecessary cost of two extra plants and staff supervision.

581. Does the fact of constructing this railway with 1 in 40 grades make the line a better one, and more expensive, than if constructed on a grade of 1 in 30? Undoubtedly, the 1 in 40 grade will give you a better line. On the steeper grade you would have to reduce your load for all time. In New South Wales, the Government are reducing the grades on their lines to increase the drawing capacity of the engines. This is being done at great expense, but is compensated for by the more economical working of the railways.

582. In your opinion, how does this line, from a traffic point of view, compare with the Emu Bay Railway? I think it would compare more than favourably. In my opinion, it would have many advantages over the Emu Bay Railway—the Emu Bay line, taking it from the West Coast, terminates at an open roadstead, whereas the Great Western line terminates actually (with its running powers over the Government railways) at the only port at present in Tasmania where steamers of all sizes can enter the harbour, either by day or night, without risk of any description, and berth alongside the wharves.

583. Do you know of any (at present) through traffic on the Emu Bay line that it would be reasonable to expect on the Great Western Railway? Only the fact that a contract has been entered into by the Union Steamship Company with the Emu Bay Railway, to carry a large quantity of coke from Burnie to the West Coast. If such a proposal had been made with regard to the possibilities of the Great Western Railway, it would have been “pooh poohed.”

584. Is public opinion on the West Coast in favour of the construction of this line? Yes, generally; that is, speaking for that portion or portions of the West Coast more generally affected by the construction of the railway.

585. What would be the advantages of building this line—that is, would it be more than a convenience? Yes, undoubtedly so; because it would bring about “closer settlement” on the land, and provide a profitable market for producers, bringing them within a distance of, say, 60 to 80 miles with one handling, as against 65 miles rail and 210 of water, with four handlings. Without railway communication, it must remain as it is at present, undeveloped and unproductive for all time.

586. In view of the fact that the Government cannot see its way to make this railway, and so open up the country, what is your opinion as to the Company doing so? I think that it would be a very great advantage to the Colony, and that they should receive every encouragement.

587. How is the West Coast situated respecting fuel and light, and what is likely to be its requirements in the near future? I am personally aware of the fact that every few months the difficulty of obtaining fuel on the settled parts of the West Coast is rapidly increasing. This is becoming a serious question, for in the very near future the West Coast will be practically dependent on coal, which will have to be conveyed there.

588. Would the construction of this railway lead to the development of this mineral country? It is the only possible means of doing so.

589. Would not any discovery made on the blocks of land leased to the Company increase the value of the Government land in the locality—say the alternate blocks? Yes; and it has been proved that roads are useless on the West Coast, because the cost of conveying minerals over the roads is prohibitive, despite the fact that the roads have been constructed at enormous cost. For example, although there was keen competition, some 40 or 50 teams being on the road, it cost £5 a ton to cart ore from Mount Lyell to Strahan—a distance of 25 miles.

590. *By Mr Guesdon.*—Do you know the Derwent Valley? Yes, very well.

391. If you know the productive industries of that valley, would you regard the Derwent Valley area and that of the Florentine Valley, taking the land acre for acre, as an agricultural

settlement, as productive as the land of the North-West Coast? Yes, undoubtedly I would. It would be more productive, as the North-West Coast cannot grow crops which can be grown in the Derwent Valley; such, especially, as hops, which require peculiar warmth and more genial climate.

592. As to area? I say, without hesitation, that the conditions of the country are such as to make it most favourable for production. It produces highly remunerative crops, such as respond to irrigation, and having the natural warmth with moisture, the Derwent Valley is land capable of a very large production. It will grow and produce acre for acre more in value than will the land of the North-West Coast.

593. Do you know the country through which the proposed Wilmot Railway will pass? Yes.

594. Would the area of this country equal that? There can be no disputing the fact that it is very much larger.

595. *By Mr. Gaffney.*—You say that it will be very expensive to carry this line on from Gormanston and Zeehan—how do you expect to have it constructed within five years unless you do so? The contractor would naturally employ men all along the line. He would have thirty or forty parties or gangs of men employed to advantage in doing the light work, so that when he came to the heavy work he would push it through with his plant and appliances.

596. Messrs. Baxter and Sadler, contractors for the North Lyell Railway are admittedly good men—they did not attempt to build that railway from one end? They proceeded just as I explained—from Kelly's Basin their heavy work, and distributed their men for the lighter work all along the line. That is the way that any practical contractors would carry out their work.

597. You say that there are 12,000 acres of good land in the Florentine Valley that would be opened up by this railway—are you aware that there has been a good macadamised road into that country for the last 50 or 60 years? A road was made to the Great Gordon Bend in the early days.

598. And that land has been allowed to remain there without being taken up ever since? Yes, for want of access, and having no market.

599. You have compared the land at Glenora with that of the North-West Coast—have you ever been over the land on the North-West Coast? Yes, several times.

600. And have you compared what they produce? Yes, I have made the comparison you speak of.

601. What, for instance, is grown in the Derwent Valley that is not grown on the North-West Coast? Hops, for instance, which require a very fertile soil and certain climatic conditions which are only met with in the Derwent Valley country.

602. You state that 120 persons travel each way every week, at present, between Hobart and Strahan—if the railway were built, do you think that all these people would travel by the railway? Yes; I believe there would be more than that considerably, for railways, especially such a line as this, always increase and develop the traffic. If you give facilities for travelling, the experience of the world is, that people will travel; and given a railway from Hobart to the West Coast there is every reason to believe that the passenger traffic would enormously increase.

603. Your firm does a good deal of business with the West Coast, I believe? Yes.

604. If this railway were built to-morrow, would you send you merchandise to Gormanston from Hobart by the railway? It would simply be a matter of cost of freight. It certainly is not very cheap now—take the water-carriage to Strahan, 12s. 6d. per ton, then the charge called a wharfrage rate of 1s. 6d. per ton, then on the railway from Strahan to Queenstown, about 25s. per ton, and then another £1 per ton to Gormanston. I think, you will agree, that these charges total up a very considerable item, just on £3 per ton.

APPENDIX A.

To the Honourable the Speaker and Members of the House of Assembly of Tasmania, in Parliament assembled.

The humble Petition of The Tasmanian Great Western Railway and Electric Power Company, Limited,

SHOWETH :

That, by an Act of the Parliament of Tasmania, intituled "The Great Western Railway and Electric Ore-reduction Company Act," certain rights, powers, authorities, privileges, and concessions were vested in certain persons, in the said Act called "The Promoters," for the construction, maintenance, and working of a line of railway from a point on the Derwent Valley Railway, to be approved by the Minister, to some point within the Western Mining Division, to be approved by the Minister, and for the construction of certain works and for other purposes in the said Act mentioned. And by the said Act the Governor was authorised, subject to the provisions of the said Act, to issue to the Promoters leases of pieces of Crown land, not exceeding one chain wide, for the construction thereon of the said railway, and also leases of certain blocks of land as in the said Act mentioned.

That, by virtue of certain deeds and assurances, the whole of the rights, powers, authorities, privileges, and concessions granted to the Promoters became vested in and are now possessed by your Petitioners.

That the Promoters desire to construct only a portion of the said railway, commencing at a point distant about thirty-five miles west of Glenora, to be approved by the Minister, and extending to some point within the Western Mining Division, to be approved by the Minister, and to construct such portion of the said railway in a more substantial manner than is provided for with respect to the said railway mentioned in the said Act, upon condition that they are allowed to retain all the concessions, rights, powers, authorities, and privileges conferred upon them by the said Act.

That your Petitioners desire to introduce a Bill into your Honourable House to amend the said Act and The Great Western Railway and Electric Ore-reduction Company Act, No. 3.

That the proposal mentioned above has only recently been formulated and agreed to, and your Petitioners have not had sufficient time to enable them to comply with the Standing Orders of your Honourable House with reference to the introduction of Private Bills, and it would be most detrimental to the interests of your Petitioners, and also to the people of Tasmania, if the introduction of such Bill should be postponed until the next Session of Parliament.

That the notice of intention of your Petitioners to apply for leave to introduce such Private Bill has been published in the *Hobart Gazette* of the fifth, twelfth, nineteenth, and twenty-sixth days of June last past; and in the *Mercury*, being a public paper published in Hobart, on the seventh, fourteenth, twenty-first, and twenty-eighth days of June last past; and in the *Mount Lyell Standard* of the eleventh, twelfth, fourteenth, fifteenth, nineteenth, twentieth, twenty-second, twenty-third, twenty-sixth, twenty-eighth, and twenty-ninth days of June last past, being a public newspaper published in or nearest to the district affected by the said Bill.

That the general objects of the said Bill are:—

1. To amend Part II., Section 4, of "The Great Western Railway and Electric Ore-reduction Company Act," by striking out the words "a point on the Derwent Valley Railway to be approved by the Minister," in the seventh and eighth lines, and inserting in place thereof the words "the terminus of the Derwent Valley Railway Extension."
2. To amend Section 5, Subsection 1 of the said Act, by inserting the word "Extension" after the word "Railway," in the second line.
3. To amend Section 15 by inserting the word "Extension" after the word "Railway," in the second line, and by striking out the words "Forty-three," in the sixth line, and substituting the word "Sixty" in place thereof.
4. To amend the Schedule of the said Act by inserting the words "Railway Extension" after the word "Valley," in the first line of paragraph one, and by striking out the figures "1330," in the third line of the paragraph dealing with ballast, on page 4, and substituting the figures "1760" in place thereof.
5. To amend Section 3 of "The Great Western Railway and Electric Ore-reduction Company Act, No. 3," by inserting the words "and one" after the word "hundred," in the fourth, twelfth, and twenty-sixth lines thereof, and by striking out the words "the said minimum curves and maximum grades may be used by the Promoters wherever, in the opinion of the Chief Engineer of the Promoters, such curves and grades shall be justified," in the fifteenth, sixteenth, and seventeenth lines thereof, and by striking out the word "Six," in the last line thereof, and substituting the word "Seven" in place thereof.

6. To amend the said Acts in such manner and form as may be necessary for the purpose of carrying into effect the proposals of the Government to construct a portion of the line authorised by the said Acts to be constructed by the Promoters, or any of the purposes of the said Acts.

Your Petitioners therefore pray for leave to introduce the said Bill.

And your Petitioners will ever pray.

Dated this day of , One thousand nine hundred.

THE TASMANIAN GREAT WESTERN RAILWAY AND
ELECTRIC POWER COMPANY, LIMITED,

By their Solicitors,

HENRY DOBSON,
RUSSELL YOUNG,

APPENDIX B.

*General Manager's Office,
Railway Department, Hobart, 19th July, 1900.*

DEAR SIR,

SINCE giving evidence before your Committee yesterday, I have looked up my notes on the trial of the Langloh coal, and find that the result of a very small trial led to the belief that the coal was equal in quality for our purposes to the Fingal coal.

I may say that at the time I had reason to believe that the small quantity of coal sent us for trial was accidentally mixed with other coal, and before giving any decided opinion on the matter I should like to have another trial.

Yours faithfully,

FRED. BACK, *General Manager.*

The Chairman, Great Western Committee, Parliament House.

APPENDIX C.

MONASH & ANDERSON, Consulting Civil, Hydraulic, and Mechanical
Engineers and Surveyors, Australian Buildings, 5th Floor, 49,
Elizabeth-street, Melbourne.

June 18th, 1900.

MEMORANDUM for the GREAT WESTERN (OF TASMANIA) RAILWAY COMPANY, LTD.

I HAVE had submitted to me certain documents relating to the Great Western Railway of Tasmania, and have been asked to express an opinion on them, particularly as to the criticisms of the General Manager and the Engineer-in-Chief.

The documents under review are:—The Enabling Act 60 Victoria, and its 1899 Amending Act; the Works Contract between the Company and Messrs. Pauling & Co., the contractors; the Schedule to the Act 60 Victoria, being what is referred to in the papers as "The Government specification"; the Memorandum from the General Manager (F. Back, Esq.) to the Hon. the Minister of Railways, of April 11th, 1900; the Memorandum of the Engineer-in-Chief (J. M'Cormick, Esq.) to the Minister, of April 20th, 1900.

I have also been informed of the leading objects of the amending Bill about to be submitted to the Tasmanian Parliament.

At the time the memoranda of the General Manager and the Engineer-in-Chief were written, there was a proposal before the Government that the financial assistance of £200,000 then under discussion should take the form of an investment in the debentures of the Company. Since then, however, the Company has agreed to the alternative proposal that this sum should be expended by the Government in constructing, as principals, a portion of the line (about 35 miles), the Government, of course, thus having in its immediate and exclusive power to see that this section of the line is constructed in every respect up to its requirements. This alternative proposal is embodied in the Bill at present before the House.

So far, therefore, as the criticisms of Mr. Back and Mr. M'Cormick were directed against the proposal for an investment by the Government in debentures, it is no longer of any practical interest to traverse them. It will be seen that in Mr. Back's memorandum the whole of the latter portion (namely, the criticisms of Messrs. Dobson & Young's letter of March 16th), falls under this head, and it is now only necessary to deal with the first half of Mr. Back's memorandum.

Nevertheless, both memoranda must be read with a regard to the point of view of the writers at that time, and it is due to these gentlemen to say that their views as to the Company's "works contract" must necessarily have been tinged with the bias created by the objections which they felt to the question of policy then involved, and which has since been definitely abandoned, viz., that the Government should, so to say, become a partner to the contract with Messrs. Pauling & Co.

The Government is not now asked to do so in any shape or form, and the question now no longer is : "Is this 'Works Contract' such as the Government can safely become a party to?" but the much simpler and clearer issue : "Is this 'Works Contract' a fair and proper interpretation of the enabling Acts and Government specifications?"

After a careful perusal and comparison of the statutory requirements and the contract with Messrs. Pauling, I venture to say that, upon the issue now presented, neither would Mr. Back have indulged in his sweeping condemnation, nor would Mr. M'Cormick have pressed into prominence the very few and very minor variations.

Always having regard to the fact that the enterprise is only in its initial stages, that it is quite impossible at this stage to indicate or specify the works in minute detail, and that it is absolutely necessary to draw a contract at such stage on broad lines, with provision for filling in the detail afterwards, I hold the opinion strongly that the Works Contract, and the specification attached, are a very faithful interpretation of the requirements of the Acts and of the Government specification.

I propose to traverse the criticisms of Mr. Back and Mr. M'Cormick (so far as they are directed to showing that the contract is *not* in terms with the Act) in the order in which these criticisms appear in their memoranda.

But, I should like to say, first of all, that in many important respects the specification drawn by the Company's Chief Engineer, Mr. J. Brunlees, M.I.C.E., stipulates for better work and more substantial construction than can be said to be strictly covered by the Government specification; also, that the whole tenor of the contract specification is to make everything that is done subject to Government approval, and the Company's Engineer is therein armed with the fullest power to insist that the work shall be to Government approval. If it had not been inconsistent with Mr. Back's sweeping condemnation of the contract, he would, no doubt, have pointed out these facts in his Report.

The first point taken is, that Section 6 of the contract involves two objectionable provisions—

(a) That the Government specification is to be "varied" by the contract specification.

(b) That the earthworks and masonry shall be small in quantity and light in character.

Mr. Back says these provisions are *ultra vires*. He has overlooked the special application in this direction of Section 18 of the original Act : "The Promoters may make alterations in the specifications deposited as the Minister may approve." No doubt the "specifications" referred to in this Section are not the "specifications" scheduled in the Act; but the operation of the Clause is precisely the same as if they were; for, assume that the "specifications deposited" were, in the first instance, in the exact terms of the "specifications scheduled," and were afterwards amended by the Minister's approval, then the resulting specification would be perfectly in order. How, then, can a proposed specification, avowedly embodying variations (to which, at some future stage, the Minister's approval must, of course, be obtained), be said to be *ultra vires*? The practical result is, merely, that if the "variations" propounded do *not* ultimately meet with the Minister's approval, then they cannot be carried into effect, and that is a matter entirely between the Company and its contractors, and one with which public interests have nothing to do.

As to the second objection, "earthworks and masonry as small and light as possible," no special comment is made, but the provision is quoted *in extenso* in two separate places for the purpose, no doubt, of supporting the statement that it is the intention of the Promoters to give the country "simply a cheap surface line . . . from a traffic point of view, of an inferior character;" that, also, being something less than the Act provides for.

I propose to show that such a conclusion is unwarrantable.

The Legislature has clearly defined what the character of the line is to be.

60 Vict. Section 15 fixes minimum curves to be 5 chains radius, maximum grades, 1 in 40; gauge, 3 ft. 6 in.; rails, 43 lbs. per yard.

Ibid. Section 16 directs that the Railway shall be constructed in a substantial manner, for a speed of 15 miles per hour.

Each one of these stipulations is embodied and carefully emphasised in the "works contract," and not in one place merely, but repeatedly.

It is these stipulations, and these only, that can control the question of quantity of earthwork and masonry. So long as they are faithfully observed, it is not only the undoubted right of the Company, but it is also the duty of its Engineer to provide that the works shall be as light as possible. As soon as the ruling gradient for a railway has been fixed, it is the Engineer's business to select such a route as will make the earthworks, &c., "as light as possible." It is in this very matter that skill in railway location is displayed. So long as 1 in 40 grade is adopted as a ruling grade, what purpose could possibly be served by using instead, say, a 1 in 50 grade, thereby rendering necessary deeper cuttings or taller bridges?

From the Engineer's standpoint, the instruction to make the earthworks, &c. as light as possible (with given grades and curves) is the perfectly proper expression of the principles of economic design, and from the Contractor's standpoint it is an equally proper protection to him that he shall not be required to do more than the standard set legitimately requires.

But from no point of view can the phrase objected to mean that the Contractor will be allowed to do one whit less than that standard requires.

Mr. Back objects that the railway will be a "cheap surface line." If it were so, that would be the fault of the Legislature in setting the standard. Indeed, Mr. Back plainly implies that if the Government lines are of a superior character, they are so not by reason of having a higher standard as to grades and curves, but by reason of having more lavish earthworks, &c., than were really necessary to realise those grades. I feel sure the General Manager did not intend to lay such a charge upon his Engineers.

The General Manager next criticises Section 9 of the Works Contract, and by quotations from Section 17 and 18 of the Act attempts to show that these proposals are also not in accordance with the Act. This is a conclusion which was only possible to a hostile critic. Briefly paraphrased, the matter stands thus—

By 60 Vict. Sects. 17, 18, the Minister must approve of the original plans or alterations in same proposed by the Promoters, or may himself alter them. This affects, *inter alia*, the location of the railway.

By the contract, Sect. 9, the Contractors may locate the line in a particular way, with the approval of the Chief Engineer (of the Company).

Thus, the Company must act under the approval of the Minister, and the Contractor must act under the approval of the Company—where is the conflict here? Is not the contract the only possible business-like interpretation of the Act? How can the Minister and the contractor be brought into legal relationship, or into business contact? Would Mr. Back require that the contractors should take their proposals direct to the Minister for approval without the Company having any voice in the question submitted?

Clearly, the normal course of the business will be that the contractors, having made their surveys, submit their plans to the Company's Engineer, who, after reviewing them in the interests of his Company, deposits them with the Minister. If the Minister approves, there is an end of the matter; but if the Minister does not approve, the Company's Engineer has the fullest power to withhold his approval also. This machinery is expressly provided in Section 9 of the contract.

In this connection I may again point out that the country is not in any way interested in disputes between the Company and its contractors; therefore, in the improbable event of the Company's Engineer giving his approval to a certain location of the railway in defiance of the Minister's disapproval, and of such location having to be subsequently altered and brought into accord with the Minister's approval, the settlement of any claim which the Contractor might make for breach of his contract, would fall entirely upon the Company, and is no business of anyone else.

The next matter criticised by Mr. Back is the conformity of Section 15 of the contract with Section 26 of the Act. He is not only very tentative on this point, but Mr. M'Cormick expresses himself on the same point in the following words:—

"Clause 15. This Clause is not in accordance with the Act, which only permits of permanent opening, whether in sections or final."

This is, indeed, an ultra-refinement.

According to the Act, the Company may "open" for public traffic on such parts of the railway as have been "efficiently constructed."

According to the contract, the Contractors may open for traffic on such parts as have been completed.

Any business man would say that the two provisions mean exactly the same thing. In the contract, Section 15, there is used the phrase "before permanent opening," meaning, no doubt, before the working of the public traffic is taken over permanently by the Company. Mr. M'Cormick objects that there are not to be two openings, the one "permanent," and the other "not permanent." Is this not a mere quibble? When once the line is opened, at all, it matters very little to the public whether it is being run by the Contractors or by the Company; and, so far as the public are concerned, the first "opening" will be the only "opening." Mr. Back now leaps to a sweeping conclusion, which need only be read in the light of what precedes it, to show that the conclusion is entirely illogical, if read strictly, and is, in any aspect, grossly exaggerated.

In view of the small differences in verbiage already pointed out, it is a distinct exaggeration to say that the contract is not in terms with the Act. On the contrary, it can be claimed that the very few and very academic matters which Mr. Back has been able to select for criticism are an excellent warranty that the spirit of the Act, in its really essential operations, has been very faithfully interpreted. It is quite true that the contract specifications are not the specifications in the Act, but it has been already pointed out that the two specifications serve a totally different purpose, the former embodying the latter in all essential particulars, and containing, as well, provisions necessary as between the Company and their Contractors.

Turning briefly to Mr. M'Cormick's memorandum, so far as he covers practically the same ground as Mr. Back, my remarks as above will, of course, apply equally.

Mr. M'Cormick mentions only two other matters which call for any serious comment. He points out that Mr. Brunlees has specified sand-ballast (though, be it noted, only as an alternative to gravel and broken stone). This is, doubtless, contrary to the Act, and doubtless, also, an unwise variation. But I am sure that Mr. Brunlees would be the first to concede the withdrawal of this alternative when the time comes to seriously challenge the use of sand as ballast.

As to rails and fastenings—"These are to be designed by the Company's Engineer," says the contract. "This is contrary to the Act," says Mr. M'Cormick. Did ever an illogical conclusion more signally betray a desire to foresee the worst? Mr. M'Cormick is surely not entitled to assume that the engineer, in designing the rails and fastenings, deliberately intends to adopt any other than the Government pattern. If he did so, it would, of course, be contrary to the Act. But why assume that the engineer intends all along the line to exercise his powers in derogation of the Act?

The criticisms above dealt with are plainly, all of them, *paltry in the extreme*. Not one of the matters is in any respect really vital to the success of the enterprise, and I am of opinion, that judging from the able and comprehensive contract entered into with Pauling & Co., no hesitation, whatever, need be felt by the Tasmanian Legislature, as to the *bonâ fides* of the Company in the carrying out of their statutory obligations.

JOHN MONASH, M.C.E., L.L.B., Assoc.M.Inst.C.E.,
Late Constructing Engineer, Outer Circle Railway, Victoria; &c.

As amended by the Select Committee.

A

B I L L

TO

Further amend "The Great Western Railway and Electric Ore-reduction Company Act,"
and "The Great Western Railway and Electric Ore-reduction Company Act, No. 3."

A.D. 1900.

WHEREAS by an Act of the Parliament of *Tasmania* intituled "The Great Western Railway and Electric Ore-reduction Company Act" certain rights, powers, and authorities and privileges were vested in certain persons, in the said Act called "The Promoters," for the construction, maintenance, and working of a line of railway from a point on the *Derwent Valley* Railway to some point within the Western Mining Division, upon the terms and conditions in the said Act mentioned :

PREAMBLE.

And whereas it has become necessary to extend the times limited and fixed by the said Act for the commencement and completion of the construction of the said railway :

And whereas the Promoters may desire to construct only a portion of the said railway, commencing at a point distant about Thirty-five miles west of *Glenora* to be approved by the Minister, and extending to some point within the Western Mining Division, to be approved by the Minister; and in such case the Promoters offer to construct such

[*Private.*]

* * The words proposed to be struck out are enclosed in brackets []; those to be inserted, in parentheses ().

A.D. 1900.

portion of the said railway in a more substantial manner than is provided for with respect to the said railway mentioned in the said Act, upon condition that they are allowed to retain all the concessions, rights, powers, authorities, and privileges conferred upon them by the said Act :

5

And whereas it is expedient to amend "The Great Western Railway and Electric Ore-reduction Company Act, No. 3," in the manner hereinafter mentioned.

Be it therefore enacted by His Excellency the Governor of *Tasmania*, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows :—

Short title.

1 This Act may be cited as "The Great Western Railway and Electric Ore-reduction Company Act, No. 4."

Interpretation.

2 In this Act—



The expression "[the said Act] (Act No. 1)" shall mean "The Great Western Railway and Electric Ore-reduction Company Act" :



(62 Vict. No. 70.)

(The expression "Act No. 2" shall mean "The Great Western Railway and Electric Ore-reduction Company Act Extension Act" :

20

(63 Vic. Private.)

The expression "Act No. 3" shall mean "The Great Western Railway and Electric Ore-reduction Company Act, No. 3" :

The expression "the said railway" shall mean the railway which the Promoters are authorised by the said Act to construct and maintain :

25

The expression "the alternative railway" shall mean "the said railway" constructed from a point distant about Thirty-five miles west of *Glenora* Railway Station to be approved by the Minister, and extending to some point within the Western Mining Division to be approved by the Minister :



[The expression "the Government Railway" shall mean the *Derwent Valley* Railway and any extension thereof.]

Amendments.

3 The following Amendments are hereby made in the several Sections of [the said] Act (No. 1) in this Section referred to :—



[Section **83**—In place of the word "Two," in the third line, the word "Six" is hereby inserted.]

Section **170**—In place of the word "[Two] (Four)," in the third line, the word "Six" is hereby inserted.

Right to construct alternative railway.



4 The following Amendments are hereby made in the several Sections of ["The Great Western Railway and Electric Ore-reduction Company Act, No. 3,"] (Act No. 1) in this Section referred to :—

40

[Section **3**—After the word "hundred" in the fourth, twelfth, and twenty-sixth lines the words "and One" are hereby inserted.

In place of the word "*August*," in the twelfth line, the word "*February*" is hereby substituted.

45



In place of the word "Six," in the last line of this Section, the words "Seven years and six months" are hereby substituted.]

(Section **4**—After the word "hundred" inserted by the Third Section of Act No. 3, the words "and one" are hereby inserted.

Section **5** Sub-section v. (b)—In place of the words "*August*, One thousand nine hundred" inserted in the said Sub-section

by the Third Section of Act No. 3, the words "*February*, One A.D. 1900.
thousand nine hundred and one" are hereby substituted.

Section 5 Sub-section v. (c)—In place of the word "Six" inserted
by the Third Section of Act No. 2, the words "Seven years
and Six months" are hereby inserted.

Section 171—In place of the word "Six" inserted in the Twenty-
seventh line of Section One hundred and seventy-one by Act
No. 3, the words "Seven years and Six months" are hereby
inserted.)

5 Notwithstanding anything in [the said] Act (No. 1) contained
it shall be lawful for the Promoters, upon giving the notice hereinafter
mentioned, to construct, maintain, and work "the alternative railway"
instead of "the said railway" mentioned in [the said] Act (No. 1),
upon the terms and conditions following; that is to say—

i. That the rails used in the construction of the alternative
railway shall be steel rails of not less than Sixty pounds to
the yard instead of Forty-three pounds to the yard, as
mentioned in [the said] Act (No. 1):

ii. That the quantity of ballast to be used shall be not less than
One thousand seven hundred and sixty cubic yards per
mile, instead of One thousand three hundred and thirty
cubic yards per mile, as mentioned in the Schedule to [the
said] Act (No. 1);

iii. That the Promoters shall commence the construction of the
alternative railway at the western terminus, and also at
a point to be approved by the Minister near *Gormanston*
simultaneously, and continue such construction with reason-
able diligence to the satisfaction of the Minister propor-
tionately on each of such sections.

[iv. That the use of the minimum curves and maximum grades
mentioned in Section Fifteen of the said Act, on the
alternative railway shall be under the control of an
Engineer appointed by the Minister.]

(If the Minister shall refuse to approve any working plan or section
deposited with him under Section Seventeen of Act No. 1 because of
such working plan or section showing a too frequent use of the limit
grades and curves mentioned in Section Fifteen of Act No. 1; then, in
the event of any dispute arising as to the reasonableness of such
refusal, such dispute shall be referred to an engineer to be appointed
in writing jointly by the Minister and the Promoters; and the decision
of such engineer shall, in all cases, be final and conclusive.)

6 For the purpose of enabling the Promoters to construct the
alternative railway, upon giving the notice hereinafter mentioned, on
the terms and conditions named in Section Five, the following
Amendments are hereby made in the several Sections of [the said] Act
(No. 1) in this Section referred to:—

Section 4—In place of the words "a point on the *Derwent*
Valley Railway" in the seventh and eighth lines, the words
"a point distant about Thirty-five miles west of *Glenora*," are
hereby substituted.

[Section 5 Sub-section i.—In place of the words "*Derwent*
Valley" in the first and fourth lines, the word "Government"
is hereby substituted.

Section 5 Sub-section v. (c)—In place of the words "Five years"
in the third line, the words "Seven years and six months" are
hereby substituted.

Section 15—In place of the words "*Derwent Valley*" in the
second line, the word "Government" is hereby substituted.]

(Section 5 Sub-section i.—After the word "railway" in the second
and fourth lines, insert the words "or any extension thereof."

A.D. 1900.

Section **15**—In place of the words “on the *Derwent Valley Railway*” in the second line, the words “distant about Thirty-five miles west of *Glenora*” are hereby substituted.)

Amendments to
Schedule.



7 In case the Promoters shall give the notice hereinafter mentioned of their intention to construct the alternative railway the following 5- Amendments are made in the Schedule of [the said] Act (No. 1):—

In place of the words “*Derwent Valley*” in the first line of the first paragraph of page One of the Schedule, the word “Government” is hereby substituted.

Repeal of Section
as to curves and
grades.



8 In case the Promoters shall give the notice hereinafter mentioned 10- of their intention to construct the alternative railway, the following Amendment is hereby made in [“The Great Western Railway and Electric Ore-reduction Company”] Act No 3,” Section Three, viz.—

The paragraph commencing with the words “Section Fifteen” and ending with the word “inserted” is hereby repealed. 15

Notice to
construct
alternative
railway.

9 At any time before the First day of *February*, One thousand nine hundred and one, it shall be lawful for the Promoters to give to the Minister One calendar month’s prior notice in writing of their intention to construct the alternative railway upon the terms and conditions in this Act mentioned. 20

Alternative
railway to be
constructed as
provided in [the
said] Act (No. 1.)



Promoters to
retain concessions.

10 The said alternative railway shall be constructed, maintained, and worked by the said Promoters upon the terms and conditions and in accordance with the provisions of [the said] Act (No. 1) and the Specification thereof, save and except as amended by this Act.

11 Notwithstanding anything contained in [the said] Act, (No. 1) 25 or in any of the Acts amending the same, all rights, privileges, powers, and concessions conferred upon or granted to the Promoters by [the said] Act (No. 1), and the Acts amending the same, shall remain, continue, and belong to the Promoters, [and the Seven blocks of land already marked out and selected by the Promoters, and approved of by the 30 Minister, shall be leased to them upon the completion of the alternative railway as in the said Act and the Acts amending the same is provided.]

Amendments to
have no effect if
alternative rail-
way not con-
structed.



12 It is hereby declared that Sections Five, Six, Seven, and Eight of this Act have been passed for the express purpose of enabling the 35 Promoters to construct and maintain the said alternative railway; and if, from any cause whatever, the said alternative railway shall not be constructed, the amendments made by the said Sections shall not affect the said several Acts mentioned therein, or the rights, privileges, or concessions conferred on the Promoters by [the said] Act (No. 1) and 40 the Acts amending the same.

[Repeal.]



[13 “The Great Western Railway and Electric Ore-reduction Company Act Extension Act” is hereby repealed.]

Acts to be read
together.



[14] (13) This Act and [“The Great Western Railway and Electric Ore-reduction Company”] Act,” (No. 1) and [“The Great 45 Western Railway and Electric Ore-reduction Company Act, No. 3,”] (the Acts amending the same,) shall be read and construed together as one and the same Act