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T A S M A N I A.

H O U S E O F A S S E M B L Y.

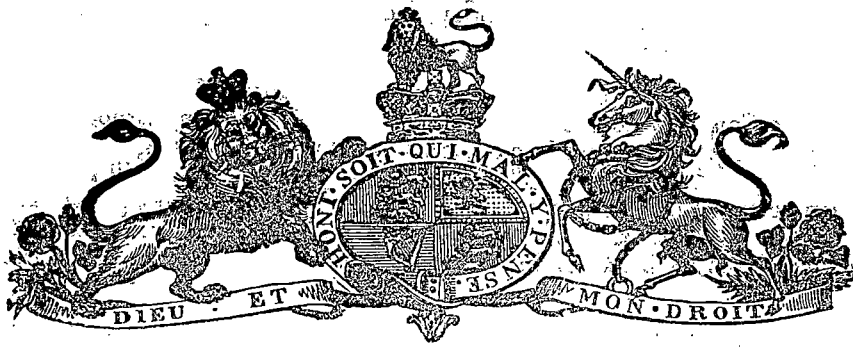
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M A I N L I N E R A I L W A Y.

L E T T E R F R O M C . H . G R A N T , E S Q.

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Laid upon the Table by the Colonial Secretary, and ordered by the House to be printed, October 6, 1876.



*Tasmanian Main Line Railway Company, Limited,  
Engineer's Office, Hobart Town, 5th October, 1876.*

SIR,

I NOTICE in the press reports of recent Parliamentary proceedings that an Honorable Member of the House of Assembly has proposed that a sum not exceeding £1500 monthly should be paid every month, for six months, to the Main Line Railway Company to enable them to perform the train service from the 30th September last; and therefore deem it my duty at the very earliest opportunity to inform you, as the head of the Government, and through you the Parliament, that such payments would not meet the object for which they are intended.

The Company have, with their own resources and the aid of their Bankers, been able to satisfactorily continue the full Contract Train Service from the 15th March last to the present time; and accordingly, as they consider, the sum of £18,678 6s. became due to them on the 30th ultimo, because the traffic receipts have been inadequate to meet the expenditure. Against this the loan for £3000 of the 3rd June last may be set off, leaving a net sum of £15,678 6s. owing.

For each month that the Company efficiently performs the train service the sum of £2708 6s. 8d. becomes due to them at the end of the quarter; and accordingly, on the 31st March next, if the trains be kept properly running, the sum of £31,928 6s. will be due to the Company, against the whole of which sum it is only proposed to advance the small amount of £9000 in order to keep the line open.

Were this even barely sufficient for the purpose I would not trouble you, but the facts are that the whole presently available resources of the Company have been entirely absorbed during the (nearly) seven months of contract running; in addition to which the Company have incurred necessary liabilities which must be immediately discharged, or the line must become a subject of harassing litigation, shortly eventuating in its being closed.

In reply to a very pressing request made this day, the Company's Bankers have decidedly refused any further assistance; and, therefore, my only resource is to the consideration of Parliament if the line is to be continued in operation.

The Company necessarily claim the whole amount of £15,678 6s. which they now consider due; but if it be the pleasure of Parliament to pay the very least amount that will stave off present difficulties, I have frankly to state that £6000 is the minimum sum required, in addition to such periodical payments as will meet the loss in working, which £1500 per month will probably cover, and may be set off against the £2708 6s. 8d. monthly earned.

It will therefore be seen that for the past seven months' efficient working a payment of less than 40 per cent. on the amount earned, or say interest on a less cost than £260,000 only, in addition to a monthly contribution of little more than half the sum due, or say interest on a cost of £360,000 only, will keep the line open throughout the approaching summer season, and give this and the neighbouring Colonies the very great advantage of perfect railway facilities.

The Secretary of the Company informs me in his last communication that, although the Company will be able to provide for any necessary expenditure on the line, irrespective of its amount, on a reliable estimate of all requirements being submitted to them, they cannot prepare to meet an expenditure at present as undefined as its pecuniary results; and, therefore, a preliminary of any financial demand I may have to make on the Company must be a careful and final estimate of all works that can be regarded as incomplete, the more especially as the Company now regard the Contract as being thoroughly and efficiently performed.

With regard to the much vexed question of speed, while the Company are able to point to the train service of nearly seven months, performed with perfect safety and regularity, as a proof that they are perfectly able to carry out in full entirety the terms of the Contract, they are willing to

reduce the speed of the Express Trains to 18 miles per hour, or any other that may be approved by Parliament, and to run the trains exactly at such times as may be defined by the Government, in the terms of the Contract; such reduction of speed to be considered as made wholly without prejudice either to the rights of the Colony or the Company, and the Contract speed to be restored immediately that the Government require it.

I must ask permission to observe that the present position of the controversy between the Government and the Company affords no prospect of its early solution, without this being any fault of the Company; but hope I shall not be considered intrusive in expressing my great satisfaction that the Government propose to appoint a Colonial Engineer-in-Chief, who will be the proper medium of communication between the Company and the Government. It is most painful at present for the Company's officers to have to transact business with those who have no means of verifying any statements that are made on behalf of the Company, and therefore receive them with considerable mistrust.

I trust that on the arrival of the Engineer-in-Chief the present disputes will all be satisfactorily adjusted, and full justice done to both parties. Until then it is only by a little forbearance on each side that the continued benefit of the railway can be secured, and I hope that the Government and Parliament will concur with the Company in such a desirable object.

I have the honor to be,  
Sir,

Your most obedient Servant,

CHARLES H. GRANT.

*Hon. THOS. REIBEX, M.H.A.,  
Premier and Colonial Secretary.*

## MAIN LINE RAILWAY.

*Additional Correspondence in continuation of Paper No. 83.*

*Tasmanian Main Line Railway Company, Limited,  
General Manager's Office, Hobart Town, 14th October, 1876.*

SIR,

NOTICING the result of a division in the Legislative Council last evening on the question of granting aid to the Main Line Railway Company, I have the honor to address you respecting the position of the Company, being now driven to the extreme course of closing the Line for public traffic, and discharging the whole of the employés.

Relying upon Parliament to afford the Company the small amount of help I requested, I obtained the assistance of the Company's Bankers for a limited amount, which has now been expended, and any extension of credit has been positively refused. I am therefore without the means (except on my personal guarantee) to pay the Company's servants their fortnightly wages, due on Tuesday next, and thereafter; and since the expenses continue to exceed the traffic receipts it would not be right to retain the services of those I am unable to remunerate. They must therefore be discharged in the shortest time that is legally possible, and the line finally closed, unless financial assistance is meanwhile rendered.

On behalf of the Company I have therefore to request that you will endeavour to obtain the consent of Parliament to afford such assistance to the Main Line Railway Company as will keep the trains running; the amount necessary for this being Six thousand Pounds advanced at once, and a payment at the rate of about One thousand five hundred Pounds per month, to make up the loss in working the line, so long as the train service is efficiently conducted. The terms of the loan to be such as Parliament or Government may choose to impose, providing that the Contract rights of neither party are impaired. If I could depend upon such assurance being given, I would use every possible effort towards keeping the Railway open, otherwise the Main Line Railway will practically cease to exist; and can only be revived after an enormous expenditure has been incurred in various ways and in reconstructing the works, which must fall into decay when not maintained under constant supervision.

I have, &c.  
(Signed) CHARLES H. GRANT.

*The Hon. THOS. REIBEY, M.H.A., Colonial Secretary.*

*Colonial Secretary's Office, Hobart Town, 17th October, 1876.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 14th instant, informing me that, relying upon Parliament affording assistance to the Main Line Railway Company, you obtained the aid of the Company's banker for a limited amount, which has now been expended, and that consequent upon the result of the division in the Legislative Council on Friday evening last, on the question of granting aid to the Company, you are now driven to the extreme course of closing the Line for public traffic, and discharging the whole of the employés on the shortest time that is legally possible unless financial assistance is meanwhile rendered.

On behalf of the Company you request that I will endeavour to obtain the concurrence of Parliament in affording the Main Line Company such assistance as will keep the Trains running, which, according to your estimate, is a sum not less than £6000, together with an advance at the rate of £1500 per month so long as the Train service is efficiently conducted; the loan to be on such terms as Parliament or Government may chose to impose, providing that the Contract rights of neither party are impaired.

In reply I have to inform you that the Government will be prepared to submit this your definite appeal for assistance on behalf of the Main Line Railway Company for the favorable consideration of Parliament without unnecessary delay.

I have, &c.  
(Signed) THOS. REIBEY.

*C. H. GRANT, Esquire, Manager Main Line Railway.*

## MAIN LINE RAILWAY.

*(Continuation of Parliamentary Paper No. 83.)**Tasmanian Main Line Railway Company (Limited), General Manager's Office,  
Hobart Town, 13th November, 1876.*

SIR,

I HAVE the honor to inform you that, according to advices received from the Secretary of the Tasmanian Main Line Railway Company in England by the last Mail, meetings of the Bondholders and Shareholders had been held to consider the dispute between the Government and Company; and it had been resolved, subject to the final agreement of a General Meeting of all classes of the Proprietors, to be held on the Monday after the departure of the Mail, being the 2nd October, that one of the Directors (Colonel Grey) should immediately proceed to Tasmania, in order to co-operate with me in the endeavour to arrange with the Government a final settlement of all disputes.

In order to attain this result, which I presume is equally the desire of the Government and Company, I beg permission to respectfully urge that the Government should immediately furnish me a detailed statement of their requirements, in order that the Line might, if possible, be made to comply with their interpretation of the Contract conditions.

You are aware that directly the Report of the Inspecting Engineers reached my hands I pressed that full particulars of the objections made to the Line should be communicated to me in detail, in order that such as appeared reasonable might be remedied as far as possible, and those that seemed to the Company outside the general scope of their Contract should be referred to the arbitration of an independent Engineer, who had not been previously consulted in the matter, and whose award should be final and binding upon both parties.

I venture to submit that no serious step can be taken in the pending negotiations until the desires of the Government in regard to the works of the Railway have been clearly and precisely defined; and would therefore strongly urge that such should be communicated to me at the earliest possible opportunity.

The Secretary of the Company again informs me that no objection is likely to be raised to a further capital expenditure on the line, provided such is shown to be a necessary improvement of the Company's property; the more especially if any such an outlay could be made to ensure the regular receipt of the guaranteed interest.

I have, &amp;c.

(Signed) CHARLES H. GRANT.

*Hon. THOS. REIBEX, M.H.A., Premier and Colonial Secretary.*