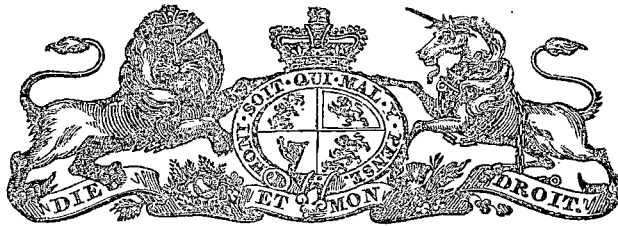


(No. 28.)



1866.

SESSION II.

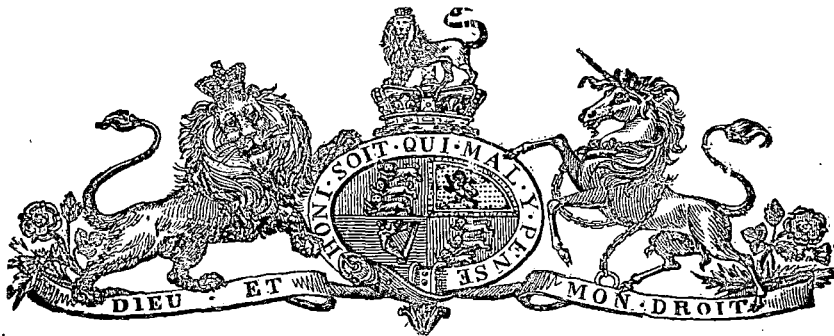
TASMANIA.

LEGISLATIVE COUNCIL.

LAUNCESTON AND WESTERN RAILWAY ACT
AMENDMENT BILL, (No. 27.)

1. Petition in favour of, from Longford. (*Mr. Archer.*)
2. Petition in favour of, from Hobart Town. (*Mr. Kermode.*)
3. Petition against, from Hobart Town. (*Mr. Wilson.*)

Presented, February 6; and ordered by the Council to be printed, February 7,
1867.



*To the Honorable the President and Members of the Legislative Council of Tasmania,
in Parliament assembled.*

The humble Petition of the Warden and Councillors of the Rural Municipality of Longford.

RESPECTFULLY SHOWETH :

THAT your Petitioners have been made aware that a Bill, entitled "A Bill to amend the Launceston and Western Railway Act," has passed the House of Assembly, and is now before your Honorable House.

That the Freeholders of the Railway District, acting under the provisions of the Launceston and Western Railway Act, have by their Votes at the Poll spoken so distinctly in favour of the measure, and have thus so effectually secured the Government against risk, as to render it most desirable that the Bill aforesaid should speedily become law.

That it is most desirable for the settlement of the Public mind, which has been agitated on the subject for a period of Ten years, that a settlement such as the amending Act proposes should be arrived at without further delay.

Your Petitioners therefore earnestly pray that your Honorable House will sanction the said Bill in the form it has been sent up from the House of Assembly.

And your Petitioners, as in duty bound, will ever pray.

WM. DODERY, *Warden.*

H. B. NICKOLLS,
GEORGE GIBSON,
H. DOWLING, JUNR.,
JOHN HALL,
WILLIAM GIBSON,

} *Councillors.*

The humble Petition of the undersigned Inhabitants of Tasmania residing in Hobart Town and Neighbourhood.

RESPECTFULLY SHOWETH :

THAT the amending Railway Bill now before your Honorable House contains ample security from the people of the District to the Government, and they humbly pray that such Bill may pass your Honorable House, and thus allay the public agitation and anxiety on the subject.

And your Petitioners, as in duty bound, will ever pray.

[*Here follow 65 Signatures.*]

To the Honorable the Legislative Council of Tasmania, in Parliament assembled.

The humble Petition of the Citizens of Hobart Town and Electors of the Electoral Districts of Hobart and Hobart Town, in Public Meeting assembled.

RESPECTFULLY SHOWETH :

1. THAT your Petitioners have viewed with surprise and alarm the passage through the House of Assembly of a Bill to amend *The Launceston and Western Railway Act*, 29th of Victoria, No. 24.

2. That your Petitioners consider that the terms granted by Parliament in *The Launceston and Western Railway Act* to a Company of private speculators are amply liberal and sufficient to ensure the commencement and completion of the said Railway, without any further assistance from the Government or the Legislature, if the Promoters and Shareholders and the Landholders of the Railway District were sincere in their professions of belief in the success of the project as a legitimate enterprise, and a remunerative commercial undertaking.

3. That the terms granted by the Legislature to the Company in the said Act are such as would secure the Colony against actual loss either in money or credit, inasmuch as it is provided that one-fourth of the cost of constructing the said Railway (£100,000) should be paid up or expended on its construction before the issue of Railway Bonds, to be guaranteed by the Colonial Government; that such Government guarantee should be limited to interest on the Bonds at £6 *per centum per annum* on a sum not exceeding £300,000; that such Bonds should not be issued below par; and that the Government guarantee should be covered by a reguarantee from the property holders of the District.

4. That the Bill which has passed the House of Assembly authorises the Company to issue Bonds guaranteed by the Colonial Government whenever a sum equal to one-seventh of the cost of construction (£50,000) has been paid into a Bank to the credit of the Company; empowers the Governor to guarantee such Railway Bonds, principal and interest, at £6 *per centum per annum* without any reguarantee from the Railway District for the repayment of the principal; and imposes no restriction upon the issue of such guaranteed Railway Bonds below par.

5. That your Petitioners are strongly of opinion that the provisions of the Bill now before your Honorable House (Section 10) are not sufficient to secure the Revenue against eventual loss arising from its liability for the principal of such Railway Bonds, inasmuch as it has never been satisfactorily demonstrated that the earnings of the proposed Railway from Launceston to Deloraine will ever prove adequate to defray "in any year" the "working expenses" of the Line, estimated by Mr. Doyne at £26,000 a year, and £21,000 a year, or 7 per cent. on the borrowed capital of the Company; a total annual charge of £47,000, showing a positive loss of £5000 a year on Mr. Doyne's estimate of annual receipts, which that Engineer has stated in his evidence before a Committee of your Honorable House at £42,000 a year; and that the provisions of the said Bill (Section 11) afford no real security for the expenditure in the construction of the Railway of any moneys other than the proceeds of the sale of the guaranteed Railway Bonds, so that the Railway will in effect be constructed entirely at the public cost, though not as a national work under Government oversight.

6. That your Petitioners believe and are persuaded that Railway Bonds issued under the Bill now before your Honorable House must certainly and inevitably become an actual charge upon the General Revenue of the Colony, and must eventually be defrayed by the taxation of the community at large.

7. That your Petitioners believe that this proposal that the Government should guarantee the whole borrowed capital, principal and interest, of a private Company formed for the construction of a local Railway, without any pretensions to a national character, is without precedent in the annals of Railway Legislation in any Country; is fraught with great risk of loss to the Revenue and depreciation of the public credit of the Colony; and is unfair and inequitable in its operation upon the general body of the Tax-payers of the Colony, who are thus burdened with the cost of a local and sectional work, the speculation of a private Company of Shareholders, from which five-sixths of the whole population of Tasmania never will or can derive any possible advantage.

8. That your Petitioners are of opinion that, independently of these anticipations of eventual loss to the Revenue consequent upon the certain failure of the Launceston and Deloraine Railway to prove commercially remunerative and self-supporting, there are grave reasons why, in the present state of the Finances of the Colony, the Legislature should decline to place a Loan of £300,000—a sum equal to more than half of our whole present outstanding Public Debt—guaranteed principal and interest by the Government and secured upon the General Revenue, at the uncontrolled disposal of the Directors of a private Company.

9. That your Petitioners believe that the Railway Bonds to be issued under the Bill now before your Honorable House will be disposed of considerably below par; and that the price at which they are floated will immediately rule the selling rates in these Colonies and in London of the Public Securities of Tasmania, and that eventually as the interest falls due on the Bonds, and the Bonds must be taken up or renewed, the Government will be liable to be compelled to raise money to meet these claims upon the Treasury by the issue of Government Debentures below par, and at great possible inconvenience to the Public Service and Financial exigencies of the Colony.

10. That the Government is now under the necessity of forcing the sale in London of a sum of £102,000 to cover the cost, incurred or projected, of the Reproductive Works sanctioned by Parliament: that, since the accession of the present Government to Office, a further issue of Debentures has been authorised by the House of Assembly to the extent of £108,000; and that the Government has declared that it is impossible to proceed further with the Reproductive Works sanctioned by Parliament, or to incur any preliminary expenses in the direction of a National Railway, until such time as the Expenditure has been brought down to the Revenue, and the Finances of the Colony placed upon a firm and satisfactory basis.

11. That your Petitioners are of opinion that, under such circumstances, the Government is not justified in asking Parliament to guarantee the Bonds of a private Company, principal and interest, to the extent of £300,000; and that the Legislature will sacrifice the best interests of the People of Tasmania, unfairly burden the Property, injuriously affect the Public Credit, and depreciate the value of the existing Public Securities of the Colony for the benefit of a private Company of Shareholders, if the Bill now before your Honorable House be permitted to pass into Law.

12. That your Petitioners are of opinion: That the Colony at this moment requires all its borrowing powers and Public Credit for the Colony itself as a whole: that, if it is desirable at the present juncture to create a Railway Loan of £300,000, the Government ought to have proposed to Parliament a general Railway Policy; and that a National Railway between Hobart Town and the Northern side of the Island has a paramount primary claim upon the consideration of the Government and the Legislature.

13. That your Petitioners consider that if the Launceston and Deloraine Railway presents itself to the Government as a necessary work of a national character, and as a safe commercial speculation of certain eventual success, the Government ought to undertake the Work, and expend the cost of its construction under the supervision of its own Officers, and under the restraint of a sense of Constitutional responsibility to Parliament for the proper outlay of such a large and important Loan.

14. That your Petitioners are further of opinion that should this Bill become Law, the expenditure of £300,000 upon the Launceston and Deloraine Railway District, at a moment when all Public Works have been suspended by the Government throughout the Colony, cannot fail to operate prejudicially to the Producing and Agricultural Interests of the Community generally, and must prove specially detrimental to the Commercial and Trading Interests of Hobart Town and the Southern Districts.

15. That your Petitioners are of opinion that the failure of the Promoters of the Launceston and Deloraine Railway Company to avail themselves of the terms offered to them by the Act of 1865, (29 Victoriae, No. 24) after the Landholders have freely rendered themselves liable for the interest on £300,000 constitutes a convincing proof that either the Promoters and Shareholders and Landowners in the Railway District have no faith in their own calculations and anticipations of success, or that Capitalists cannot be convinced of the safety of the speculation and of the remunerative character of the project; and that, therefore, the Legislature would do well to pause before it endorses any modification of a Scheme which fails to command the approval and secure the support of the shrewd and clear-headed representatives of the great money-lending interests.

Your Petitioners, therefore, pray your Honorable House not to pass the Bill, intituled "A Bill to amend the Launceston and Western Railway Act."

And your Petitioners will ever pray, &c.

[Here follow 336 Signatures.]