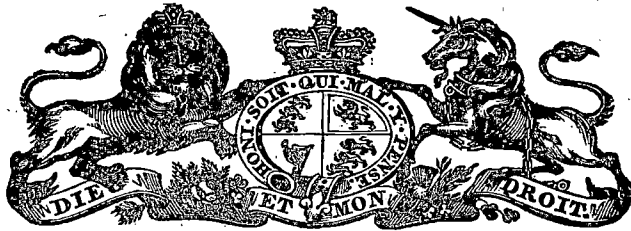


(No. 15.)



1877.

SESSION IV.

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TASMANIA.

HOUSE OF ASSEMBLY.

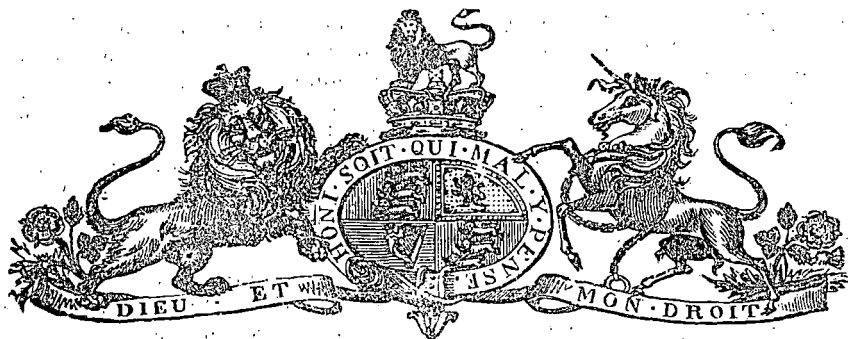
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MAIN LINE RAILWAY.

CORRESPONDENCE.

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Laid upon the Table by Mr. Fysh, and ordered by the House to be printed,  
October 5, 1877.



## MAIN LINE RAILWAY CORRESPONDENCE.

ADVANCES, £17,900—PRINCIPAL AND INTEREST CLAIMED.

*Colonial Treasury, 14th August, 1877.*

SIR,

I HAVE the honor to transmit herewith a Schedule showing the amount of interest and principal due by the Tasmanian Main Line Railway Company on the 1st August instant to the Government in respect of sums advanced by the Treasury to assist the Company in maintaining communication between Hobart Town and Launceston during the months of November, December, January, February, March, April, May, June, and July last.

You will observe that the claim for interest amounts to £452 10s., being at the rate of 6 per cent. on the several sums advanced, from the date of payment by the Treasury. The amount of the principal due is shown to be £17,900, or together £18,352 10s., to which I beg to draw your attention, and to request that you will do me the favour to forward a cheque for the same.

I have, &c.

(Signed) W. R. GIBLIN.

C. H. GRANT, *Esq.*, Agent T.M.L.R. Co.

*SCHEDULE of Interest due by Tasmanian Main Line Railway Company on the 1st August, 1877, on Loans made by the Government.*

<i>Amount of Loan.</i>	<i>Period for which Interest is due.</i>	<i>Interest payable at 6 per cent.</i>
£		£ s. d.
3000	From 1st January to 31st July, 1877, inclusive.....	104 10 11
2500	28th November, 1876, ditto.....	101 1 11
2500	13th December, 1876, ditto.....	94 18 7
1500	19th January, 1877, ditto.....	47 16 8
1500	21st February, ditto.....	39 13 11
1500	21st March, ditto.....	32 15 10
3500	19th June, ditto.....	24 14 9
1900	10th July.....	6 17 5
£17,900		£452 10 0

(Signed) W. H. WINDSOR, *Assistant Treasurer.*

*Colonial Treasury, 14th August, 1877.*

*Tasmanian Main Line Railway Company, Limited, General Manager's Office,  
Hobart Town, 23rd August, 1877.*

SIR,

I HAVE the honor to acknowledge the due receipt of your letter of the 14th instant; also of an account you have prepared against the Tasmanian Main Line Railway Company, Limited, for principal and interest, amounting to £18,352 10s., which you allege to be due to the Government of Tasmania.

You are so fully acquainted with the circumstances under which this money was advanced to the Company, instead of paying them the guaranteed interest, that I need not refer thereto further than to remind you that on the 27th April last I had the honor to forward your honorable predecessor an account for the sum owing to the Company by the Government, which then amounted to £33,015 8s. 5d., irrespective of interest, &c. On the 30th June last this was increased to forty-three thousand one hundred and forty pounds eight shillings and five pence (£43,140 8s. 5d.) and interest, &c., as shown on the account sent herewith.

On the 4th instant I had the honor to address the late Honorable Premier and Colonial Secretary, pointing out the liability of the Government to the Company, and stating that the latter were in such urgent need of money that unless an arrangement could be immediately made for providing the funds the line must necessarily be closed. I also urged this matter personally on the late Honorable Colonial Secretary and Treasurer; and received the reply, dated the 7th instant, that His Excellency the Governor having been pleased to accept the resignation of office by the Ministry, it must rest with their successors to consider the question of continuing financial assistance to the Company.

The great importance, both to the Colony and the Company, of keeping the Railway open is so universally acknowledged, that I feel assured the Government will immediately adopt the necessary measures to secure the continuity of the train service.

In writing your honorable predecessor on the 18th January and 27th April last, I stated that the Company have the strongest possible claim to the payment of the full amount of guaranteed interest owing, both on legal and moral grounds, since a far superior and more costly train service has been given than was stipulated for in the Contract. The whole of the passengers, goods, and live stock requiring transit by rail have been safely and most expeditiously carried; and since the many and high legal authorities that have been consulted are entirely unanimous in the opinion that this alone determines the liability of the Government, I trust that no further delay will be made in the payment of the whole balance due for interest, in accordance with the terms of the contract.

I have, &c.

(Signed)

CHARLES H. GRANT.

*The Hon. the Colonial Treasurer.*

*Colonial Treasury, Hobart Town, 31st August, 1877.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 23rd instant. I regret that owing to the absence from town of some of my Colleagues I have hitherto been, and I still am, unable to reply definitely to your letter; but I can assure you that the question of "continuing financial assistance to the Company" is one which will engage the immediate attention of the Government, and that it will be dealt with, with a desire to secure the continuity of the present train service, so far as that can be done without prejudice to the mutual rights of the Colony and the Company.

I have, &c.

(Signed)

W. R. GIBLIN.

C. H. GRANT, *Esq., Agent T.M.L.R. Company.*

*Audit Office, 17th September, 1877.*

SIR,

I HAVE the honor to remind you that the sum of Seventeen thousand nine hundred pounds (£17,900) has been advanced as a loan to the Main Line Railway Company, and that no provision has at present been made by Parliament for the payment of the amount out of the Consolidated Revenue or otherwise; consequently the sum has been entered in the Treasury Books to an Open or Suspense Account, under Section 17 of the Instructions for the Guidance of the Colonial Treasurer and Auditor, issued under the Audit Regulations. Entries under the same Rule have also occurred for several years past for Advances made to the South Esk Bridge Trustees, referred to in my Report on the Accounts of the year 1876.

On referring to the Section quoted, it will be seen that the rule was only intended to meet cases of temporary emergency; and as considerable inconvenience must eventually arise if such cases are not promptly provided for, I trust that no time will be lost during the coming Session of Parliament in bringing these matters forward.

I have, &c.

(Signed) W. LOVETT, *Colonial Auditor.*

*The Hon. the Colonial Treasurer.*

### CLAIM FOR INTEREST ON £650,000.

*Tasmanian Main Line Railway Company, Limited, General Manager's Office,  
Hobart Town, 24th August, 1877.*

SIR,

IN pursuance of the requirement in the Eighth Clause of the Contract between the Government of Tasmania and the Tasmanian Main Line Railway Company, Limited, I have the honor to forward herewith an abstract of the Receipts and Expenditure of the Company, so far as the same can be made up in this Colony, for the Quarter ending the 30th June last.

On examining this Account you will find that an absolute loss has accrued to the Company from working the Railway between the 15th March, 1876, and the 30th June, 1877, which now amounts to about Eleven thousand eight hundred and thirty-five pounds one shilling and one penny (£11,835 1s. 1d.); the full proportion of the guaranteed Interest, or Eight thousand one hundred and twenty-five pounds (£8125) therefore becomes due, for which I enclose the usual Voucher, and have to request that the amount be paid within the fourteen days specified in the Contract.

A Statement is also appended of the present liability of the Government to the Company, showing that Forty-three thousand one hundred and forty pounds eight shillings and five pence (£43,140 8s. 5d.) is now due, irrespective of certain claims for interest and other expenses, contingent on the delay in adjusting previous claims, but the amount of which is not yet ascertained.

The Quarterly Accounts hitherto submitted have been simply abstracts of the Cash Account, and therefore do not give much information; but on this occasion I have the pleasure to furnish an account of the actual business done, in the usual detail, thinking that such would be preferred by you. Similar accounts for the previous period since the opening of the line are also forwarded, but merely in order to show the continuity of the balances.

The items of the Company's expenses in London, and the proportion of toll due for running over a portion of the Launceston and Western Railway, are necessarily only estimated in the absence of definite information thereon; but I have assumed the lowest figures probable, in order that the debit balance may not be considered as unduly increased.

I have, &c.

(Signed) CHARLES H. GRANT.

*The Hon. Colonial Treasurer.*

### TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

*Accountant's Office, Hobart Town, 24th August, 1877.*

AN ABSTRACT of RECEIPTS and EXPENDITURE on account of Traffic conveyed over the Tasmanian Main Line Railway for the Three Months ending 30th June, 1877.

DR.	£ s. d.	CR.	£ s. d.
To balance from last quarter .....	8936 11 1	By Traffic receipts—	
Maintenance of Permanent Way and Works .....	3965 13 4	Passengers .....	5069 13 9
Locomotive department .....	3444 11 9	Parcels, &c. ....	512 7 10
Carriage and wagon repairs .....	366 11 6	Telegraph .....	24 1 11
Traffic expenses .....	1527 6 5	Goods .....	2230 9 10
General charges .....	860 10 10	Live Stock .....	632 17 9
Compensation .....	213 3 8	Mails .....	335 16 8
Bank charges .....	231 2 8	Rents .....	33 8 4
Law charges .....	359 18 8		8838 16 1
Rates .....	18 7 3	Balance .....	11,835 1 1
London office expenses (estimated) ...	500 0 0		
Launceston and Western Railway (estimated) .....	250 0 0		
	<u>£20,673 17 2</u>		<u>£20,673 17 2</u>

R. J. ELLIS, *Accountant.*

C. H. GRANT, *General Manager.*

## TASMANIA.

THE GOVERNMENT OF TASMANIA *Dr.*

To THE TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

		<i>Guaranteed Interest Department.</i>	£ s. d.
1877.			
April 1	To One full Quarter's Interest due as per Contract between the Government of Tasmania and the Tasmanian Main Line Railway Company, Limited, at the rate of five per cent. per annum on the full sum of £650,000 expended on the Construction of the Railway, as shown by previous accounts and vouchers in the possession of the Government. Say one full quarter of whole guarantee of £32,500 per annum.....		£8125 0 0
to			
June 30.			
Amounting to Eight thousand one hundred and twenty-five Pounds.			
£8125 0 0			<u>£8125 0 0</u>

(Signature of Claimant)—*The Tasmanian Main Line Railway Company, Limited,*  
by their Agent and Attorney—R. J. ELLIS, *Accountant.*

C. H. GRANT.

## TASMANIA.

THE GOVERNMENT OF TASMANIA *Dr.*

To THE TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

		<i>Guaranteed Interest Department.</i>	£ s. d.
1876-7.			
March 15, 1876.	Balance due as per account rendered.....		1003 12 10
March 31, 1876.	Interest due ditto.....		1424 13 2
June 30, 1876.	Ditto.....		8125 0 0
Sept. 30, 1876.	Ditto.....		8125 0 0
Dec. 31, 1876.	Ditto.....		8125 0 0
March 31, 1877.	Ditto.....		8125 0 0
June 30, 1877.	Ditto.....		8125 0 0
Jan. 16, 1877.	Interest paid to Government on account of Loan.....		87 2 5
			<u>£43,140 8 5</u>

Amounting to Forty-three thousand one hundred and forty Pounds Eight shillings and Five pence.  
£43,140 8 5

NOTE.—This account does not include the amount due for interest on overdue accounts after fourteen days from time of rendering the same according to Contract, upon a portion of which interest at the rate of ten per cent. per annum has necessarily been paid to the Commercial Bank.

(Signature of Claimant)—*The Tasmanian Main Line Railway Company, Limited,*  
by their Agent and Attorney—R. J. ELLIS, *Accountant.*

C. H. GRANT.

## TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

*Accountant's Office, Hobart Town, 18th August, 1877.*

AN AMENDED ABSTRACT of RECEIPTS and EXPENDITURE on account of Traffic conveyed over the Tasmanian Main Line Railway from March 15th, 1876, to December 31st, 1876.

Dr.	£ s. d.	Cr.	£ s. d.
To Maintenance of Permanent Way and Works .....	10,893 11 3	By Traffic receipts—	
Locomotive Department.....	5273 0 6	March 15th to June 30th, 1876.....	7020 5 11
Carriage and wagon repairs .....	811 12 3	Month of July .....	1399 13 1
Traffic expenses.....	3187 13 3	Ditto August .....	1743 16 8
General charges.....	2240 10 7	Ditto September .....	1493 13 2
Compensation.....	100 7 4	Ditto October .....	1703 3 3
Bank charges.....	149 6 7	Ditto November .....	1859 18 4
Law charges.....	111 8 2	Ditto December .....	3315 11 9
Stores issued (all departments).....	2920 11 9		
			<u>18,536 2 2</u>
		Balance .....	7151 19 6
	<u>£25,688 1 8</u>		<u>£25,688 1 8</u>

R. J. ELLIS, *Accountant.*C. H. GRANT, *General Manager.*

## TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

Accountant's Office, Hobart Town, 18th August, 1877.

AN AMENDED ABSTRACT of RECEIPTS and EXPENDITURE on account of Traffic conveyed over the Tasmanian Main Line Railway for the three months ending March 31st, 1877.

Dr.	£ s. d.	Cr.	£ s. d.
To Balance from last quarter.....	7151 19 6	By Traffic receipts—	
Maintenance of Permanent Way and Works.....	5076 6 0	Passengers.....	8081 6 10
Locomotive Department.....	2914 14 9	Parcels, &c. ....	402 6 2
Carriage and wagon repairs.....	233 7 10	Telegraph.....	21 17 5
Traffic expenses.....	1550 5 5	Goods.....	2649 16 7
General charges.....	703 8 7	Live stock.....	241 16 1
Compensation.....	11 14 6	Rents.....	56 10 0
Law charges.....	244 19 3		
Rates.....	3 8 4	Balance.....	11,453 13 1
London office expenses, March 15th, 1876, to March 31st, 1877 (estimated)	2083 6 8		
Launceston and Western Railway, November 1st, 1876, to March 31st, 1877 (estimated) .....	416 13 4		
	£20,390 4 2		£20,390 4 2

R. J. ELLIS, *Accountant.*C. H. GRANT, *General Manager.*

Colonial Treasury, 1st September, 1877.

SIR,

I HAVE the honor to acknowledge the receipt of your letter dated 24th April, 1877, which I presume should be 24th August, submitting a claim from the Tasmanian Main Line Railway Company, £8125, for interest alleged to be due for the quarter ended 30th June last; as also a statement showing the total claims made by the Company on the Treasury to date amounting to £43,140 8s. 5d.

I have, &amp;c.

(Signed) W. R. GIBLIN, *Colonial Treasurer.*C. H. GRANT, *Esq., Agent T.M.L.R. Company.*

## CONVEYANCE OF MAILS.—RECKLESS DRIVING.

Hobart Town, 7th September, 1877.

SIR,

IN accordance with your instructions of the 3rd September, 1877, I have to report the reckless manner in which the mail train was driven this morning,—the cause of which I attribute to the Driver being drunk. I left a report for Mr. Grant in reference to the same on arrival this morning. The Train Guard has also sent a report to the Manager.

I have, &amp;c.

(Signed) RICHARD HILL, *Mail Guard.*A. C. DOUGLAS, *Esq., Postmaster.*

SUBMITTED to the Hon. the Colonial Treasurer. I understand the train was driven full speed through the Tunnel, and there was no necessity for haste, as the train was in advance of the time at the several stations.

A. C. DOUGLAS, *Secretary,*  
7.9.77.

Colonial Treasury, 8th September, 1877.

SIR,

I HAVE the honor to draw your attention to the following extracts from a report furnished to the Secretary to the Post Office by one of the Mail Guards on the 7th instant, which has been forwarded to this Department for the information of the Government:—

"I have to report the reckless manner in which the Mail Train was driven this morning, the cause I attribute to the driver being drunk." The Secretary to the Post Office adds, that he understands the train was driven full speed through the Tunnel,—that there was no necessity for such haste as the train was in advance of time at the several stations.

I feel sure I need not do more than solicit your attention to a matter of so great importance.

I have, &c.

(Signed) W. R. GIBLIN, *Colonial Treasurer.*  
C. H. GRANT, *Esq., Manager T.M.L.R. Company.*

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*Tasmanian Main Line Railway Company, Limited, General Manager's Office,  
Hobart Town, 8th September, 1877.*

SIR,

I HAVE the honor to acknowledge your letter of this date, in which you call my attention to a report made by the Secretary of the Post Office to the Government, respecting the manner of driving a train on the Main Line Railway, and give extract of a report furnished by a Mail Guard in these words,—“I have to report the reckless manner in which the Mail Train was driven this morning, the cause I attribute to the Driver being drunk.”

In reply, I beg to assure you that after careful inquiry I have ascertained that the Driver was not drunk, since on his journey he was seen by his superior officer, who positively certifies that he was in a proper condition to fulfil his duties. As regards any excess of speed the Driver blames the Guard for not properly manipulating the brakes; and I cannot but think that such was the case, because, had the Guard exercised the proper control of the brakes, he could have immediately pulled up such a light train on any part of the incline.

As regards the train being driven at full speed through the Tunnel, I have Mr. Richard Hill's (the Mail Guard) signature to a report on this same occurrence, in which are the words, “After passing through the Tunnel at *slow speed*, Driver Smith put on steam,” &c.

I purpose to change the Guard as soon as others now in training can be thought reliable; and have positively prohibited any of the Company's employés taking refreshment on the road.

In expressing a hope that this explanation will be satisfactory to the Government, I would respectfully beg permission to allude to the very informal rendering of the complaint. I really cannot understand that it is the duty of the Secretary of the Post Office to report officially to the Government any reflection upon one of my officers; and would ask whether he would consider it courteous to himself were I to report direct to the Honorable the Colonial Secretary (who has charge of Main Line Railway business) any breaches of duty or delays on the part of his Postmasters and Contractors,—which, in such case, would involve much correspondence.

I have, &c.

(Signed) CHARLES H. GRANT.  
*Hon. W. R. GIBLIN, M.H.A., Colonial Treasurer.*

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FORWARDED to the Secretary to the Post Office for his perusal. To be returned.

W. R. GIBLIN, *Colonial Treasurer.*  
10 September, 1877.

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UPON receipt of this I sent for Mail Guard Richard Hill, and am satisfied the Driver of the Mail Train, on the occasion referred to, was at least sufficiently drunk to prevent him directing the Train with care and safety. The Train Guard, as well as the Mail Guard, reported to Mr. Grant the recklessness of the Driver in putting on full steam when it was dangerous to do so as well as unnecessary.

I suggest that Mr. Grant be applied to for a copy, in full, of the Train Guard's Report to him as to the way in which the Up Mail Train was driven by Smith on the morning of the 7th instant, as Mail Guard Hill states that he only signed one paper—the Report alluded to; and that he is not aware of signing any document in which it is stated “after passing through the Tunnel at *slow speed* Driver Smith put on steam,” &c.—the reverse being the fact. Hill assures me that if those words were contained in the document he signed, he was not aware they were in it. I disclaim any feeling of discourtesy towards Mr. Grant in reporting to you, as Ministerial head of my Department, a matter of such importance, not only as regards the Mails, but as affects passengers also. I similarly reported when, some time since, the Engine of a Mail Train was knocked off the Line by a

cow which strayed on the Line through the gates being defective ; but Mr. Grant did not demur to my taking the course I then did—which was approved by the Colonial Treasurer in each case, as shown by the letters written to Mr. Grant thereon.

I regret very much that Mr. Grant should charge me with discourtesy in reporting to the Ministerial head of my Department a matter of such great importance as disgraceful reckless driving of a Mail Train. I, however, considered that a matter of so much consequence should not be left to my own judgment; and, if I am wrong in this opinion, I trust I may be so informed.

I have invariably shown the utmost attention and consideration to Mr. Grant during the period the Mails have been carried by Train; and in matters where I have judged my opinion was sufficient, I have decided upon them, but in weightier matters my course has been to report to the Honorable the Colonial Treasurer.

A. C. DOUGLAS, *Secretary.*  
General Post Office, 10th September, 1877.

*The Hon. the Colonial Treasurer.*

*Colonial Treasury, 12th September, 1877.*

SIR,

I AM in receipt of your letter of the 8th instant, in reply to one from this department drawing your attention to a report made by Mail Guard Hill respecting the condition of the Driver of the up Mail Train on the morning of the 7th.

I forwarded your letter to the Secretary to the Post Office for his observations thereon, which I have since received, and now beg to enclose a copy for your perusal. You will observe that he disclaims any intention to be discourteous towards you; and I feel sure that in bringing the matter under the notice of the Government he did so from a pure sense of duty.

The contract with the Main Line Railway Company for the conveyance of Mails was negotiated by my predecessor as Postmaster-General, and therefore all matters regarded as likely to impair the efficiency of the service are reported to the Ministerial head of the Postal Department. The Postmaster-General and the Secretary would not be justified in passing over conduct such as that brought under his notice by the Mail Guard Hill.

In addition to the further report from the Secretary I have seen Mail Guard Hill, and he still adheres to his written statement that the up Mail Train Driver was "drunk" on the occasion referred to, which he informs me can be verified by servants in the employ of the Company, who expressed surprise at the train having run some part of the journey in half the allotted time.

As there is a discrepancy between the reports, might I ask you to favour me with a copy of that furnished to you by your Train Guard on the arrival of the train, and from which you quote?

I do not desire to trouble you by prolonging this correspondence, as I am satisfied that the matter complained of will be dealt with by you in such a manner as to effectually prevent any recurrence of such conduct as that brought under my notice by the Secretary to the Post Office.

I have, &c.

(Signed) W. R. GIBLIN, *Colonial Treasurer*  
*and Postmaster-General.*

C. H. GRANT, *Esq.*, Agent T.M.L.R. Co.

*Tasmanian Main Line Railway Company, Limited, General Manager's Office,*  
*Hobart Town, 14th September, 1877.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 12th instant, forwarding observations by the Secretary to the Post Office on my reply to his report to the Government respecting the condition of one of the Railway Company's servants on the morning of the 7th instant.

In writing you previously, and on the present occasion, I wish to disclaim in the most emphatic terms any charge of personal discourtesy against Mr. Douglas, who is the very last person I could suppose to be capable of such; but I still allege that in reporting direct to the Government respecting the behaviour of our servants, he does that which he would sorely resent my doing of officers under his charge. Moreover, he places the Government in a most undignified position, as virtually compelling you to complain of what you have no power to remedy. The interest of Mr. Douglas in the Mails is necessarily confined to their delivery,—which was made at the proper time.



If you would kindly desire Guard Hill to call on me, I will show him the report over his own signature, from which I copied verbatim in my last letter ; also the Train Guard's separate report that "after passing through the tunnel Driver Smith put on steam," &c.

Since last writing on this subject, I have investigated with great care the condition of the engine driver complained of, and am most positively assured by the Station Masters at Antill Ponds, Oatlands, Jerusalem, Campania, and Brighton, by the Locomotive Foreman, and the Superintendent at this Station, and by the fireman who was on the engine all the time, that the driver was not drunk on that morning, or at all incapacitated from the proper discharge of his duties ; and they noticed this the more particularly because their attention was directed to him by the Guard, and by the quarrelling between the two at each station.

I am assured by the fireman (a perfectly independent witness) that the train was taken slowly through the tunnel, and nearly pulled up about a mile south of it, although the driver made signals to "ease brakes." He then put on a little steam as an additional signal, when the guard let the train get away ; and notwithstanding the continued signals all down the rest of the incline to "put on brakes," the guard did not do so (when he might have pulled the train up at any moment), and therefore the engine brake could alone be used to regulate the speed.

You may therefore most implicitly rely on my counter-report that the engine-driver was not drunk on that morning, and that the sole blame for any excess of speed rests with the guard, whose infirmity of temper unfitted him (at a time of unusual excitement) from properly working the brakes or attending to the signals, which were undoubtedly given.

His being on the train at all is solely due to his being a very steady, trustworthy, and experienced man (which many others we have tried are not) ; but he will now be replaced directly one of his proposed substitutes is proved efficient.

The personal idiosyncracies of the employés, which is of course well known, enables me to form a far better opinion of the truth of a report than a stranger to them could : hence I cannot but consider such reports (as I most respectfully take the liberty to call in question) as calculated to be more mischievous than beneficial, especially when they publish unjust reflections on an employé whose character for sobriety constitutes his whole wealth.

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

*The Hon. the Colonial Treasurer.*

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### AGREEMENT TO CONVEY MAILS.

MEMO. FOR THE SOLICITOR-GENERAL.

11th September, 1877.

THIS correspondence is now returned to the Solicitor-General in order that the Agreement required in the Secretary's letter of the 6th April, and assented to in Mr. Grant's letter of the 16th April, may be at once prepared.

The Postmaster-General is unable to adopt the views put forward in Messrs. Dobson and Mitchell's letter of the 6th September ; and submits to the judgment of the Solicitor-General that the provision in the Contract which permits of the Company carrying mails "upon such terms as may from time to time be agreed upon" would meet the case. If Mr. Grant can undertake to carry the mails at a fixed rate of remuneration, he can surely assent to the terms and conditions upon which (and which only) the rate of remuneration is to be earned. The "fines and penalties," if incurred, need not come out of the funds of the Company, but may be deducted from the remuneration for carrying the mails.

W. R. GIBLIN, *Postmaster-General.*

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### TELEGRAPH.

*Telegraph Department, 26th September, 1877.*

SIR,

I HAVE the honor of reporting that the T.M.L. Railway Telegraph is now connected with the Lines of this Department.

I have, &c.

(Signed) F. A. PACKER, *Superintendent of Telegraphs.*

*The Hon. the Colonial Treasurer.*

## MAIN LINE RAILWAY CORRESPONDENCE.

*(In continuation of Paper No. 15.)*

## THIRD RAIL.

*Lands and Works Office, Hobart Town,  
14th September, 1877.*

SIR,

IN accordance with your instruction as per Minute of 18th ult., I have examined the condition of the "Third Rail" between Evandale Junction and Launceston.

I find there are altogether some forty-four "closures" or short patches of rail put in because there was no stock of new rails of proper length to replace such as were broken or damaged by the traffic. So large a proportion of closures is most objectionable and involves extra joints (where the rail is weakest).

There are *many* rails in the road much crushed and damaged which ought to be at once taken out if there were any to put in their place, but the supply has long since been used up.

I recommend that the Government should require the Company to supply at once some 15 tons or say 100 rails, and this is a very moderate estimate of what the Inspecting Surveyor should have.

I believe some rails have just arrived per *Ethel*, so that the Company can now supply the rails if the requisition is made before they are used elsewhere.

I have, &amp;c.

(Signed) JAMES FINCHAM, *Engineer-in-Chief.*

The Hon. N. J. BROWN, M.H.A.,  
*Minister of Lands & Works, &c.*

FORWARDED to the Honorable the Colonial Secretary.

NICHOLAS J. BROWN.  
19. 9. 77.*Colonial Secretary's Office, 20th September, 1877.*

SIR,

I AM in receipt of a Report from the Government Engineer-in-Chief upon the condition of the "Third Rail" between Evandale Junction and Launceston, and I would desire to call your attention to the large number of "closures" and of rails crushed and damaged which require to be replaced.

I am aware that, until the arrival of the *Ethel*, you were not in a position to supply new rails, however urgently required, but having received a shipment by that vessel, I have to request that you will enable the Inspecting Surveyor to at once effect the necessary repairs (Section 7, Agreement, Nov. 1, 1876,) by furnishing him with as many as are needed on this portion of the Line, estimated by our Engineer-in-Chief at "some 15 tons, or say 100 rails, and this is a very moderate estimate of what the Inspecting Surveyor should have."

Trusting you will give this matter your early attention,

I have, &amp;c.

(Signed) P. O. FYSH, *for Colonial Secretary, absent.*

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

*Tasmanian Main Line Railway Company, Limited,  
General Manager's Office, Hobart Town, 21st September, 1877.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of this date, and feel pleasure in stating that the Inspecting Surveyor has long been promised that he shall receive fifteen tons of rails—or a greater quantity, to the full extent of his requirements—from the first lot that are landed ex *Ethel*. These I hope to obtain some time next week, and will send them to Launceston the day of receipt.

From personal observation, made weekly, I am able to assure you that the third rail is throughout in very fair running condition, and very much better than the permanent way of the Launceston and Western Railway. The "closures" are troublesome to the repairers, but have been used to a very insignificant extent on this Railway to what I have experienced on many Lines carrying a traffic which, by comparison, is truly enormous.

I have, &c.

(Signed) CHARLES H. GRANT.

Hon. WM. MOORE, M.L.C., Colonial Secretary.

*Colonial Secretary's Office, 26th September, 1877.*

MEMO.

THE Colonial Secretary forwards the enclosed letter received from the Manager of the Main Line Railway, respecting the supply of rails to repair the third rail line between Evandale Junction and Launceston; and would suggest that Mr. Lord should be afforded the opportunity of perusing Mr. Grant's opinion as to the comparative condition of the permanent way of the Launceston and Western Railway and "the third rail."

(Signed) WM. MOORE.

*The Hon. the Minister of Lands and Works.*

## TOLLS AND COMPENSATION.

*Colonial Secretary's Office, Hobart Town, 22nd November, 1877.*

SIR,

I HAVE the honor to call your attention to the terms of an Agreement dated the first day of November, one thousand eight hundred and seventy-six, whereby the Governor authorised the Main Line Railway Company to use certain running powers over the Launceston and Western Railway, as therein mentioned, for a period of twelve months from the thirtieth day of October, 1876. Clause 2 of the Agreement provides that the Company shall, within one month after the expiration of the said term of twelve months, pay to the Governor the amount which may be fixed by mutual agreement as the sum due by the Company as Tolls and Compensation for the exercise of such running powers during the said term; and in case such amount shall not be fixed by mutual agreement within the said month, the amount to be paid by the Company to the Governor shall be forthwith assessed by arbitration, in the manner provided in "The Lands Clauses Act" for cases of disputed compensation.

As the period of twelve months above mentioned has now expired, I address you in order that the amount of Tolls and Compensation payable to the Government may "be fixed by mutual agreement." It appears that the exercise of running powers during the period named has been attended with considerable additional expense to the Colony, in the maintenance of the permanent way over which the Main Line Railway trains have been running, as might naturally be inferred from the expensive character of that portion of the railway. I may further point out that the Launceston and Western Railway has sustained a heavy loss consequent upon the diversion of its traffic by the Main Line Railway.

Under all the circumstances of the case, the Government consider that the amount payable by the Company for Tolls and Compensation should be assessed at the sum of Seven thousand Pounds (£7000); and I now have the honor to apply to you for payment of that sum, in the hope that the matter may be settled as speedily as possible.

I have, &c.

(Signed) WM. MOORE.

C. H. GRANT, Esq., Manager Main Line Railway.

*Tasmanian Main Line Railway Company, Limited,  
General Manager's Office, Hobart Town, 28th November, 1877.*

SIR,

I HAVE the honor to acknowledge the due receipt of your letter of the 22nd instant, to which I was prevented from earlier replying through a press of business for the outgoing English Mail.

You are aware, from the previous correspondence between the Tasmanian Government and myself, acting on behalf of the Main Line Railway Company, that the sum of Seven thousand

Pounds claimed by the Government for running over one rail only of the Launceston and Western Railway, throughout eleven miles of its course, is very excessive, and to the best of my belief quite unprecedented.

This sum does not include the acquisition of any traffic whatever, or any terminal or valuable station facilities; while it represents nearly half the gross revenue, and also of the expenditure, of the whole of that line, 45 miles in length. I cannot, therefore, believe that more than a very small fraction of the sum demanded can be equitably due, even when every circumstance you mention has full consideration.

I notice that you state the Launceston and Western Railway has sustained a heavy loss consequent upon the diversion of its traffic by the Main Line Railway; but think this must be an error, and that the large increase both of passengers and goods traffic it has necessarily received from the interchange at the Evandale Junction has very far more than counterbalanced any slight loss of local traffic it may have suffered.

Under the terms of the Agreement for a twelve months' use of the Launceston and Western Railway into Launceston by the Main Line, the Company were entirely precluded from competing for traffic, but have performed a most important service for the Western Line in conveying a large number of its passengers in the Main Line trains. The Company, therefore, has been strictly confined to its own district, as conferred by statute, but may reasonably claim the usual rebate on all the traffic it has taken to be carried upon the Western Line, which would amount to a considerable sum.

The working of the Main Line Railway has, from financial reasons, been attended with such great uncertainty that I have not given the subject of these running powers any consideration whatever up to the present time. I presume, however, that the question must be decided by arbitration, on an agreement to be previously drawn; and as the reference must be a very costly one to the Company, at least (since it involves obtaining an arbitrator from Melbourne), it would be desirable that it should include every question that may be likely to arise under the exercise of the running powers.

In my humble judgment it would be greatly to the interest of both parties if all matters in dispute could be arbitrated at the same time; and I see nothing to prevent this if the Government are desirous to bring all existing differences to a final settlement.

Since the Company are not in a position to make any payment to Government in respect to their use of the Launceston and Western Line until the questions now unhappily existing have been adjusted, the Government may, perhaps, consider it worth while to let this matter stand over in view of the larger arbitration; but if such is not their desire, I shall be happy to concur in bringing it to an issue at the earliest possible date.

I have, &c.

(Signed) CHARLES H. GRANT.

*The Hon. W. MOORE, M.L.C., Colonial Secretary.*

*Colonial Secretary's Office, 30th November, 1877.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 28th instant in reply to mine of the 22nd.

As by the terms of your letter I am given to understand that you, on behalf of the Main Line Railway Company, decline to agree to the claim of the Government for toll and compensation on account of the exercise by the Company of running powers over the Launceston and Western Railway between Evandale Junction and Launceston, it now becomes necessary, in the terms of the agreement of 1st November, 1876, to proceed to arbitration for the adjustment of this claim.

The Government do not deem it desirable to complicate the question of toll and compensation by the introduction of any other points in dispute between the Main Line Railway Company and the Government, and they are glad to receive the assurance of your readiness to concur in bringing this matter to an issue at the earliest possible date.

I have, &c.

(Signed) WM. MOORE.

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

## ACCIDENT TO TRAIN.

*Colonial Secretary's Office 23rd November, 1877.*

SIR,

I HAVE the honor to call your attention to a letter dated the 19th instant, addressed by the Manager of the Launceston and Western Railway to the Honorable the Minister of Lands and Works, copy of which is herewith enclosed.

I have, &c.

(Signed) WM. MOORE.

C. H. GRANT, *Esq.*, *Manager Tasmanian Main Line Railway.*

(Copy.)

*Launceston and Western Railway,  
Manager's Office, Launceston, Tasmania, 19th November, 1877.*

SIR,

I HAVE the honor to report that on Saturday the 10th, and also the 17th inst., the Main Line day train from Hobart Town broke down and did not reach Launceston until 1.20 A.M. and 12.5 A.M., respectively, on Sunday morning,—thus keeping our Line between Evandale and Launceston open during that time. This, you will easily understand, is attended with considerable expense, as gatekeepers and pointsmen have to be allowed overtime.

I have, &c.

(Signed) R. W. LORD.

*The Hon. N. J. BROWN, Esq., M.H.A.,  
Minister of Lands and Works.*

*Tasmanian Main Line Railway Company, Limited,  
General Manager's Office, Hobart Town, 29th November, 1877.*

SIR,

I HAD the honor to duly receive your letter of the 23rd instant, with which was enclosed a copy of letter from the Manager of the Launceston and Western Railway, calling the attention of the Honorable the Minister of Lands and Works to the extra cost entailed in maintenance, owing to the gatekeepers and pointsmen being allowed overtime for late attendance on two occasions, when the Main Line Down Ordinary Train was delayed by slight mishaps.

It is usual with us to allow the pointsmen extra time under such circumstances, but not the gatekeepers, who live against their gates, and therefore are supposed by our rules to be always on duty.

I have, &c.

(Signed) CHARLES H. GRANT.

*The Hon. W. MOORE, M.L.C., Colonial Secretary.*