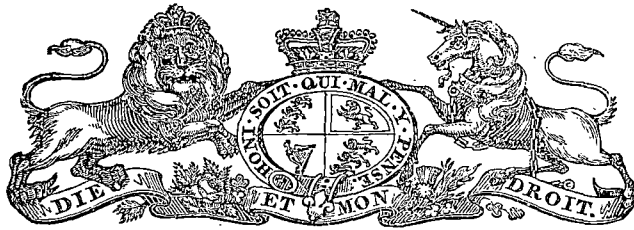


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1899.

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PARLIAMENT OF TASMANIA.

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LAUNCESTON AND WESTERN RAILWAY  
COMPANY:

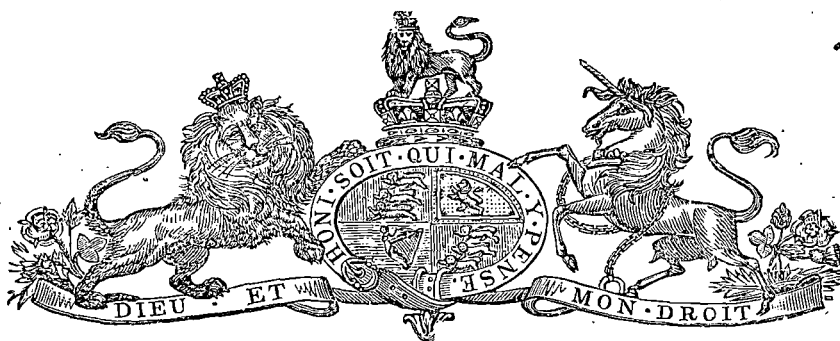
SAVING TO THE COLONY.

*Return to an Order of the Council dated November 7, 1899.*

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## LAUNCESTON AND WESTERN RAILWAY COMPANY'S CLAIM.

THE value of a railway to a country is chiefly a hidden value, so far as Treasury Accounts are concerned.

To the country as a whole, or to its producing industries or consumers, the whole freight charges of a railway, even though covering working expenses and interest on capital invested, form the merest flea-bite as compared with the actual value added to a country's wealth.

The principal additions to a country's wealth due to railways are—

1. By the saving of time, and cost of transit;
2. By giving commercial value to vast natural products hitherto lacking value, owing to absence of cheap means of transit;
3. By the impetus given to the creation of new sources of wealth in areas formerly unproductive.

Items 2 and 3 can only be vaguely guessed at; we may know the wealth added by such means to be very great in itself, but we have no means of ascertaining its value quantitatively; but the wealth saved and other advantages gained by (1) saving time and labour through the vastly cheaper and superior transit by railways, can be very closely approximated.

### *The Hidden Saving to the Colony by Reduced Cost of Transit.*

The gain from reduction in cost of transit, although of necessity not seen in the accounts of the Treasury, nor in the actual receipts of the railway regarded as an undertaking, becomes at once apparent when we try to realise the difference in cost of transport as between railways now in operation and the more imperfect means in use prior to railway communication. In new countries good roads are scarce, and are only to be found in proximity to ports and consuming centres. The expenditure of time and labor in effecting the necessary transport between points of production and centres of population or ports of trade was therefore very great. Even within the few districts, where good macadamised roads existed the cost of "transit" alone formed a heavy tax upon either producer or consumer as such, or upon both, accordingly as the product was intended for foreign or local consumption.

The following table shows the saving to the Colony by the reduction in fares and freights in the Launceston and Deloraine section of Government railways, as contrasted with fares and freights ruling in the same district in the year 1870; *i.e.*, the year prior to the opening of the Launceston and Deloraine Railway:—

Particulars.	Revenue Current Rates Launceston & Western Railway, actual. Year 1898.		Revenue, if carried at Current Road Rates in the same District, in the Year 1870.		Comparative Saving.	
	Rate per unit.	Amount.	Rate per unit.	Amount.	Amount.	Per cent.
<b>1898.</b>						
Actual passenger miles 3,785,789 .....	<i>d.</i> 1·18	£ 18,614	<i>d.</i> 2·92	46,060	27,446	
Actual ton miles 1,635,631 .....	2·21	15,076	10·25	69,855	54,779	
	...	33,690	...	115,915	82,225	70·95
	...	100	...	344	244	...

The true interpretation of this remarkable reduction in cost of transit within this brief period is this—that for every £1 now obtained as gross receipts there is a hidden value of at least £2 saved to the Colony, or to the producer or consumer, owing to the cheapening of cost of transit of goods and passengers. It will suffice, however, to gauge the immense value which the saving in cost of transit by railways represents to the Colony if we only take the latter at a reduction of 66·66 per cent., or two-thirds of the ratio of former cost. Thus, take the Launceston and Western Railway Company's Section, 45 miles, and the Main Line Section, 122 miles, during the year 1898; for illustration:—

	Main Line Section. (122 miles.)		Launceston & Western Railway Company's Section. (45 miles.)	
	Amount.	Per mile.	Amount.	Per mile.
	£	£	£	£
Actual Gross Receipts, 1898 .....	65,503	...	33,690	...
Estimated saving in cost of transit for the one year, 1898 .....	131,006	...	67,380	...
Capital Value of ditto .....	2,620,120	21,476	1,347,600	29,946
Deduct loss to Treasury in respect of Balance—				
1. Paid up to end of 1898 for Interest* .....	708,311	...	484,575	...
2. Estimated Capital Value of the balance of net earnings and interest to be paid by Treasury as regards the future .....	726,360	...	158,720	...
Total Treasury Loss .....	1,434,671	11,760	643,295	14,295
Total Capital Gain to Colony after deducting Treasury Loss.....	1,185,449	9716	704,305	15,651
Proposed compensation to Launceston and Western Railway Shareholders .....	...	...	25,000	518

\* Less net earnings of Railway.

R. M. JOHNSTON,

*Government Statistician.*

16-10-99.