

(No. 118.)



1884.

PARLIAMENT OF TASMANIA.

**VAN DIEMEN'S LAND COMPANY'S RAILWAY
BILL:**

REPORT OF SELECT COMMITTEE.

Brought up by Mr. Dobson, and ordered by the House to be printed,
September 3, 1884.



SELECT COMMITTEE appointed, on the 1st August, to inquire into and report upon a "*Bill to authorise the Construction and Working by the Van Diemen's Land Company of a Railway from Emu Bay to Waratah.*"

MEMBERS OF THE COMMITTEE.

THE HON. THE MINISTER OF LANDS.
MR. BRADDON.
MR. REIBEY.
MR. GRUBB.

MR. BROWN.
MR. GELLIBRAND.
MR. DOBSON. (*Mover.*)

DAY OF MEETING.

Friday, 1st August.

WITNESS EXAMINED.

J. W. N. Smith.

MINUTES.

FRIDAY, 8TH AUGUST, 1884.

The Committee met at 2:30 P.M.

Present.—Mr. Grubb, Mr. Brown, Mr. Braddon, Mr. Gellibrand, Mr. Dobson (*Mover*).

1. Mr. Dobson was voted to the Chair.
 2. The Draft Bill, the Petition praying for leave to introduce the Bill, and the Plan of the proposed Railway, were laid upon the Table.
 3. Mr. Smith, Manager and Attorney for the Van Diemen's Land Company in Tasmania, was introduced, with Counsel, Mr. Henry Dobson.
 4. Counsel addressed the Committee in support of the Bill.
 5. Mr. Smith having been examined, withdrew with his Counsel.
 6. The Draft Bill was considered by the Committee and agreed to, with the exception of the Clauses empowering the Van Diemen's Land Company to levy such tolls as they might deem fit, which were modified so as to give the Governor in Council power to fix the maximum amount of tolls, &c.
 7. Draft Report drawn up and agreed to.
 8. The Committee adjourned at Four o'clock, *sine die*.
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REPORT of the Select Committee appointed to consider "A Bill to authorise the Construction and Working by the Van Diemen's Land Company of a Railway from Emu Bay to Waratah."

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

Your Committee having agreed that the Preamble should stand part of the Bill, then entered upon the consideration of its several Clauses.

Your Committee recommend that Clauses Eleven, Eighteen, and Twenty of the Bill should be modified so as to give the Governor in Council power to fix the maximum amount of Tolls to be charged by the Company.

In all other respects your Committee would recommend the Bill thus amended to the favourable consideration of your Honourable House.

ALFRED DOBSON, *Chairman.*

Committee Room, 8th August, 1884.

EVIDENCE.

FRIDAY, AUGUST 8, 1884.

JAMES WILLIAM NORTON-SMITH, *Esq., examined.*

By Mr. H. Dobson.—My name is James William Norton-Smith, and I am the duly appointed Agent and Attorney for the Van Diemen's Land Company in Tasmania. I have recently converted the Company's Tramway from Emu Bay to Waratah into a Railway, which is very near completed. I lay before you a Plan of the proposed Railway showing the termini and the road-crossings; the mileage is shown on the different sections. There are gaps in the Plan which occur where the land through which the line runs is entirely the property of the Van Diemen's Land Company, and there are no road-crossings. The Railway passes through 45 miles 12 chains of the Company's land. The total length of the line is 47 miles 54 chains. The Government land through which the Railway runs is leased from the Government for 35 years, and by mutual consent we run over part of the land held by the Bischoff Company for their tramway. We pass through about 2 miles 50 chains of crown land. We require an Act of Parliament to enable us to make street-crossings; at Emu Bay there is only one such crossing. The Railway is nearly completed, excepting portions of the buildings, sidings, and some ballasting. We are now running locomotives on the line; the rails used are steel, 41 lbs. weight per yard, and the gauge 3 feet 6 inches.

By Mr. Braddon.—We purpose travelling at 15 miles an hour, including stoppages.

By Mr. H. Dobson.—It is most expedient that there should be an enactment legalising the construction of this Railway, for the following reasons:—That in the days when there was no tramway, it was impossible to get goods or ore from Mount Bischoff to the Coast for a period extending sometimes over seven months in the year, except at the most extravagant and ruinous rates—reaching as high as £16 per ton. The Railway has not only done away with this difficulty of transport of goods, but the addition of the carriages used makes it now a question of certainty that all passengers who require to travel by the line can do so; whereas in the tramway days intending passengers were occasionally caused vexatious delay by being shut out for lack of space in the cars. The power to frame Bye-laws is also necessary to enable the Company to ensure protection to the public from insult or violence whilst travelling on their line: for instance, if a drunken man got into any of the carriages making himself obnoxious to its occupants, we should require some power to remove or punish him. This Bill is also necessary to enable the Company to cross the streets, as neither the Road Trusts nor the Government can give them that power at the present time. We require the power to take land, as the Company may in the future require land at either termini, but, as far as I am aware, the Company will not require land in any other locality. We have up to this time fixed and collected our own tolls and rates, and we think that we should be allowed to retain this power, as at a future time the output of ore may fall off considerably, and thus the charge which would be fixed by law as remunerative with the present traffic would become no longer so, and we would be precluded from entering into arrangements with the mining companies to carry their ore at such an increased price as would leave a small margin of profit, because that price, although agreeable to the mining companies, might be above that fixed by the Bill if a maximum scale of rates is inserted. The scale of charges must vary with the output of ore, as nine-tenths of the carriage and earnings of the line are connected with the mining district, there being very few farms along the line of rail, but there is a good deal of agricultural land along the northend of the line which may be taken up at some future period. We have had considerable traffic caused by the mines on the West Coast, but that has now fallen off. I consider that the insertion of a clause giving the Government the right of purchase would be an act of injustice, unless very great care was taken and provisions inserted to fence round and secure the rights of the Company.

Mr. Smith was here given leave by the Committee to submit in writing his views on this point. (See Appendices A. and B.).

By Mr. Gellibrand.—Our present rates are—Goods, £3 per ton; passengers, 1st class, 15s.; 2nd class, 12s. 6d.,—a 1d. a mile, or 25 per cent. higher charge than that of the Main Line Railway; but I consider that the traffic on our line being so small, puts any comparison of the two lines out of the question: the Main Line runs between the two chief centres of population, whereas our line is only supported by a small mining district. I think it only fair that our charges should be fixed at a rate that would leave something to form a Sinking Fund to repay part of the capital spent in construction before the time when the Mount Bischoff mine becomes exhausted and the present source of traffic ceases. I have no intention of raising the present charges, which I consider remunerative. I intend to run trains according to time table, which will, however, be subject to alteration to meet the requirements of the traffic.

By Mr. Grubb.—The existence of the Bischoff Company was the principal inducement to start the Railway, though the mines on the West Coast were also an inducement. There is, to the best of my belief, no land other than mineral beyond the Waratah terminus of the Railway which could possibly form a feeder to it.

APPENDIX A.

To the Honorable the Chairman and Committee of the V. D. Land Company's Railway Bill.

Hobart, 8th August, 1884.

GENTLEMEN,

TRUSTING to your clemency, I take the liberty of addressing you with regard to the clause which it is suggested might be inserted in the Van Diemen's Land Company's Railway Bill to empower the Government to purchase the railway at any time, and I shall esteem it a favour if your honorable Committee will take the following circumstances into consideration.

The Van Diemen's Land Company have commenced and are completing the construction of the railway from their own funds, without seeking any assistance from the Government of Tasmania, either as regards any special concession or any guarantee of interest, and in so doing are supplying a want greatly felt by the inhabitants of an isolated district, and are providing the means for the speedy and safe carriage of ore from and stores to the Mount Bischoff Mines, at the same time giving the public an easy means of access.

The Company undertook this work fully persuaded that the Parliament of Tasmania would invest them with such powers for the proper control of the railway and of the passenger and goods traffic as would enable them to work the line to the greatest public convenience, without inserting any arbitrary clauses in an empowering Bill which to them would seem unjust.

In the immediate future the traffic will be small, but it is quite possible that it will be materially increased by the opening up and working of minerals in localities other than Mount Bischoff. Should this prove to be the case, the Government of the day might put the purchasing clause into force so soon as it was proved that the line would be a substantial success, and thus reap the benefits to which the Company would be justly entitled after working the railway for years at small benefit to themselves. On the other hand, should there be a general failure of the mines at Bischoff and the surrounding districts, either through the payable deposits being rapidly worked out, through the value of the minerals produced falling so low as to render their production unremunerative, or other causes, the Company would be left with a valueless railway on their hands, as it is certain that under such circumstances no Ministry would exercise its purchasing powers.

I may remind your honorable Committee of the offer which the Company made before they undertook the construction of their wooden tramway,—to give the ground necessary for a tramway or railway to any responsible parties or company who would undertake the construction of such a work between Emu Bay and Mount Bischoff. At that time I corresponded with parties both in Tasmania and Victoria, but the risk was considered too great, and the V. D. Land Company undertook the construction of the tramway, which may be considered the parent of the great public work now nearly completed. The requisite land for the undertaking would at that time have been freely given to the Government; but as neither they nor any company would undertake the work, the V. D. Land Company accepted the risk themselves and supplied the want: how great that risk was may be estimated from the present financial position of most of the Tasmanian mining companies now in existence, and from the utter collapse of some and partial failure of most other mining centres. This risk should be considered in valuing the line for sale; but it is highly improbable that any valuers would make a sufficient allowance to recoup the Company for the risk.

As nearly the whole of the land through which the railway passes belongs to the Company, the compulsory sale of the railway would prove most inconvenient to them, as restrictions would be placed upon road crossings, and they would lose the free access to their land which the railway now gives them, and the means of getting timber off the land to the shipping port at a minimum cost. There is also the possibility of minerals being found in payable quantities on the Company's land. Prospecting has proved the existence of gold, silver, copper, and tin, and although up to the present no rich deposit of either metal has been discovered, their existence leads to the supposition that they so occur. Should the prospecting now being carried on be rewarded, the advantage to the Company of having the control of a railway to carry their ores, mining material, &c. upon would be enormous, and it would be impossible to estimate the just compensation which should be paid to them for depriving them of the accommodation. Further, as the Company sell their land on either side of the line, it is probable that special arrangements will be made with the purchasers for the construction of sidings, &c. giving them every facility for the conveyance of their produce to market, which arrangements would not probably be continued by the Government, as neither they nor their officials could be expected to take the same interest as the Company do in the settlement of their lands.

The proposal to insert a purchasing clause in the Bill places me in a very awkward position, as it has not been contemplated by my Directors, and I have no instructions as to their views on this point.

I have the honor to be,
Gentlemen,

Your obedient Servant,

J. W. NORTON-SMITH.

APPENDIX B.

69, Macquarie-street, Hobart, 12th August, 1884.

The Hon. the Chairman and Members of the Select Committee of the V. D. Land Company's Railway Bill.

GENTLEMEN,

WE have the honor to send herewith a letter addressed to you by Mr. J. W. Norton-Smith, the Manager of the Company, setting forth several of the reasons why the Company respectfully urge that no clause giving the Government the right of purchasing the Railway should be inserted in the Bill during its passage through Parliament. We also desire to call the attention of the Committee to the provisions of the Imperial Act (6 Geo. 4, Cap. 39), under which the V.D.L. Company was created. This Act gave the Crown the right of granting a Charter to the persons forming the Company, and under such Charter the Company are authorised to lease to them and their successors such lands as might be granted or might be purchased or acquired by them, with the further right to sell and dispose of such lands, subject only to such conditions as might be imposed by the Charter under which the Company was incorporated. We understand that no restrictions on alienation of land were imposed by the Charter; and if the Legislature now give the Government the right of purchasing the strip of land between Emu Bay and Waratah, with the valuable Railway and works constructed thereon, the Company will be deprived of the right of alienating this part of their property; they may be compelled to sell against their will; and they will have restrictions and conditions imposed upon them contrary to the terms of the Charter, on the faith of which the Company was formed and its capital subscribed.

We have the honor to be,

Gentlemen,

Your obedient Servants,

DOBSON & MITCHELL.