

(No. 64.)



1879.

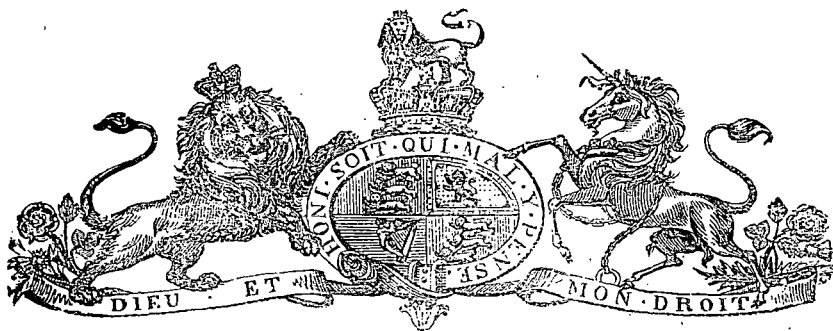
T A S M A N I A.

LEGISLATIVE COUNCIL.

MAIN LINE RAILWAY:

CORRESPONDENCE.

Laid upon the Table by Mr. Crowther, and ordered by the Council to be printed,
October 17, 1879.



MAIN LINE RAILWAY.

TREASURY CORRESPONDENCE.

(Being continuation of Paper No. 34 of Session 1878.)

PAYMENT OF QUARTER'S INTEREST.

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart Town, 14th July, 1879.*

SIR,

I HAVE the honor to forward you herewith an abstract of the Traffic Receipts and Expenditure of the Tasmanian Main Line Railway Company, Limited, for the quarter ending the 30th June, 1879, so far as it can be made out in the Colony; this being rendered in accordance with the 8th clause of the contract between the Government of Tasmania and the Railway Company.

On this occasion I have the pleasure of showing that the receipts have somewhat more than equalled the expenses, although there may be items of expenses, not yet rendered, which would tend to equalise the amounts. The debit balance against traffic is therefore decreased from the sum of £31,023 16s. 3d. on the first of January last, to £30,897 14s. 8d. at the end of the quarter.

It is satisfactory to notice the continued increase of the traffic for the corresponding periods of each year, such being for the June quarter in 1877 £8838 16s. 1d., in 1878 £10,823 3s., and in 1879 £12,258 19s. 10d.,—while the corrected expenses for the same periods inversely show decreasing sums; and although the expenses of any one quarter cannot be taken as indicating even approximately the result of the year's operations, I believe you will now find that the expenses will continue to bear a much reduced ratio to the receipts.

Since there is a debit balance to the traffic, the full amount of the guaranteed interest for the quarter becomes payable to the Company. I have the honor to submit, therefore, an account for £8125, which by the contract should be paid within 14 days from this date.

This claim is of course irrespective of any unsettled financial questions between the Government and the Company, including the action at law now pending.

I have, &c.,

The Hon. D. LEWIS, M.H.A., Colonial Treasurer.

C. H. GRANT.

*Tasmanian Main Line Railway Company, Limited,
Hobart Town, 14th July, 1879.*

AN Abstract of Receipts and Expenditure on account of Traffic, &c. conveyed over the Tasmanian Main Line Railway for the Three Months ending 30th June, 1879.

DR.	£	s.	d.	CR.	£	s.	d.
To Balance from last quarter	31,023	16	3	By Receipts—			
Expenditure—				Passengers	6590	10	5
Maintenance of Way, &c.	3291	17	7	Parcels, &c.	602	16	5
Locomotive power	3529	15	1	Telegrams	28	1	7
Carriage and wagon repairs	240	19	0	Mails	718	5	0
Traffic expenses	1911	6	2	Goods	3152	10	9
General charges, London	850	0	0	Minerals	347	5	2
Ditto, Tasmania	907	8	2	Live Stock	769	0	6
Miscellaneous expenses	404	2	3	Rents	50	10	0
Launceston and Western Railway	997	10	0	Balance to next quarter	30,897	14	8
	£43,156	14	6		£43,156	14	6

R. J. ELLIS, Accountant.

C. H. GRANT, General Manager.

TASMANIA.

THE GOVERNMENT OF TASMANIA ~~Dr.~~

To THE TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

1879.	<i>Guaranteed Interest Department.</i>	£ s. d.
1st April to 30th June, both inclusive.	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 5 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.	
	One full Quarter of guarantee of £32,500 per annum.....	8125 0 0

Amounting to Eight thousand one hundred and twenty-five Pounds sterling.

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

C. H. GRANT.

£8125 0 0R. J. ELLIS, *Accountant.*
14. 7. 79.MEMO.—This claim has reference to the Quarter mentioned *only*, and is rendered without prejudice in any way to the claims made in accounts previously sent to the Government and which still remain unsettled.

RECEIVED from the Honorable the Colonial Treasurer the Sum of Eight thousand one hundred and twenty-five Pounds, being the amount of the above Account of Particulars, but such payment is made and received without prejudice to any further or other claim by or against the Government of Tasmania and the Tasmanian Main Line Railway Company under or arising out of the Contract between the Government and the Company.

*The Tasmanian Main Line Railway Company by their Attorney—*Witness to the payment—J. BENNISON.
29. 7. 79.

C. H. GRANT.

THE Hon. the Attorney-General having given the following opinion:—"That no further authority for the payment of this interest than that given by Section 1 of 34 Vict. No. 13, is required. Parliament has sanctioned the payment, but has not specially said out of what fund the money shall be paid; it follows then of necessity that the payment must be made out of the General Revenue" (Consolidated Revenue Fund). Payment is therefore approved, the amount to be so charged.

D. LEWIS, *Colonial Treasurer.*
28. 7. 79.

PASSES TO MEMBERS OF PARLIAMENT.

Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart Town, 28th July, 1879.

SIR,

IN pursuance of my practice to send you a statement of the journeys made by Honorable Members of Parliament, on forms issued by this Company, in anticipation of the Colony undertaking to pay the travelling expenses of Members on the Main Line Railway, I have the honor to forward you herewith a statement of the journeys taken during May, which amounted to £62 19s. 9d., and also during June, amounting to £38 18s. I further send a statement of the amount chargeable under this head to the 30th June last.

I was pleased to notice that the Motion for the reimbursement to the Company of the amount they advanced on account of the Railway fares of Members attending Parliament was approved by the House of Assembly, but came under consideration too late to pass through Parliament. I trust that in the next Session this matter will be arranged, since the amount payable does not come nearly so heavy as I anticipated.

I have, &c.

C. H. GRANT.

The Hon. D. LEWIS, M.H.A., Colonial Treasurer.

TASMANIA.

THE GOVERNMENT OF TASMANIA Dr.

To THE TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

1879.	CONVEYANCE OF MEMBERS.	£	s.	d.
April 21st.	To 1st Class Return Ticket, Tunbridge to Hobart Town, to Hon. J. Macleanachan...	0	18	0
May 3rd.	Ditto, Hobart Town to Launceston, to Hon. C. Meredith, M.H.A.	2	7	6
5th.	Ditto, Launceston to Hobart Town, to Hon. J. Aikenhead, M.L.C.	2	7	6
	Ditto, ditto, Hon. F. W. Grubb, M.L.C.	2	7	6
	Ditto, ditto, H. E. Lette, Esq., M.H.A.	2	7	6
	Ditto, ditto, Wm. Hart, Esq., M.H.A.	2	7	6
	Ditto, ditto, James Scott, Esq., M.H.A.	2	7	6
	Ditto, Antill Ponds to Hobart Town, to A. T. Pillinger, Esq., M.H.A.	0	16	6
	Ditto, Campania to Hobart Town, to Hon. John Lord, M.L.C.	0	6	3
	Ditto, Tunbridge to Hobart Town only, to Hon. Jas. Macleanachan, M.L.C.	0	18	0
6th.	Ditto, Evandale Junction to Hobart Town, to Samuel Henry, Esq., M.H.A.	2	4	6
	Ditto, Launceston to Hobart Town, to Adye Douglas, Esq., M.H.A.	2	7	6
	Ditto, ditto, T. C. Just, Esq., M.H.A.	2	7	6
8th.	Ditto, ditto, to Hon. W. Dodery, M.L.C.	2	4	6
12th.	Ditto, ditto, to H. E. Lette, Esq., M.H.A.	2	7	6
12th.	Ditto, ditto, to Hon. F. W. Grubb, M.L.C.	2	7	6
14th.	Ditto, ditto, to Jas. Scott, Esq., M.H.A.	2	7	6
19th.	Ditto, ditto, to Hon. T. W. Field, M.L.C.	2	7	6
	Ditto, ditto, to Hon. J. Aikenhead, M.L.C.	2	7	6
	Ditto, ditto, to T. C. Just, Esq., M.H.A.	2	7	6
	Ditto, ditto, to Adye Douglas, Esq., M.H.A.	2	7	6
	Ditto, ditto, to Jas. Scott, Esq., M.H.A.	2	7	6
20th.	Ditto, ditto, to Wm. Hart, Esq., M.H.A.	2	7	0
	Ditto, ditto, to Hon. F. W. Grubb, M.L.C.	2	7	6
22nd.	Ditto, Hobart Town to New Norfolk Road, to Henry Lamb, Esq., M.H.A.	0	3	6
26th.	Ditto, Launceston to Hobart Town, to Hon. J. Aikenhead, M.L.C.	2	7	6
27th.	Ditto, ditto, to Hon. F. W. Grubb, M.L.C.	2	7	6
	Ditto, ditto, to Adye Douglas, Esq., M.H.A.	2	7	6
	Ditto, Evandale Junction to Hobart Town, to Hon. W. Dodery, M.L.C.	2	4	6
30th.	Ditto, Campania to Hobart Town, to Wm. Hodgson, Esq., M.H.A.	0	9	6
	Ditto, Hobart Town to Campania, to C. Meredith, Esq., M.H.A.	0	9	6
31st.	Ditto, Hobart Town to Launceston, to H. E. Lette, Esq., M.H.A.	2	7	6
		£62	18	9

Amounting to Sixty-two pounds nineteen shillings and nine pence stg.

£62 19s. 9d.

(Signature of Claimant)—*The Tasmanian Main Line Railway Company, Limited,*
per their Agent and Attorney—

C. H. GRANT.

TASMANIA.

THE GOVERNMENT OF TASMANIA Dr.

To THE TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

1879.	Conveyance of Members.	£	s.	d.
June 2.	To 1st class Return Ticket, Launceston to Hobart Town, issued to Hon. J. Aikenhead, M.L.C.	2	7	6
Ditto.	Ditto, ditto, to Hon. F. W. Grubb, M.L.C.	2	7	6
June 3.	Ditto, ditto, to T. C. Just, Esq., M.H.A.	2	7	6
2.	Ditto, ditto, to Jas. Scott, Esq., M.H.A.	2	7	6
3.	Ditto, Evandale Junction to Hobart Town, to Hon. T. W. Field, M.L.C.	2	4	6
4.	Ditto, ditto, to Hon. W. Dodery, M.L.C.	2	4	6
7.	Ditto, Hobart Town to Campania, to Hon. John Lord, M.L.C.	0	9	6
9.	Ditto, Launceston to Hobart Town, to Jas. Scott, Esq., M.H.A.	2	7	6
Ditto.	Ditto, ditto, to Adye Douglas, Esq., M.H.A.	2	7	6
Ditto.	Ditto, ditto, to Wm. Hart, Esq., M.H.A.	2	7	6
Ditto.	Ditto, ditto, to Hon. J. Aikenhead, M.L.C.	2	7	6
June 10.	Ditto, Ross to Hobart Town, to Geo. W. Keach, Esq., M.H.A.	1	10	6
14.	Ditto, single, Hobart Town to Launceston, to H. E. Lette, Esq., M.H.A.	1	11	6
16.	Ditto, return, Launceston to Hobart, to Hon. F. W. Grubb, M.L.C.	2	7	6
Ditto.	Ditto, ditto, Launceston to Hobart Town, to Hon. J. Aikenhead, M.L.C.	2	7	6
June 17.	Ditto, ditto, to T. C. Just, Esq., M.H.A.	2	7	6
19.	Ditto, ditto, to S. Henry, Esq., M.H.A.	2	7	6
21.	Ditto, ditto, to J. M. Dooley, Esq., M.H.A.	2	7	6
		£38	18	0

Amounting to Thirty-eight pounds and eighteen shillings sterling.

£38 18s. 0d.

(Signature of Claimant)—*The Tasmanian Main Line Railway Company, Limited,*
per their Agent and Attorney—

C. H. GRANT.

TASMANIA.

THE GOVERNMENT OF TASMANIA Dr.

To THE TASMANIAN MAIN LINE RAILWAY COMPANY, LIMITED.

1879.	To Account rendered for Conveyance of Members :	£	s.	d.	£	s.	d.
	January	21	4	6			
	February	9	2	8			
	Ditto	3	3	0			
	April	35	1	6			
	May	62	19	9			
	June	38	18	0			
					170	9	5
July 7th.	To 1st class Return Ticket, Launceston to Hobart, issued to S. Henry, Esq., M.H.A.				2	7	6
					<u>£172</u>	<u>16</u>	<u>11</u>

Amounting to One hundred and seventy-two pounds sixteen shillings and eleven pence sterling.

(Signature of Claimant)—*The Tasmanian Main Line Railway Company, Limited,*
per their Agent and Attorney—£172 16s. 11d.

C. H. GRANT.

Colonial Treasury, 30th July, 1879.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 28th instant, intimating that in pursuance with your practice you send statements of the journeys made by members of Parliament on passes issued by your Company in anticipation of the Colony undertaking to pay the travelling expenses of members of the Legislature using the Main Line; your charges for May amounting to £62 19s. 9d., and June £38 18s.

I must remind you that from the first time you put forward these claims for travelling expenses of members of Parliament I have assured you that this Department could not and would not accept the slightest responsibility in this matter, which I have always been anxious you should clearly understand; therefore I cannot see the utility of these statements being regularly rendered to the Treasury, as I am not in a position to entertain or liquidate the claims put forward.

In fulfilment of a promise made to test the question I submitted a proposal on behalf of the Government for the consideration of the Legislature, and the measure passed one branch of our Parliament, but it remains to be seen in what way the Legislative Council will treat the proposal; at any rate until Parliament has decided the question I cannot recognise the claims in any shape.

Your Company has taken upon itself the responsibility of issuing the passes you refer to, and through you has expressed its willingness to abide by the decision of the Legislature. If Parliament directs that the travelling expenses of its members are to be paid I shall hasten to communicate the fact to you.

I have, &c.

D. LEWIS, Colonial Treasurer.

C. H. GRANT, Esq., General Manager,
T.M.L.R. Co., Hobart Town.Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart Town, 9th August, 1879.

SIR,

I HAVE the honor to acknowledge the due receipt of your letter of the 30th ultimo, and regret that my sending in a statement of journeys by Members of Parliament, on passes issued by the Main Line Railway, should have put you to the trouble of again stating the position of the matter; as to which we have always been fully agreed. It seemed to me that information as to the amount of the travelling done by Honorable Members of the Legislature would be of service to you in estimating the financial result of the proposal that the travelling for Members of Parliament should

be paid by a vote of the House; but, since you find no practical utility in these statements, I will not again render them until such time as you may be pleased to call for a full account.

I am obliged by your introduction into Parliament of a resolution to indemnify the Main Line Railway for passes issued to Members, and note that it passed the House of Assembly.

I have, &c.

The Hon. D. LEWIS, M.H.A., Colonial Treasurer.

C. H. GRANT.

CONVEYANCE OF MAILS.

*Tasmania,
General Post Office, Hobart Town, 14th February, 1879.*

SIR,

I HAVE the honor to inform you that the agreement for the carriage of the Mails between Hobart Town and Launceston per Main Line of Railway will expire on the 30th April next.

I have, &c.

A. C. DOUGLAS, *Secretary.*

The Honorable the Colonial Treasurer.

COMMUNICATE with the General Manager of the Main Line Railway on the subject of a continuance of the Mail Service.

D. LEWIS.
19. 2. 79.

To the Secretary of the Post Office.

*Tasmania,
General Post Office, Hobart Town, 24th February, 1879.*

SIR,

As the Contract with you for the conveyance of the Mails between Hobart Town and Launceston will expire on the 30th April next, I am directed by the Honorable the Colonial Treasurer to enquire whether you will continue the Mail Service on the present terms, &c. for a further period of one year, commencing on the 1st of May next?

I have, &c.

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

A. C. DOUGLAS, *Secretary.*

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart Town, 24th February, 1879.*

SIR,

I HAVE the honor to acknowledge the due receipt of your letter of this date, in which you remind me that the Contract of the Main Line Railway Company with your Department of the Government of Tasmania for the carriage of Mails terminates on the 30th April next, and enquiring whether the Company will continue the service on the present terms for an additional twelve months.

In reply, I must again repeat the extreme dissatisfaction the Company felt with the amount awarded to them by the Arbitrators, having demanded only what they consider the *least* sum they should receive; but as I am informed that the Government intend to propose to Parliament at its next meeting a scheme for adjusting all present disputes, the Company have now no wish to greatly disturb any existing arrangements: if, therefore, the Postmaster-General will agree to pay at the rate of £3000 per annum on the terms of the present Contract, in all other respects the Company will continue the service.

I name the small addition of £150 per annum, because the annual increasing weight and importance of the Mails must be *at least* in that ratio.

I have, &c.

C. H. GRANT, *General Manager.*

A. C. DOUGLAS, *Esq., Secretary General Post Office.*

SUBMITTED to the Honorable the Colonial Treasurer.

The amount now paid by this Department to the Main Line Railway Company is £2850 per annum, or within a fraction of £24 per mile, for conveyance of Mails between Hobart Town and Launceston. The above amount was awarded in September last by Arbitrators specially appointed to settle the question of the amount to be paid for the Postal Services performed by the Tasmanian Main Line Railway Company.

I have not the particulars before me as to the amounts paid by the Victorian Government for carriage of Mails, but I have lately received information that in New South Wales the sum of £22 per mile (or £2 per mile less than is paid here) is paid to a *private* Railway Company for Mail Services, the rate paid to the Government Railway Department being £11 10s. per mile. In South Australia the Post Office Department pay exactly £10 per mile for conveyance of Mails per Railway. It is quite clear, then, that in comparison with New South Wales and South Australia Tasmania pays the Tasmanian Main Line Railway Company a much higher sum for conveyance of its comparatively small Mails than those colonies do for the conveyance of their comparatively heavy ones; and I cannot think, therefore, that there is any reason for increasing the present high mail subsidy. I certainly cannot recommend it.

A. C. DOUGLAS, *Secretary.*
General Post Office, 25th February, 1879.

The Honorable the Colonial Treasurer.

Mr. Grant should be urged to continue to convey the Mails for the coming year at the same rate as that awarded by the Arbitrators appointed to determine a fair and reasonable amount to be paid for the service. When the award was given the Government considered it higher than they expected, but having agreed to settle the matter in that way loyally fulfilled the decision of the Arbitrators, though excessive. Seeing that the circumstances have not altered, but that the work remains the same, I cannot see the reasonableness of the demand now made by Mr. Grant for an additional subsidy of £150, which will tend to make the service very costly compared with the rates paid in the colonies referred to by the Secretary to the Post Office.

Returned to the Secretary in order that Mr. Grant may be communicated with again to reconsider the demand made for increased subsidy.

D. LEWIS, *Colonial Treasurer.*
25. 2. 79.

Tasmania,
General Post Office, Hobart Town, 26th February, 1879.

SIR,

I HAVE to acknowledge your letter of the 24th instant, in reply to mine of same date, on the subject of conveyance of Mails by the Tasmanian Main Line Railway after the 30th April next. In reply, I beg to state that I have brought your demand for an additional subsidy of One hundred and fifty Pounds per annum under the notice of the Honorable the Colonial Treasurer, by whom I am directed to inform you—

1st. That the reason given by you for making a claim for increased payment,—viz., “that the annual increasing weight and importance must at least be of the value of One hundred and fifty Pounds per annum,”—cannot be considered tenable: because, admitting that the Mails may be slightly heavier and important, they do not require any extra carriage accommodation; and, if the Mails were paid for in accordance with weight and in proportion of the average amounts paid by the other Australian Colonies, there can be no doubt but the present subsidy would be considerably reduced instead of increased.

2nd. I am to point out the fairness of this Department paying for the conveyance of the Mails, at least for another year, at the rate that was in September last awarded by the Arbitrators who were appointed to determine a fair and reasonable amount to be paid for the Service; and that when the award was made, although far higher than it was expected to be, the Government loyally carried out the decision of the Arbitrators, notwithstanding the Government considered the amount excessive.

3rd. Seeing that the work remains the same for next as this year, the Honorable the Colonial Treasurer does not consider it reasonable to comply with your demand to pay a further sum of One hundred and fifty Pounds per annum, or any additional sum whatever.

4th. I am further to point out that in New South Wales the Government pay a private Railway Company for conveyance of Mails the sum of Twenty-two Pounds per mile (or two Pounds

per mile less than is paid here), the rate paid to the Government Railway Department being only Eleven pounds ten shillings per mile.

In South Australia the Post Office pays only Ten Pounds per mile for conveyance of Mails per Railway; and in each of those Colonies the "weight and importance" of the Mails must be considerably greater than in Tasmania.

Under the above circumstances the Honorable the Colonial Treasurer regrets that he is obliged to be of opinion that the present subsidy cannot be increased, and trusts that you will be able to agree for the further conveyance of the Mails at the present rate of remuneration.

I have, &c.

A. C. DOUGLAS, *Secretary.*

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

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart Town, 3rd March, 1879.*

SIR,

I HAVE the honor to acknowledge the due receipt of your letter of the 26th instant, in which reasons are given why the mail subsidy at present payable to the Main Line Railway Company should not be increased in the ensuing year; but you appear to have overlooked the fact that the service is more costly on account of the greatly increased tollage payable to Government for the use of the Launceston and Western Railway, which alone would be sufficient consideration for allowing the small addition of £150 only that I desire.

As regards the first reason for not increasing the subsidy you advance on behalf of the Hon. the Colonial Treasurer, being that although the mails may be more heavy and important year by year they do not require extra carriage accommodation, I would remind you that a very large proportion of our passengers and of the freighters of goods might use precisely the same argument in claiming free transit; and that in no service does its cost in detail vary so greatly with the corresponding revenue derived as in that you so ably administer; while in regard to the mail subsidy paid by other Australian Colonies I have no knowledge, except in regard to Victoria, where much higher rates are paid than here; and on such rates alone I grounded my claim for a payment of at least £3857 per annum, made before the arbitrators, and in my letter of 27th March, 1878, which last shows the necessity for an enhanced payment.

In reply to the second reason, I would observe upon the injustice done this Company in compelling them to carry most goods at the absurdly low and inapplicable rates of the Victorian tariff, and yet refusing the full mail compensation which forms part of, and should apparently be governed by, the same contract. Nevertheless, the Company also loyally carried out the award of the arbitrators, utterly unreasonable as they considered it to be.

To the third reason I can only reply with the proposal that we again refer the matter to the arbitrators, and this time for such a lengthened period as may be mutually agreed upon, leaving the arbitrators to allow a progressive rate should they prefer to do so.

Your fourth reason really sustains the Company's claim as regards the precedent of New South Wales; for if that Government pay a private company £22 per mile per annum for the carriage of their mails over merely a branch railway, surely a main or trunk line with the capital and seat of Government at its extreme end, over which therefore all the official and a very large proportion of other mail matter coming into or leaving the Colony must pass, is entitled to a greater consideration.

A comparison of the rate allowed by one Department to another Department of the Governments of the neighbouring Colonies for services rendered, arbitrarily fixed, must be misleading when applied to the very different circumstances in the case we are at issue upon.

I must refer you to our previous correspondence as showing the great cost of the mail service to this Company, which, no less than the abstraction of its legitimate traffic by the free carriage of newspapers, &c., should, I venture to believe, entitle them to justly liberal terms.

I have, &c.

C. H. GRANT.

A. C. DOUGLAS, *Esq., Secretary, Post Office.*

Tasmania,
General Post Office, Hobart Town, 6th March, 1879.

SIR,

I HAVE the honor to submit herewith the reply of Mr. Grant to my letter of the 26th ult. on the subject of his demand for an additional subsidy of One hundred and fifty Pounds (£150) per annum for the conveyance of the Mails between Hobart Town and Launceston per Tasmanian Main Line Railway, and in doing so beg to remark thereon—

1st. That the arbitrators appointed to settle the question of tollage to be paid by the Main Line Railway for running over the Launceston and Western Railway Line between Evandale and Launceston having decided upon the amount, the question of it being either too much or too little should not, in my opinion, be imported into any question relating to the Mail Service.

2nd. Mr. Grant lately informed me that the cost of running the train "has no reference whatever to the weight or quantity of the Mail matter, the dead load necessarily moved being some 45 tons, and that a few pounds more or less is no object:" yet he claims an additional One hundred and fifty pounds (£150) per annum because of an alleged increase in the weight of Mails. I think, therefore, I was right in saying, on Mr. Grant's own showing, that his reason for applying for the increase was not a good one.

3rd. I am prepared now with full information regarding the cost of conveying Mails by railway in Victoria, and find that in reality more is paid here than in that Colony; the gross railway mileage over which mails are conveyed is, in Victoria, 1,483,014, and the last annual payment was £30,936, being slightly over 5d. per mile; while the mileage here, in connection with the Mails carried by the Tasmanian Main Line Railway, is 82,992, and the annual payment £2850, or nearly 8½d. per mile. This is the fair way of looking at the question, because you get at the actual amount of work done for the money paid. In Victoria the Mails are on two important lines (Melbourne and Sandhurst, and Melbourne and Ballarat, upwards of 200 miles) conveyed three times a day, and, with one exception, over the other 800 miles the Mails are carried twice a day. Travelling post office vans are attached to several of the up and down mail trains, and the Mails are carried at the rate of 22 to 25 miles per hour. In comparing the amount paid to the Tasmanian Main Line Railway with the amounts paid the railway in Victoria, Mr. Grant only calculates upon the actual miles open, not upon the *gross mileage*. The latter is, I submit, the only fair way of making a comparison; and it will be seen that in doing so the present subsidy to the Tasmanian Main Line Railway is extremely liberal.

The Government of Victoria have the right to transmit all telegrams free over the railway lines, while here the full rates of ordinary messages are charged by the Tasmanian Main Line Railway; and a telegram even on postal business is subject to charge as an ordinary telegram.

As Mr. Grant *alone* grounds his claim for increased payment upon the amount paid in Victoria, it can hardly be necessary for me to go more fully into the subject, as I have shown that Victoria actually pays less for the work performed by railways in the conveyance of Mails than is paid by this Department to the Tasmanian Main Line Railway.

I trust, therefore, Mr. Grant will not consider it necessary to adopt a further arbitration, but agree to accept the sum at present paid him as full compensation for the work performed.

I have, &c.

The Hon. the Colonial Treasurer.

A. C. DOUGLAS, *Secretary.*

COMMUNICATE this letter to the General Manager of the Main Line Railway.

A. C. DOUGLAS, *Esq., Secretary, General Post Office.*

D. LEWIS.
15th March, 1879.

Tasmania,
General Post Office, Hobart Town, 17th March, 1879.

MY DEAR SIR,

By direction of the Honorable the Colonial Treasurer, I have the honor to forward you herewith copy of a letter from me to the Honorable Mr. Lewis, sent him upon receipt of your letter of the 3rd inst., on the question of an increase in the amount of the Mail subsidy paid you.

Yours, &c.

C. H. GRANT, *Esq., Manager T.M.L.R Co.,*
Hobart Town.

A. C. DOUGLAS.

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart Town, 20th June, 1879.*

MY DEAR SIR,

HEREWITH I return the monthly account against your Department for the carriage of mails between Hobart Town and Launceston, to which you will notice I have added words showing that the amount is only provisional, and will have to be corrected when a final settlement is arrived at.

I have been thinking over your desire to have the payment decided at once, and will look up the correspondence to-day with a view to settling the question at the earliest possible date.

I have, &c.

A. C. DOUGLAS, *Esq., Secretary, Post Office.*

C. H. GRANT.

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart Town, 21st June, 1879.*

MY DEAR SIR,

Re MAIL SUBSIDY.

SINCE writing to you yesterday it has occurred to me that possibly you might like to have the question between us arbitrated by the same gentlemen who decided between us last time, and I fear were over-persuaded by your evidence to give an award against the Company I represent. I have, however, full confidence that on reconsideration of the question the arbitrators will be inclined to take a more liberal view of the duties performed by this Company, and increase the remuneration for the services to a more reasonable sum. I presume you have equal confidence in them as regards your views, and it therefore might be worth while for us to send them over our written statements and let them fix the amount payable for the next two years, unless the Government should in the meanwhile take over the Line.

I cannot but think that, considering the increased Tollage year by year the Government obtain from the Company on account of the Launceston and Western Railway, it should be partly repaid by your Department, for it is a most important part of our working expenses. Acting on this view, my offer to continue the service for the almost nominal increase of £150 per annum appears to me scarcely worth contesting, since the arbitration fees will swallow a considerable portion of it.

Mr. Lord has given me notice about a new arbitration, by which I presume he means increased Tollage, part of which I certainly ought to get out of you.

Having thus stated my views on the matter I should be glad to be favoured with yours.

I have, &c.

A. C. DOUGLAS, *Esq., General Post Office.*

C. H. GRANT.

*Tasmania,
General Post Office, Hobart Town, 23rd June, 1879.*

MY DEAR SIR,

Re MAIL SUBSIDY.

I HAVE to acknowledge your letter of the 21st instant on the above subject, and learn that you are still dissatisfied with the amount at present paid for conveyance of mails between Hobart Town and Launceston, and desire that the question be remitted to the previous arbitrators to decide upon. There can be no objection to this course being pursued, but as it is probable arbitrators will be called upon at no very distant date to decide upon the amount of Tollage to be paid by the Main Line Railway Company for running over the Launceston and Western Line, it would be desirable, in my opinion, to allow the arbitrators appointed in that case to decide upon the mail subsidy question; but, whatever amount may be settled as the Tollage to be paid, I strongly object to that matter being in any way connected with the mail subsidy either before or after decision, as I consider that, whether the award be in your opinion favourable or unfavourable, there can be no reason why such foreign matter should be imported into the settlement of simply deciding whether the amount at present paid you for conveyance of mails is sufficient or an excessive payment, or whether it should be increased by any amount not exceeding One hundred and fifty pounds per annum.

I have already pointed out that the sum now paid you for conveyance of mails is far in excess of that paid in the Colony of Victoria, and would not therefore recommend the additional One hundred and fifty pounds applied for by you being paid, as I am thoroughly satisfied that the contribution by this Department to your Company for carriage of mails is a highly liberal one.

I have, &c.

C. H. GRANT, *Esq.*

A. C. DOUGLAS.

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart Town, 24th June, 1879.*

MY DEAR SIR,

I AM in receipt of yours bearing yesterday's date respecting the subsidy payable to the Main Line Railway for the conveyance of mails, and note that you suggest that the arbitration upon this matter should be taken at the same time as that upon the Launceston and Western Railway Tolls; which, however, you consider, as regards the amounts, to have no possible connection with each other.

This is the precise point upon which we differ. You judge that the cost of transit should be obtained by analogy with that in other Colonies. I cannot for one moment admit this, and say that it should depend entirely upon the cost of the service to the Company. It is quite clear that in coaching mails the amount payable to the proprietor should not be less than the cost of carrying the mails; and I contend that we ought to be in the same position. Our cost per train mile run is, unfortunately, larger in proportion to the receipts than that of any Line I have ever heard of. In the figures already given you I show that, if the cost be reckoned upon the usual principle adopted by railway authorities, the amount payable to us would very considerably exceed that which we now receive. The matter, however, can stand until I hear what Mr. Lord proposes doing.

I have, &c.

C. H. GRANT.

A. C. DOUGLAS, Esq.

*Tasmania,
General Post Office, Hobart Town, 25th June, 1879.*

MY DEAR SIR,

I BEG to acknowledge your letter of yesterday's date *re* mail subsidy; and, in reply, must reiterate my decided opinion that whatever amount has been or may be decided by arbitrators as payable by your Company for running over the Launceston and Western Line it is completely outside the question of the mail subsidy, and cannot under any circumstances be imported into it.

As you have stated in your letter now under acknowledgment "that you cannot admit that the cost of transit should be obtained by analogy with that in other Colonies," I desire to refer to your letter of the 3rd March last, in which you say "that you had no knowledge in regard to the mail subsidy paid by other Australian Colonies except Victoria, and that upon the rates paid in that Colony alone you grounded your claim for £3857 per annum before the arbitrators in September last; and to my reply of the 6th idem, in which I conclusively proved that at the present rate, viz., that fixed by arbitrators, this Department is paying over *eight* pence per mile for conveyance of mails per Tasmanian Main Line Railway, while in Victoria the cost is slightly over *five* pence per mile, it is quite clear your views as to comparison with Victoria have undergone considerable change since my letter of the 6th of March last, to which I now beg to draw your attention, as also to your own letter of the 3rd idem.

Referring to your remarks that the amounts payable to the proprietor of a coach for carrying mails should not be less than the cost of their conveyance, I can assure you your views are not in accordance with actual facts, as the sums paid to mail coach proprietors do not anything like approximate to the cost of running the conveyances. I may instance the Huon mail coach, and conveyances to Brown's River, Sorell, and Richmond: in each case the mail subsidy bears an exceedingly small proportion to the cost of running the conveyances.

I have, &c.

A. C. DOUGLAS.

C. H. GRANT, Esq.

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart Town, 26th June, 1879.*

MY DEAR SIR,

I HAVE to thank you for your letter of the 25th instant, which fully bears out my statement that we view the question of Mail Subsidy from two such different standpoints as to make it impossible that our difference of opinion can be reconciled, or that correspondence would make our ideas approximate.

I have not referred to my previous letters, but am sure that, if I had, they will bear out my simple contention, that the *cost* of the Mail Service to this Company should be the *minimum* sum payable by your Department; and this in the most general terms, in which alone I have used the word *cost*.

You interpret my observation about the *cost* of coaching to mean the whole expense of running a conveyance. I mean the *excess of expenditure over receipts*, which must constitute the *cost*. Any item that directly or indirectly swells the *cost* of carrying the Mails to the Main Line Company should, in justice, be partly defrayed by your Department. The Launceston and Western Railway tolls is one such item.

If in the neighbouring Colonies, through the necessarily larger number of passengers who travel by the Mail train, the net *cost* is reduced, the postal matter can be carried at a lower rate; and for this reason I say that our terms should not be judged by analogy with the other Colonies, although the sums paid in other Colonies are properly quotable in exemplification of what should be a *minimum* charge. As an illustration: if we did not carry passengers and goods by the Mail train, but confined it exclusively to Mails, then it would be necessary to charge you our actual train expenses of, say, 4s. per mile ran, or £16,652 per annum, for the use of that train alone. The proper alternative, on your rejecting these terms, appears to me either that you should send by some train that was not specially required for the Mail Service, or else arrange another mode of conveyance. Supposing, however, we *earned* from general traffic 2s. per train per mile by this Mail Service that we should not otherwise obtain, then I say the charge to you ought to be £8326; and if 3s. per mile were derived solely from the Company's use of this train, then the amount payable therefor would be £4163.

In Victoria the Mail train is probably worth at least its cost to the Railway Department, and therefore 5d. per mile would be willingly accepted as a profit on running it, or possibly there may be a profit from passengers alone, in which case the 5d. per mile would be so much additional profit. Our case has been that none of the trains have paid, and that we could have dispensed with the Mail train altogether without any very serious diminution of our receipts; and therefore if we recovered the whole cost of running the train from you it would not be an excessive payment.

Although in argument—for the sake of simplicity—I have dwelt on the practice in other Colonies, I feel sure I have never departed from the views herein enunciated. They appear to me to be the only just and reasonable ground for determining the payment of the Mail Subsidy.

The figures I quote are, undoubtedly, extraordinarily high; but this arises from the simple fact that the terms of the Contract with the Government are so awkward with regard to the public convenience that we are compelled to run three trains daily to give the accommodation you require, whereas one train alone would be all that the traffic justifies; and hence the cost of each train bears an enormously high ratio to the results obtained on any other Line of which I have any knowledge.

I am in daily expectation of receiving from Victoria the Railway Accounts for 1878, when I shall be able to discuss with you the facts resulting to the Railway Department from the Postal Service of that Colony.

I have, &c.

C. H. GRANT.

A. C. DOUGLAS, *Esq.*, General Post Office.