

(No. 17.)



1900.

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PARLIAMENT OF TASMANIA.

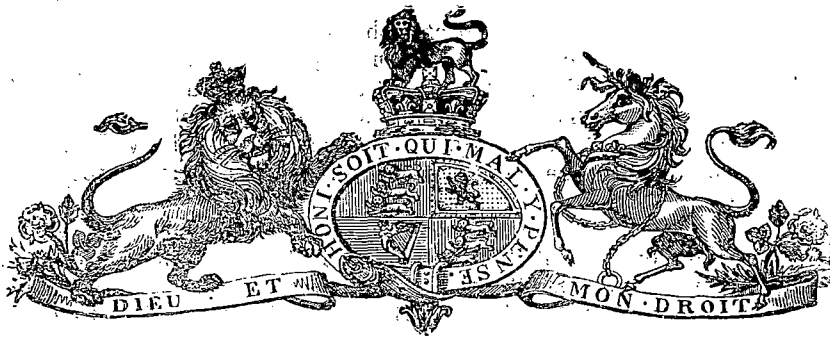
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GREAT WESTERN RAILWAY:

CORRESPONDENCE.

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Presented to both Houses of Parliament by His Excellency's Command.



## G R E A T   W E S T E R N   R A I L W A Y .

### C O R R E S P O N D E N C E .

*Holbrook Place, Hobart,  
15th February, 1900.*

SIR,

IN the event of the Great Western Railway Company failing to begin the construction of the line in a straightforward and *bonâ fide* manner by the 1st August, the time prescribed by the latest Act of Parliament, I have to say I shall be prepared to undertake the construction and equipment of the railway, in accordance with the provisions of the Great Western Railway Acts, for the lump sum of £600,000, or £1,600,000 less than the amount of the combined share and debenture capital of the company; and that, in the event of this offer being accepted at any time within the current year, I will deposit with the Colonial Treasurer, through the Commercial Bank of Tasmania, the sum of £20,000 as a guarantee of good faith—this being double the amount deposited by the Syndicate.

All the land concessions and water-rights of the moribund company to revert to the Government.

I have the honour to be,

Sir,

Your obedient servant,

R. C. PATTERSON, *M. Inst. C.E.*

*The Hon. the Premier, Hobart.*

*2nd March, 1900.*

SIR,

I HAVE the honour to acknowledge the receipt of your letter of the 15th ultimo, in which you offer, in the event of the Great Western Railway Company failing to begin the construction of the line by the 1st August next, to undertake the construction and equipment of the railway for the sum of £600,000, and to deposit the sum of £20,000 as a guarantee of good faith.

In reply, I have to inform you that, while there is in existence a contract between the Colony and the Great Western Railway Company for the construction of the railway from Glenora to the western mining fields, my Government is unable to consider any proposal from any other person or company for the construction of the same line.

I have, &c.,

N. E. LEWIS, *Premier.*

R. C. PATTERSON, *Esq., Holbrook Place, Hobart.*

*101, Macquarie-street, Hobart, 28th February, 1900.*

SIR,

The Great Western Railway.

WHEN the Deputation from the West Coast Railway League waited upon the Cabinet on the 26th instant, it was arranged that Mr. Palmer should, on behalf of those he represents, place in writing the terms and conditions upon which it is suggested that the Government should ask Parliament to give some financial assistance to the company, which would enable them to undertake the important work of constructing and equipping a railway from Glenora to the West Coast,

and should furnish you with an amended prospectus showing the important alterations which the company are willing to make therein as a condition of obtaining the financial assistance they require. We are now instructed by Mr. Palmer to set forth all the important points in which he, on behalf of the Promoters, the Purchasing Company, and the Contractors (Messrs. Pauling & Co.) consents to alter the prospectus; and immediately the terms suggested by Mr. Palmer, or some modification thereof, are accepted by the Cabinet, the heads of the amended prospectus can be put into shape and handed to you.

It is suggested that the Government should submit a Bill to Parliament whereby the Treasurer should be authorised to subscribe £200,000 towards the construction of the railway; and by such Bill it might be provided that the issue of debentures by the company is not to exceed £400,000, and that the £200,000 to be subscribed by the Treasurer should be secured by a mortgage over the railway, plant, and equipment, in the same mode as the debentures are, and should bear the same rate of interest. This Bill might, of course, authorise the Treasurer to subscribe £200,000 to any company other than the Great Western Railway and Electric Power Company, Limited, constructing the said railway, but we may say at once, that if Parliament should decide to withdraw from the present company the concessions, or any part thereof, granted to them in their original Act, and upon the faith of which the undertaking was floated in London last year, we believe that the present company will be compelled to abandon the venture.

If the Government obtain the authority of Parliament to subscribe the £200,000 upon the terms aforesaid, or upon such other terms as may be mutually agreed upon, Mr. Palmer undertakes that the prospectus will be altered in the following particulars, and that the undermentioned concessions will be made by the company in order to secure to the Colony the construction of a substantial railway :—

1. The ordinary share capital of the company will be reduced from 900,000 Shares of £1 each to 150,000 £1 Shares. The issue of 1st mortgage debentures of £100 each, bearing £5 per cent. interest, to be limited to £400,000; and these debentures, together with the £200,000 to be acquired by the company under an Act to be passed by the Parliament of Tasmania, shall be secured by 1st mortgage over the proposed railway, its plant, and equipment.
2. All reference to Mr. A. W. Lawder's Report to be struck out of the prospectus.
3. The company will consent to the repeal of the Clause added to Section 15 of their original Act by Section 3 of "The Great Western Railway and Electric Ore-reduction Act, No. 3," provided that you obtain legislative sanction for the company, notwithstanding anything to the contrary contained in their original Act or the Amendments thereof, to construct a railway as efficient and substantial in the matter of curves and grades, and other particulars, as the Scottsdale Railway of Tasmania (the Minister of Railways to supply the company with a linen tracing from the plans of the Scottsdale line, showing its nature).
4. Notwithstanding anything contained in the company's original Act, the weight of the rails is to be 60lbs. to the yard, instead of 43 lbs.; and the ballast, 1760 cubic yards to the mile, instead of 1330 yards—that is to say 22 yards to the chain.
5. All concessions, except the railway itself, are to be eliminated from the prospectus, but the Promoters and the Purchasing Company are to be at liberty to re-float the rest of the concessions into a Concession Development Company or Companies, at their discretion, and the profits, proceeds, and shares therein are to be apportioned as they may mutually agree.

We believe that we have now dealt with every promise made by Mr. Palmer when accompanying the deputation of the 26th instant, and with every point you mentioned as being material, and we shall esteem it a favour if you will give us a reply to the proposal herein contained in the course of to-morrow.

We have, &c.,

HENRY DOBSON.  
RUSSELL YOUNG.

*The Honourable N. E. LEWIS, Premier.*

6th March, 1900.

SIRS,

The Great Western Railway Company.

I HAVE the honour to acknowledge the receipt of your letter of the 28th ultimo, in which you under instructions from Mr. Palmer, who represents the Promoters, the Purchasing Company, and Messrs. Pauling & Co., set forth certain proposed alterations in the Great Western Railway Company's prospectus, and certain suggested modifications in the terms under which the railway can be constructed.

Your letter has received the careful attention of my Cabinet, and we are now prepared to submit for the consideration of your client certain proposals which we consider fair and reasonable both to the Colony and the Great Western Railway Company. These proposals are, of course, subject to the approval of Parliament, and may, without going into unnecessary detail, be shortly summarised as follows:—

1. The Government will be ready to recommend to Parliament the appropriation of the sum of £200,000 for the purpose of continuing the Derwent Valley Railway from Glenora towards the West Coast for so many miles as a railway can be constructed for such sum. The western terminus of such railway to be situated in a position where it can conveniently junction with the railway to be constructed by the company, and the company's route as already surveyed to be followed as far as may be found practicable and desirable.
2. This section of the line will be constructed by the Government upon the specification contained in the Schedule to the company's acts substituting sixty-pound rails for forty-three-pound rails, and providing for the ballast to be 1760 cubic yards to the mile instead of 1330 yards.
3. The Government will lease for the term of the primary lease this section of the line to the company for £7000 (seven thousand pounds) per annum—that is,  $3\frac{1}{2}$  per cent. upon the capital to be expended. This will be a reduction of  $1\frac{1}{2}$  per cent upon the amount now offered by the company as interest upon the debentures which the Government has been asked to take up.
4. The lease will contain provisions for the proper maintenance of the line, for the termination of the lease in the event of the purchase or forfeiture of the balance of the line to be constructed by the company, and such other provisions and covenants as may be found necessary.
5. The company to give a satisfactory guarantee that it will construct the balance of the line upon the terms of its Acts (substituting the heavier rails and increased ballast above-mentioned, and eliminating the Clause relating to curves and grades passed last Session) concurrently with the portion to be constructed by the Government.
6. Work to be commenced by the Government from Glenora and by the company from the vicinity of Zeehan and Gormanston within a certain specified time (say six months) from the passing of the Act authorising the construction of the Government section, and both portions to be proceeded with in a *bonâ fide* manner simultaneously. The Government will support an application for a reasonable extension of the time within which the company is compelled to commence the construction of its line, if such should be found necessary, and if these terms be accepted. The lease will bear date as of the day when the Government section is ready for traffic.
7. The company to retain all the concessions already acquired.
8. The Government will pay out of the sum of £200,000 the actual cost of any surveys already made by the company for so many miles from Glenora as shall be equal to the section to be constructed by the Government, and also for all construction work already completed by the company upon such section. In the event of any difference regarding such actual cost recourse to be had, if necessary, to arbitration.

These proposals will, if accepted by the company and Parliament, give all the financial assistance asked by the company, will require an annual payment by the company of £3000 less than has been offered, and will be free from many of the objections which can be raised to the proposals submitted by the company.

I shall be glad to have an early reply to this letter, as upon acceptance, there will be many details to be settled, and these may occupy a considerable time. A further reason is, that the Government cannot submit these proposals to Parliament until assured that the parties represented by your client will be prepared to undertake the construction of the railway upon the revised terms herein set forth.

I have, &c.,

N. E. LEWIS.

Messrs. HENRY DOBSON and RUSSELL YOUNG, Hobart.

101, Macquarie-street, Hobart, 16th March, 1900.

SIR,

Re Great Western Railway.

YOUR letter of the 6th instant came duly to hand, and has been carefully considered by our clients and the Railway League, all of whom consider the proposals therein contained as evidencing a *bonâ fide* desire on the part of the Government to render financial aid to this undertaking. The financial arrangements in London, and the terms given to Messrs. Pauling & Co. before they signed the contract for the construction of the railway, were adjusted after many months of negotiations and an infinity of trouble, and our clients instruct us to urge upon the Cabinet the necessity of advising Parliament to contribute the £200,000 in such shape as will require as little interference as possible

with the company's arrangements already concluded in London. Under these circumstances, we have the honour to submit for your favourable consideration the following modification of the proposals contained in your letter now under reply :—

1. We enclose extract from a letter dated 1st ultimo, from Mr. John Brunlees, the engineer for the debenture-holders and the Purchasing Company in London, from which you will see that Mr. Brunlees confirms the opinion we have so often expressed to you, viz.—That the £200,000, which it is proposed the Government should contribute, 'should have no preferential rights over the other debenture-holders.' We shall be glad, therefore, if you will consent to the £7000 a year rent, to be paid by the company under the lease of the section of the railway which the Government propose to construct, taking no priority over the debenture-holders, and if you will accept for rent such rate of interest on the £200,000 as is equivalent to the rate of interest—not exceeding  $3\frac{1}{2}$  per cent.—which the debenture-holders may receive on their debentures.

2. It is desirable not to give the Contractors any reasonable excuse for withdrawing from their contract, and you will readily understand that complications and disputes may arise if the company has to ask the Contractors to give up the construction of the eastern portion of the line, which they may regard as being the easiest section to construct, and to make an equivalent reduction in their contract price. It is considered that it will entail a very large extra outlay upon the Contractors if they are compelled to commence construction from the vicinity both of Zeehan and Gormanston simultaneously with the commencement of the construction of the line at Glenora. Both the difficulties stated in this paragraph are considerable, and in order to remove them upon terms fair to the Government and our clients, we propose, at the suggestion of the Railway League, that the Contractors (Messrs. Pauling and Co.) should be allowed to proceed with the construction of the whole railway (including the Government section) in their own way, and at such places as they think desirable; and that the Government should make progressive payments to the Contractors to the extent of 20 per cent. of the cost of construction, as the work proceeds, up to the limit of £200,000. The cost of construction will, of course, have to include the Contractors' profit, and as the schedule of prices attached to the contract includes such profit, Mr. Palmer has cabled to Mr. Brunlees, of London, asking him to send the schedule of prices, so that you and your experts may have the information required to ascertain the cost of construction. Under this proposal the Contractors will have to spend £4 of their own money for every £1 received from the Government, and will practically have to carry out the whole of their contract before they will be entitled to receive from the Government the last payments on account of the £200,000.

3. The company's engineer will, of course, have the power to require the Contractors to construct the railway in accordance with the contract; and any alterations thereof, which, as the result of the negotiations now pending, may be agreed to by all parties, and in order to protect the Colony, we suggest that the Minister should appoint an engineer with power to act with the company's engineer in requiring the Contractors to fulfil their contract obligations, and give to the Colony a line equal in all respects to the Scottsdale Railway. In case of disputes between the engineers and the Contractors' engineer, all such disputes to be referred to an umpire who might be appointed by the Minister, the Company, and the Contractors before the construction of the railway is recommenced.

4. If the alterations of your proposals here suggested, or some modification thereof, are agreed to by the Cabinet, our clients would of course consent to any legislative action, or execute any deeds which may be required, to vest in the Minister of Lands the Government section of the railway, and such section could then be let to the company in terms of your letter of 6th instant. When the whole line is finished, it will then be easy for the engineers of the three parties interested to ascertain the exact section which the contribution of the Government had enabled the Contractors to construct; and in case of any difference, such difference should be referred to the umpire before mentioned, for his decision. Our clients have no objection to the lease containing provisions for the proper maintenance of the line, and for the termination of the lease in the event of the purchase or forfeiture of the balance of the railway, as mentioned in the 4th clause of your letter, but all other provisions and covenants which the Government may think it necessary the lease should contain, should be intimated to us at an early date, and thus avoid disputes at the last moment.

We have, &c.,

HENRY DOBSON.  
RUSSELL YOUNG.

*The Honourable N. E. LEWIS, Premier.*

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P.S.—The 47th Section of the Promoters' Act requires that all their accounts for construction of railway shall be subject to the provisions of "The Audit Act, 1888," and that the Supervising Officer of the Government shall certify all vouchers for expenditure. This is a practical reason why the section of railway to belong to the Government should be ascertained after the expenditure has been incurred. Copy of Mr. Palmer's cable to Mr. Brunlees accompanies this letter.

(COPY.)

EXTRACT from letter from John Brunlees, Engineer for debenture-holders and company, dated February 1st, 1900.

"Money is down again to 4 per cent., so that with a favourable turn in South Africa and Government guarantee, or Government assistance to the extent of £200,000, or any method by which the Government show their *bonâ fides*, the thing can be done. If the Government take up £200,000 of debentures they should have no preferential rights over the other debenture-holders."

I hereby certify that the above extract from Mr. Brunlees' letter, is a true and correct extract from his correspondence bearing on the proposed Government money assistance to the company, and the possibility of immediate action on the part of the company towards construction.

W. HARCOURT PALMER.

March 10, 1900.

Witness.--G. P. FITZGERALD.

(COPY.)

REUTER'S Telegram Company.

13th March, 1900.

From W. HARCOURT PALMER, Hobart.

To JOHN BRUNLEES, London.

GOVERNMENT will subscribe £200,000 for construction of railway, subject their approval Schedule of prices, cable full instructions immediately, or send Schedule.

DOBSON, MITCHELL, & ALLPORT, Hobart.

101, Macquarie-street Hobart, 16th March, 1900.

SIR,

Re Great Western Railway.

REUTER'S agent has just furnished us, at Mr. Palmer's request, with the following cable, which Mr. Palmer has just received in Melbourne from Mr. John Brunlees:—

"As work must be commenced August should suggest that Government instruct Fysh report by cable fairness contract and schedule with the assistance of engineer say Sir. . . . Baker Schedule posted."

We have, &c.,

DOBSON, MITCHELL, & ALLPORT, Hobart.

The Hon. N. E. LEWIS, Premier.

21st March, 1900.

GENTLEMEN,

I AM directed by the Honourable the Premier to acknowledge the receipt of your letter of the 16th instant, re the Great Western Railway, and to inform you that the same will receive careful consideration by this Government. I have the honour also to request you to be good enough to furnish the Honourable the Premier, as early as possible, with a copy of the contract for constructing the railway by Messrs. Pauling & Company.

I have, &c.,

GEO. STEWARD, Secretary to the Premier.

Messrs. H. DOBSON, and RUSSELL YOUNG, Hobart.

COPY TELEGRAM.

London, 27th March, W. HARCOURT PALMER.

Received in Hobart, 28th March, 1900.

(Sabricum)

PLEASE reply by telegraph to my last cable will Government agree to suggestion if this is done at all it must be done quickly if decision satisfactory am sanguine of ultimate success.

Signed. JOHN BRUNLEES.

THIS copy of telegram handed to me by Mr. Henry Dobson.

N. E. LEWIS,  
4. 4. 1900.

## MEMORANDUM for the Honourable the Minister of Railways.

COPY of the contract under which Pauling and Company, Limited, undertake to construct the Great Western Railway is sent herewith for your perusal in connection with a copy of letter dated 16th instant, received by me from Messrs. Dobson and Young.

If we are to take over portion of the railway at the Glenora end after it has been constructed by Pauling and Company, Limited, it is essential that we satisfy ourselves that the line, when so constructed, is in every way a substantial one. I therefore suggest that the contract be submitted by you to the railway authorities, and that they be requested to report fully upon it.

I observe that in clause 1 of the contract the company is to give to the Contractors notice to proceed with the construction of the railway not later than the 1st August last. Clause 6 provides that such curves of not less than five chains radius, and such gradients not steeper than 1 in 40, shall be used as will enable the earthworks and masonry to be of as small a quantity and light a character as possible, compatible with the efficient construction of the railway. On page 19 similar words are found, "to ensure a line of railway which shall be capable of efficiently carrying traffic at a speed of 15 miles per hour, the intention being that the railway shall be of as light a nature as possible as to its earthworks, bridges, and culverts."

As soon as the suggested report is obtained from the railway authorities, the letter of Messrs. Dobson and Young will be considered in Cabinet, and a reply to that letter drafted.

N. E. LEWIS, *Premier.*  
27. 3. 1900.

28th March, 1900.

SIRS,

REFERRING to your letter of the 16th instant, in which you say that it is very desirable not to give the Contractors any reasonable excuse for withdrawing from their contract, I have the honour to draw your attention to the first paragraph of the contract (obtained from Mr. Guesdon by the Honourable the Treasurer, and handed by him to me), in which these words appear—"Within two months from the date of the incorporation of the company, not being later than the 1st August, 1899, the company shall give notice to the Contractors to proceed with the works, &c."

As the date within which the notice is to be given has long since past, I wish to learn from you whether any extension of time has been obtained from the Contractors, and whether the contract is still binding on Pauling and Company, Limited.

You will understand that this is merely a preliminary inquiry, and is intended to clear the way for a full reply to your letter, which will be sent as soon as a report upon the contract has been obtained from our railway authorities, and the matter has been considered in the light of such report by the Cabinet.

I have, &c.,

N. E. LEWIS.

Messrs. HENRY DOBSON and RUSSELL YOUNG, *Solicitors, Hobart.*

101, *Macquarie-street, Hobart, 29th March, 1900.*

SIR,

*Re Great Western Railway.*

We have the honour to acknowledge receipt of your letter of yesterday's date. Mr. Palmer has always informed us that the time for commencing construction of the railway has been extended to 1st August next, and that Messrs. Pauling & Co. were bound to fulfil their contract if asked to proceed with the work at any time prior to that date. We, however, sent Mr. Palmer a copy of your letter, and now forward herewith his reply, which we trust will be satisfactory.

We have, &c.,

HENRY DOBSON,  
RUSSELL YOUNG,

*The Hon. N. E. LEWIS, Premier.*

New Norfolk, 29th March, 1900.

DEAR SIRS,

IN answer to the Premier's letter of yesterday, Messrs. Pauling and Co. have agreed to extend the time for starting work under their contract, which holds good to 1st August, 1900.

Yours truly,

W. HARCOURT PALMER.

Messrs. DOBSON, MITCHELL, and ALLPORT.

MEMO.

DOBSON has just telephoned asking me to apologise for him for not writing to you as promised on the Great Western Railway. He asks that you should fully formulate the Government proposal in reference to their offer (subject to the approval of Parliament) to construct £200,000 worth of the railway. He suggests that the terms should be explicit as to the contract between Messrs. Pauling and Co. and the English Company, that is, as to whether your engineer's report thereon will justify you in accepting that contract as sufficient to comply with the schedule of the specifications under the Great Western Railway Act. Again, will you reconsider the question of curves and grades with the view of adopting a suggestion I made through Mr. Bird, viz., that these should be in the joint discretion of the Engineer-in-Chief and Mr. John Brunlees, the engineer of the Company, with provision for arbitration in event of dispute; that something definite should be embodied in your proposals as to the Company's running powers over the Government line from Glenora, and as to the rates of freight for the enormous amount of material for construction that will require to be carried either *via* Glenora or Strahan. He says, whatever your decision on these points may be, will you formulate the Government's final decisions in such a form that they may be at once embodied in a Bill to present to Parliament?

WILLIAM A. GUESDON.

Hobart, 11th April, 1900.

DEAR SIR,

*Re* Great Western Railway.

I SUBMIT the following for your consideration :—

That the Government should not claim interest upon progress payments made during construction. In cases of railway construction by the Colony, there would be no question of interest on such payments, except indirectly, by way of penalties for non-fulfilment of contract within specified time. Provision is made for such in Pauling and Co.'s contract, and the Government might therefore waive the item of interest on progress payments.

In presenting the measure to Parliament, you may consider whether this proposal might not strengthen the hands of Ministers.

That the alternate blocks of land through which the railway will pass should not be alienated, but should be leased, on such terms as the Government might decide, for agricultural, pastoral, or mining purposes, and the income derived therefrom should be vested in a special account, to form a sinking fund to pay the £200,000 capital cost of construction, and to provide for the eventual purchase of the company's portion of the line, in terms of the Act. The leases could be in perpetuity, with provision for periodical re-assessment, as the land increased in value through public expenditure; for compensation for improvements, to be made to out-going by in-coming lessees; for the right, under specified regulations, to apply for mining leases on any of the leaseholds, and thus initiate, in a practically new province, a *quasi* Mining on Private Property Act, as adopted by other Australian colonies.

The land is now valueless, and will remain so until railway construction creates a value. The line, therefore, whether constructed partly or wholly by the Colony, should be credited with the revenue derived through such created value.

I trust you will understand that any suggestion I may offer is made in a friendly spirit, but railway communication between the capital and the western mining field, together with the development of the valuable mineral country between the Humboldt and Lyell, are matters of the most vital importance to the interests of Southern Tasmania, and the bulk of the Southern representatives are publicly pledged to secure such railway communication, either through the Syndicate or the Government.

Yours faithfully,

WILLIAM A. GUESDON.

The Hon. B. STAFFORD BIRD,



*Tasmanian Government Railways.*  
*General Manager's Office, Hobart, 11th April, 1900.*

MEMORANDUM for Hon. Minister for Railways.

Great Western Railway.

As directed, I have the honour to submit a report, first, on the proposed contract and specification, and, secondly, upon the letter of Messrs. Henry Dobson and Russell Young, addressed to the Hon. the Premier, and bearing date 16th March.

With regard to the contract and specification, these must be read with the Acts, and with the specification which is the Schedule to the original Act, 60 *Victoria*.

Section 6 of the contract reads as follows :—

“The Railway shall be constructed and equipped and all other works to be done hereunder shall be executed in accordance with the Act of Parliament as varied by the specification scheduled hereto and in accordance with this contract and the said specification and to the reasonable approval of the Chief Engineer and the Government Engineer. It being agreed that such curves of not less than five chains radius and such gradients not steeper than 1 in 40 shall be used as will enable the earthworks and masonry to be of as small a quantity and light a character as possible compatible with the efficient construction of the Railway.”

I think the provisions of this Section are *ultra vires*, except in so far as alteration is permitted in the matter of minimum curves and maximum grades. See Section 3 of 63 *Vict.*, the amending Act to the Great Western Railway Company's Act.

Section 9 of the contract provides that the Promoters may, with the approval of the Chief Engineer, locate the railway so as to follow the shortest possible route between the termini mentioned in the Act of Parliament, provided the principal centres of traffic are intercepted by the railway, and may from time to time make any deviations or alterations which they (Contractors?) may think necessary or expedient. In this case it is clear that the “Chief Engineer” means the Chief Engineer to the Contractors. The Act provides (see Section 17 of Act 60 *Vict.*) that “The Promoters shall, before commencing to construct the Railway, deposit with the Minister a copy of the working plan and sections of the Railway, showing the route of such Railway \* \* \* And the Minister may require such alterations as he thinks necessary to be made in such plan and section as aforesaid.” Section 18 provides that “The Promoters may from time to time during the construction of the said Railway make such alterations in the plans, sections, and specifications thereof deposited with the Minister as aforesaid as the Minister may from time to time approve.”

It is quite clear then, I think, that the proposals contained in Section 9 of the contract are not in conformity with the Act of Parliament.

Section 15 of the contract does not seem to be in conformity with Section 26 of the original Act.

When I had the honour on a previous occasion to report, by direction, on a proposal to amend the original Act to give the company power to put in the minimum curves and the maximum grades at their pleasure, I pointed out that such an alteration in the original Act and specifications would mean that instead of having a line similar to the Government lines—or more particularly, we will say, the Scottsdale line—as it has been mentioned by the Promoters or those connected with them—the country would have simply a cheap surface line—in fact, a line, from a traffic point of view, of an inferior character. The views I expressed in my report to you have been fully borne out. *Vide* Section 6 of the contract, which contains the following :—“It being agreed that such curves of not less than five chains radius, and such gradients not steeper than 1 in 40 shall be used as will enable the earthworks and masonry to be of as small a quantity and light a character as possible compatible with the efficient construction of the railway”; and this is reiterated at page 20 of the specification.

On the whole, it will be seen that the contract is not in terms of the Act and the amending Act. Moreover, the specifications attached to the contract are not the specifications which Parliament very wisely provided should be the specifications under the Act. Neither the contract nor the specifications would be accepted in the construction of a Government railway, and I am of opinion that the Promoters should be held strictly to the provisions of the Act of Parliament, and the specifications which is the Schedule to the original Act.

I now turn to the letter of Messrs. Henry Dobson and Russell Young, above referred to. The proposals contained in this letter, taken in their entirety, appear to me to suggest setting aside the Acts of Parliament, and the specifications provided under the Acts, and it seems doubtful whether, taken as a whole, the Minister has power to comply with the requests.

Paragraph 1 in the letter under reference seems rather a matter for legal advice. It certainly appears that if the Government have no rights over other debenture-holders their security will be doubtful.

Paragraph 2. This contains a very reasonable contention that it will entail a large extra outlay upon the Contractors if they are to commence construction from the vicinity of Zeehan and Gormanston simultaneously with the commencement of the construction of the line from Glenora, and this matter is deserving of the consideration of the Government.

The proposal that the Government should contribute 20 per cent. up to £200,000 of the cost of construction of each mile of railway seems to me one which the Government should not entertain. In the first place, it would make the Government a partner in the transaction, which, for obvious reasons, is undesirable; and, secondly, I fail to see what security the Government would have, unless they took a first mortgage over the whole undertaking. This, from the tenor of the letter under review, I do not think would be acceptable to the Promoters.

If the Government is desirous of assisting the Promoters, the best and safest way in the interests of the country of rendering such assistance would be to construct the first portion of the line. The contract assumes that the length of the line will be 160 miles, and the amount set down for payment to the Contractors for the construction of the whole of the line, with their profits, is £1,019,500, provided for as follows:—Cash, £557,500; preferential shares, £362,000; ordinary shares, £100,000. Now, deduct from the total sum the amount set down for the erection of workshops and the purchase of rolling-stock, and we have the sum of £5809 as the cost of construction per mile, with Contractors' profits. Therefore, on this basis, £200,000 would construct 34.429 miles of railway.

Assuming that the Government is desirous of rendering the company assistance to the extent of £200,000, the Government might construct as much of the railway as that sum would pay for by contract or day-labour, under the specifications of The Great Western Railway Act, No. 60 Vict., and certainly eliminating the new section permitting the Promoters to use the minimum curves and the maximum grades as often as they may desire—that is to say, 4th paragraph of Section 3 of 63 Vict., The Great Western Railway Amendment Act.

Messrs. Dobson and Young state that the Contractors consider the section from Glenora as being the easiest section to construct. As an alternative, it may be worth considering a proposal to offer Messrs. Pauling and Company a contract to construct the first 34 miles, or thereabouts, from Glenora, at the average mileage cost of their contract, namely, £5809; but, if such a course be adopted, it will be necessary to adhere rigidly to the Government specifications, specifying the rails, ballast, and sleepers provided in Messrs. Pauling's contract, and for a contract to be drawn up under such terms and conditions as are customary when letting a contract for a Government railway, including such rights on the part of the Government in the matter of inspection, progress payments, and all other necessary details.

FRED. BACK, *General Manager.*

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*Minister's Office, Department of Lands and Works, 19th April, 1900.*

SIRS,

In further reply to your letter of the 16th ultimo, which has been the subject of careful consideration by Ministers, I have now the honour to convey to you the result of their deliberations.

Your proposal that the Government should accept for rent such rate of interest on the £200,000 as is equivalent to the rate of interest (not exceeding  $3\frac{1}{2}$  per cent.) which the debenture holders may receive on their debentures, is open to the objection that by acceding thereto we should become identified with the interests of the debenture-holders in a way which we are determined to avoid.

With regard to the other suggestions contained in your letter, the Government have decided that they must adhere to the proposals set out in my letter to you of the 6th ultimo.

But inasmuch as the Government recognise that a difficulty may arise with regard to Messrs. Pauling and Co.'s contract to construct the whole line, they would be willing to consider an offer from Messrs. Pauling and Co. to construct, for the Government, in the terms set out in par. 2 of my letter to you of the 6th ultimo, and to the satisfaction of the Government Engineer, the portion of the line—about 35 miles—commencing at Glenora, for which they are willing to pay the sum of £200,000.

It is to be clearly understood that the proposals are made subject to the approval of Parliament.

I have, &c.,

GEO. COLLINS, *for the Premier.*

Messrs. HENRY DOBSON and RUSSELL YOUNG, *Hobart.*

*Tasmanian Government Railways,  
Engineers' Office, Hobart, 20th April, 1900.*

MEMORANDUM for the Hon. the Minister of Lands and Works.

SIR,

Great Western Railway.—Works Contract.

I HAVE carefully examined the "Works Contract" of the Great Western Railway Company and I have the honour to submit the following remarks for your consideration :—

Clause 6.—In this Clause the Act of Parliament is practically set aside by the words "as varied by the specification attached hereto," and the action of Parliament is limited to the reasonable approval of the Government Engineer. This is followed by a direct instruction to the Contractor to make the line of as light a character as possible "compatible with the efficient construction of the Railway." A very open definition.

Clause 8.—The engineer is practically made part and parcel of the contract. 1st, Mr. Brunlees, 2nd, an engineer appointed with the consent of the contractors. 3rd, failing these, an engineer nominated by the President of the Institution of Civil Engineers—a somewhat unlikely contingency.

Clause 9.—The Government cannot be a party to Clause 9 without delegating the authority of the Minister to the Company's engineer, which would be contrary to the Act of Parliament.

Clause 11.—This clause is subject to the provisions of Clause 9, and therefore cannot be approved.

Clause 15.—This clause is not in accordance with the Act, which only permits of *permanent* opening, whether in *sections* or final. (*See Part V., Sect. 26, 60 Vict.*)

Clause 18 (a).—Contractors are to receive first payment upon notice to commence work of £60,000 cash for preliminary expenses incurred by them. What are these expenses? Is it proposed that the Government should contribute to this payment?

Why, the money is enough, from an ordinary contractor's point of view, with progress payments as provided, to finance the whole job.

Clause 35.—Will the Government, if it takes an interest in this contract, share these liabilities?

General Specification.—Work included in the contract.

It is evidently intended that the railway shall be as light and cheap a line as possible, and we get here an interpretation of Clause 6, previously referred to in "Works Contract," that an efficiently constructed line under this specification shall mean a line "capable of efficiently carrying traffic at a speed of 15 miles an hour."

Part V., Sect. 16, 60 Vict., says the railway shall be constructed in a "substantial manner fit for the carriage of vehicles at a rate of not less than Fifteen miles per hour with a load of not less than Eight tons upon each axle of every vehicle." These somewhat general terms are further defined in Sections 15, 17, 18, and 19, which must be read together with Section 16, and clearly specified and defined in the "schedule" which forms part of the Act. The amendment of Section 15 by the amending Act of 60 Vict. has, I regret to say, given the Promoters a right to adapt the interpretation of this contract. It is now stated that they purpose giving a line equal to the Scottsdale line. What guarantee is there of this?

Ballast.

Sand ballast is specified. We do not specify sand ballast for our lines, and it is contrary to the Act.

Rails and Fastenings.

It is here specified that the rails and fastenings are to be as designed by the company's engineer. This is contrary to the Act, which says the rails and fastenings shall be of the section and pattern used by the Government

Concrete.

Concrete work, for which material is so generally suitable in this Colony, is omitted from the contract altogether.

The Government Specification.

The "Government specification" should be attached to, or form part of the contract, and when any difference in specification arises, the Act and the "Government specification," of which it is a *part*, should rule.

General.

It seems to me to be impossible for the Government to take an interest in this contract in any form as it at present stands.

I have, &c.,

JOHN M. McCORMICK, *Engineer of Existing Lines.*

(Forwarded through F. BACK, Esq., General Manager.)

Messrs. Pauling's contract and Hon. the Premier's memo. returned herewith.

Hon. the Minister.

F.B.,  
20/4/1900.

101, *Macquarie-street, Hobart, 26th April, 1900.*

*Re Great Western Railway.*

SIR,

WE have the honour to acknowledge receipt of your letter of 19th inst., signed by the Hon. the Chief Secretary in your absence.

The purport of your letter was cabled by Mr. Palmer to Mr. John Brunlees, of London, who is acting as Engineer there for the new company and for the financiers, on the 21st instant, in the following terms :—

“Best terms from Government are that they will construct Glenora portion railway to extent £200,000 through Pauling on his contract and specifications Act; we paying £7000 rental. No interest during construction. Will this do?”

Mr. Palmer yesterday received the following reply from Mr. Brunlees, dated 24th instant :—

“Approve terms telegram twenty-first, increased cost of rails allowing deduction under present conditions must increase contract about £30,000.”

We regret to say that the increased cost of rails and fastenings since Pauling and Co. signed the contract amounts to about £55,000, and the £30,000 mentioned in Mr. Brunlees' cable is arrived at after giving credit for the saving in interest during construction of the railway upon the £200,000 to be contributed by the Government, and the underwriting expenses on the same sum.

From letters received by Mr. Palmer from London by to-day's mail we notice that the Contractors are relying upon the Act passed last Session in reference to curves and grades. If, therefore, the benefit of this Act is to be given up, it can only be done upon the terms offered by Mr. Palmer, namely—that the Scottsdale Railway be taken as the standard for curves and grades to be used in the construction of this railway. Should any dispute arise between the Colony's Engineer and the Contractor's Engineer in reference thereto, the same can very easily be disposed of by appointing an Engineer beforehand to settle all such disputes.

In view of the additional expenditure which will be thrown upon the Promoters, owing to the increased cost of rails and fastenings, we are instructed by the Board in Adelaide, to ask that the Government deal liberally with the new company in reference to running powers over the Government line to Glenora, and the carriage of the enormous amount of traffic—both passengers and goods—which the Government railway will carry for the company between Hobart and Glenora. As to the running powers it is suggested that the Government might very fairly agree to accept their mileage proportion at the same rate which the company charges for passengers and goods between Hobart and the West Coast, and *vice versa*. In reference to the cost of the heavy traffic between Hobart and Glenora during the construction of the railway, our clients think that a very liberal allowance should be made by the Government from their ordinary rates.

Mr. Palmer is advised by the letters received this morning that no time should be lost in arranging the terms with the Government, as otherwise the flotation of the company in London will be seriously prejudiced; and it will be apparent to you that if the construction of the railway is to be commenced by August next, the matter should be at once dealt with by Parliament. We shall therefore be glad if you will prepare a resolution, and submit it to Parliament before the present Session terminates, embodying the terms of your last letter, and the arrangements offered by Mr. Palmer as to curves and grades. The question of rates and running powers need not, we suppose, be dealt with in the proposed resolution.

We have, &c.,

HENRY DOBSON.  
RUSSELL YOUNG.

*The Hon. N. E. LEWIS, Premier.*

*Re G.W. Railway.*

1. I regard the answer received to-day to the Premier's last letter as unsatisfactory, and insufficient to justify us in laying any proposals *re* construction of £200,000 worth of railway before Parliament at present.

2. I think we ought to stick to the proposals we have already made which involve (1) the construction of the railway on the specifications of the Act, together with heavier rails and increased ballast, and to be built to the satisfaction of the Government Engineer; and (2) a definite offer from Pauling & Co. to construct about 35 miles of the Railway on such Specifications for £200,000.

3. Any departure from this proposal, as suggested by letter of Dobson & Young, to revert to last Act *re* curves and grades, or to substitute the Scottsdale Railway as the standard of construction, would be, I think, a weakness we ought not to be led into.

4. I am strongly of opinion that before we lay any proposal for constructing portion of the railway before Parliament, we should have Pauling's definite undertaking or offer signed before the Agent-General, to build 35 miles of railway as above specified, for £200,000.

5. We should also have some assurance that the new company is floated, and a contract really made for the construction of the balance of the line to Zeehan neighbourhood, before we seek to commit Parliament to a contract with Pauling & Co.

STAFFORD BIRD.

*Premier's Office, Hobart, 2nd May, 1900.*

SIRS,

The Great Western Railway.

I HAVE the honour to acknowledge the receipt of your letter of the 26th ultimo, and regret that it does not contain a definite reply to my letter to you of the 19th ultimo. In that letter I state that the Government must adhere to the proposals set out in my letter to you of the 6th March, and are willing to consider a proposal from Messrs. Pauling and Co. to construct, in the terms therein set out, about 35 miles of the railway from the Glenora end.

I notice that the telegram sent by Mr. Harcourt Palmer to Mr. Brunlees on the 21st ultimo, and quoted in your letter now under reply, does not contain an accurate and complete statement of our proposals; and the approval of the terms of such telegram by Mr. Brunlees cannot therefore be considered as a satisfactory acceptance of the Government proposals by the company.

The terms and conditions set out in my letter of the 6th March, and confirmed on the 19th ultimo, are clear, and may be briefly recapitulated, as follows:—

1. That the Government is prepared to assist by constructing portion of the line, probably about 35 miles, at a cost of £200,000. (*See paras. 1 and 2.*)
2. That the Government is prepared to lease this line to the company for the sum of £7000 a year; rent beginning on completion of construction; line, during lease, to be maintained at the cost of the company. (*See paras. 3 and 4.*)
3. That the Promoters shall satisfy the Government of their financial ability to carry out the construction of the line right through from the end of the Government section to Zeehan. (*See para. 5 and concluding para.*)
4. That the line right through shall be substantially constructed on conditions and specifications of original Act (but, with 60 lb. rails, and 1760yds. of ballast per mile), and to the satisfaction of the Government Engineers. (*See para. 5.*)
5. That construction shall be begun simultaneously at Glenora, Zeehan, and Gormanston and shall be continued proportionately on the three sections. (*See para. 6.*)

Additional to the above was the intimation from the Government to you, that, in order to remove the difficulty occasioned by the fact that the company had entered into a contract with Messrs. Pauling & Co. for the construction of the whole of the line, the Government would be willing to consider an offer from that firm to construct its portion (*see letter of 19th April*). The offer contained in my letter of the 6th March is still open for acceptance by your clients, and we are still prepared to receive and consider an offer from Messrs. Pauling and Co. to construct, for the Government, about 35 miles of railway at the Glenora end, as stated in letter of 19th ultimo.

It is essential that all extraneous matter, such as running powers, rates of freight, &c., should be excluded from the consideration of this question; and I now ask for a reply to these three questions:—

1. Will the company accept the terms contained in my letter of the 6th March last? A copy of this letter has, we assume, ere this, reached those interested in England, and, if asked, they could cable at once their acceptance or refusal.
2. Will Messrs. Pauling & Co. make an offer to construct about 35 miles of the line at the Glenora end, as stated in letter of 19th ultimo; and, if so, when may the Government expect to receive such offer?
3. Will your clients be prepared to satisfy the Government that they are in a financial position to undertake the construction of their portion of the railway?

It must be still clearly understood that these and all negotiations are conducted subject to the approval of Parliament.

I have, &c.,

N. E. LEWIS, *Premier.*

Messrs. HENRY DOBSON and RUSSELL YOUNG, *Hobart.*

## TELEGRAM.

*London, 3 May, 1900, 6:50 P.M.*

IN answering Palmer's cabled request to Brunlees, 2nd May, Government Bankers fully assured (him, them) that financial position of Contractors' adility (ability?) complete contract without doubt.

P. O. FYSH, *Agent-General.**To the Hon. the Premier, Hobart.*

*Office of the Agent-General for Tasmania,  
Westminster Chambers, 5 Victoria-street,  
London, S.W., 5th May, 1900.*

SIR,

I HAVE the honour to transmit herewith for your information copies of telegrams that have passed between Mr. Harcourt Palmer and Messrs. Brunlees & Co., relative to the Great Western Railway Company. In the last of these messages it will be seen that it is stated that the proposals of the Government have been accepted, but that you require evidence of the financial position of the parties here to complete the railway. On being shown this, I at once saw our bankers, who assured me that the financial position of Messrs. Pauling and Co. was undoubted, and there was no reason for believing that they would be unable to complete the line. This opinion was telegraphed to you yesterday, and I hope to be able, by next mail, to send you a written statement on the matter from our bankers in justification of the action I have taken.

I have, &amp;c.,

P. O. FYSH, *Agent-General.**The Honourable the Premier, &c., Hobart, Tasmania.*

## Copy of Telegrams to and from W. Harcourt Palmer, Hobart.

(1.) From Palmer to Brunlees, dated Hobart, 21st April, 1900.

BEST terms Government offer construct railway Glenora end to extent of £200,000 through Pauling's present contract according specification Act Parliament, we paying £7000 yearly rental, no interest during construction, will this do?

(2.) From Palmer to Brunlees, dated Hobart, 23. 4. 1900.

REFER to my telegram of Saturday. If you will not accept please telegraph me immediately. Government, if they are genuine, should agree terms of Dobson's letter March 16th. Telegraph reply by Reuter's Social Code. Parliament meets to-morrow.

(3.) From Brunlees to Palmer, dated 23. 4. 1900.

APPROVE terms telegraph 21st. Increased cost of rails, allowing deductions under present conditions, must increase contract about £30,000.

(4.) From Palmer to Brunlees, dated 2. 5. 1900.

HAVE accepted Government terms, but they require evidence financial position to complete railway. Before introducing fresh Bill satisfy Fysh, ask him cable Premier. Leaving Monday for London if Fysh cable satisfactory wire copy.

*Hobart, 9th May, 1900.*

SIR,

WE have the honour to acknowledge receipt of your letter of the 2nd instant, and are instructed by our clients to reply as follows:—

1. The company accept the terms contained in your letter of the 6th March last.

2. Messrs. Pauling & Co. are prepared to make the Government an offer to construct about 35 miles of the Great Western Railway at the Glenora end, as stated in your letter of the 19th of April last. Mr. Palmer started for London yesterday, and immediately he receives a cable from us advising him that the Bill, which you propose to introduce in the Assembly authorising the Treasurer to appropriate £200,000 for the purpose of constructing the Glenora section of the proposed railway, has been passed by Parliament, Mr. Palmer will obtain and hand to the Agent-General the offer of Messrs. Pauling & Co. to construct the section of the railway in question in accordance with the terms of the Act which the Legislature may pass.

3. Mr. Palmer cabled to Messrs. Bakewell and Brunlees on the 2nd instant, asking them to satisfy the Agent-General as to the financial ability of the company to construct the railway, and

we take it for granted that Ministers are now satisfied on this point, as the cable you recently received from Sir Philip Fysh informs you that the Colony's Bankers in London "are fully assured that financial position of Contractors to complete contract is without doubt." You have pointed out that the Agent-General's cable speaks of the Contractors' financial position, whereas you desire to be satisfied of the Promoters' position to finance the undertaking. Sir Philip Fysh, however, knows exactly what you require, and in his cable he must surely refer to the Contractors' position, as financed by the Promoters. It is, moreover, clear from the Agent-General's former cables and letters to your predecessor, that he was long since satisfied that the capital necessary for the undertaking had been obtained. As a matter of fact the Contractors accept a large portion of their contract price in preference shares and ordinary shares, and the only cash Pauling & Co. are to receive (now reduced by the £200,000 proposed to be paid them by the Government) is to be derived from the proceeds of the debentures which, to the extent of £400,000, have been underwritten by some of the leading and most substantial capitalists in London. If, however, you are not satisfied on this point, we trust you will at once cable to Sir Philip Fysh and ask him to advise you as to the Promoters' financial ability to pay the Contractors.

It is obvious that final arrangements in London cannot be completed until Parliament has passed a Bill defining the exact terms upon which the Government will construct their portion of the railway. Mr. Palmer is therefore proceeding to London at once on purpose that he may be on the spot to explain to the Promoters and Contractors the exact position of the matter when we cable to him the purport of the Act which may be passed.

We note that all our negotiations with you in reference to the Great Western Railway are subject to the approval of Parliament, and we are instructed to say that our clients are prepared to accept the decision of the Legislature on the matters referred to in our correspondence, and upon all other points which have not yet been arranged.

We have the the honour to be,

HENRY DOBSON.  
RUSSELL YOUNG.

*The Honourable N. E. LEWIS, Premier.*

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Telegram sent to Agent-General.

ASCERTAIN whether Promoters have obtained, without doubt, capital construction of Great Western, and whether £400,000 debentures at the present time underwritten, and certainly available for payment of Contractor.

(Sd.) N. E. LEWIS, *Premier.*  
10.5.1900.

11th May, 1900.

GENTLEMEN,

I DESIRE to inform you that the following cablegram was yesterday sent to the Agent-General:—"Ascertain whether Promoters have obtained, without doubt, capital (for) construction of Great Western and whether £400,000 debentures (are) at the present time underwritten and certainly available for payment of Contractor."

I have, &c.,

STAFFORD BIRD, *Treasurer.*

*Messrs. DOBSON and YOUNG,  
Solicitors, Great Western Railway Company, Hobart.*

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101, *Macquarie-street, Hobart, 12th May, 1900.*

SIR,

Mr. Young and I desire to thank you for the copy cable which was sent yesterday by the Government to the Agent-General, and we trust the reply will be satisfactory. I now forward herewith, as requested, a copy of Mr. Palmer's cable to Mr. John Brunlees, of 2nd instant.

I have, &c.,

HENRY DOBSON.

*The Hon. the Treasurer.*

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[Copy Cable.]

2nd May, 1900.

W. HARCOURT PALMER to JOHN BRUNLEES, *London.*

(Satricum.)

Have accepted Government terms but they require evidence financial position to complete railway before introducing fresh Bill Satisfy Fysh. Ask him cable Premier. Leaving Monday for London if Fysh cable satisfactory.

## TELEGRAM.

London, 11th May, 1900.

To the Honourable the Premier, Hobart.

REFERRING to your telegram of 10th May, important alterations in former prospectus necessitates *de novo* underwriting Debenture Bonds, which cannot be commenced until your Construction Bill passed. All other capital construction found by contractors undoubted.

P. O. FYSH, *Agent-General*.

Telegram to Hon. B. S. BIRD, Treasurer.

STAND by our offer for the present new position is not our making and shows that so-called acceptance of our terms is not substantial. Wait events.

E. MULCAHY.  
Zeehan, 15. 5. 1900.

15th May, 1900.

GENTLEMEN,

I HAVE the honour to forward herewith the copy of a cablegram received from the Agent-General in reply to that sent by me on the 10th May, copy of which I sent to you and which you have duly acknowledged. The telegram is as follows:—"Referring to your telegram 10th May important alterations in former prospectus necessitates *de novo* underwriting debenture bonds which cannot be commenced until your construction Bill passed. All other capital construction found by Contractors undoubted."

I have, &amp;c.,

STAFFORD BIRD, *Treasurer*.

Messrs. DOBSON and YOUNG,  
*Solicitors Great Western Railway Company, Hobart.*

*The Tasmanian Great Western Railway and Electric Power Company, Limited,  
Cavendish Chambers, Grenfell-street, Adelaide, 16 May, 1900.*

SIR,

I HAVE the honour to address you with regard to Sir Philip Fysh's cablegram in reference to the underwriting, and, in doing so, we wish to recall the past to a limited extent.

It is admitted that, had it not been for the action of your predecessor, flotation was accomplished.

We have spent a large amount of money, and have demonstrated that there is an available route from Hobart to the West Coast, and even those who oppose us admit that the line is a necessity.

I earnestly press upon you that Parliament should be summoned as early as possible, and that the necessary steps may be taken to obtain a statutory ratification of your promises.

I do not ask that the £200,000 should be available until after the Agent-General is satisfied that the remainder of the debentures (£400,000) has been subscribed for.

I may point out, that as the preference and ordinary shares necessary to construct the line have been subscribed for, there can be no possible doubt about the debenture money (which is a first charge on the company's line and undertaking) being forthcoming.

The Board is most anxious that there should be no delay, and they rely on your good offices in aiding them to carry out a work which must be of much material assistance to Tasmania; and they will spare neither time nor trouble to furnish you with any information you may require.

Mr. Palmer sails for London to-morrow, relying on the promises made by your Government.

I have, &amp;c.,

W. E. DALTON, *Secretary*.

*The Honourable N. E. LEWIS, M.H.A., Premier Hobart.*



Telegram to the Hon. the Premier.

PALMER cables unless I can certify moral certainty underwriting Government will not introduce Bill into Parliament. I await instructions from you.

AGENT-GENERAL.  
17th May, 1900.

To DOBSON and YOUNG.

ASK Government to instruct Fysh report by cable. Fysh awaiting answer to cable 17th May.  
BRUNLEES.

To JNO. BRUNLEES, *London*.

SEE Fysh again. Satisfy him that sufficient debentures for undertaking will be subscribed, if Bill passed in terms of Premier's letter of 6th March.

DOBSON AND YOUNG.

To Hon. N. E. LEWIS, *Hotel Australia, Sydney*.

GREAT Western Railway. Our Bill in printer's hands. In view of ascertained inability of Promoters to undertake construction of railway, it seems to me that it would be madness on our part, and would bring ridicule, as well as defeat, upon ourselves, if we attempt to pass our Construction Bill at present stage of negotiations. It appears necessary that company should first pass Amending Bill, shortening length of their line, extending their time for beginning construction, and altering specifications *re* curves, grades, ballast, and rails, thus enabling them to issue new prospectus and secure necessary underwriting of debentures. Colleagues and I would like your opinion on this, and also on question whether you approve of sending answer to solicitor's letter of ninth May, to the effect that we are not yet satisfied as to company's ability to finance undertaking.

STAFFORD BIRD,  
*Hobart, 17th May, 1900.*

Telegram to Hon. STAFFORD BIRD, Treasury.

GREAT Western Railway telegram from Agent-General disappointing, though hardly unexpected. Promoters should have informed us of this earlier if they intended dealing fairly with us. Contractors presumably will not commence until four hundred thousand debentures subscribed. I think telegram as received should be made public, if this not already done, in order to show that we are anxious not to delay construction of railway, and to allow Promoters no excuse. The preparations of Bill can be proceeded with, and a clause should be inserted that our portion of railway be not commenced until Government satisfied money is subscribed.

N. E. LEWIS.  
*Sydney, 17. 5. 1900.*

Telegram to Hon. STAFFORD BIRD, Premier.

GREAT Western Railway think reply to solicitors should ask them to give full details as to present position of the company which has accepted our offer of 6th March. Should give them copy Agent-General's cablegram, and ask them for explanation of statement in their letter that debentures underwritten by some of leading and most substantial capitalists in London. Should inform them our Construction Bill now in hand of Printer, and ask them for draft of their Amending Bill on terms mentioned in your telegram of yesterday, which Bill should be introduced concurrently with our Bill.

N. E. LEWIS, *Premier*.  
*Sydney, 18. 5. 1900.*

CABINET considers that no instructions need now be sent to Agent-General, but that letter in reply to Solicitor's letter of 9/5/00 is all needing to be done at present.

B. S. BIRD.  
.21.5.1900.

*Premier's Office, Hobart, 22nd May, 1900.*

GENTLEMEN,

*Re Great Western Railway.*

I REGRET that your letter of the 9th instant, "accepting" on behalf of your clients "the terms contained in my letter of the 6th March," does not also satisfactorily answer the explicit questions proposed at the close of mine of 2nd May. Your acceptance, and the statement that Messrs. Pauling and Co. are prepared to make the Government an offer to construct about 35 miles of

railway at the Glenora end, might have been regarded as satisfactory if evidence that the company was in a financial position to construct its portion of the line had been more convincing.

You "take it for granted that Ministers are now satisfied on this point," and, in proceeding to show why you think we should be satisfied, you submit the following:—

1. That although the cable from the Agent-General, in reply to one sent by Mr. Palmer to Messrs. Bakewell and Brunlees, speaks only of the *Contractors'* financial position, yet, because you think Sir Philip Fysh knows exactly what information we require, you conclude that he must surely intend his cable to be understood as referring "to the *Contractors'* position as financed by the *Promoters.*"
2. That the Agent-General appears long since to have been "satisfied that the capital necessary for the undertaking had been obtained."

This indirect information, however, did not satisfy us. We wanted more definite assurance than your letter afforded us of the *Promoters'* present possession of capital to finance the undertaking. It was essential that we should obtain the most reliable information, and, therefore, we cabled to Sir Philip Fysh instructing him to ascertain the present financial position of *Promoters* and underwriters. His reply, a copy of which you received, is disappointing. From it it appears—

1. That the Agent-General, in assuring us of the financial position of the *Contractors*, did *not* intend us to understand that the *Promoters'* financial position was strong.
2. That at the present time the *Promoters* have not secured the capital necessary for the construction of the railway.
3. That none of the debenture-bonds are now underwritten.
4. That the *Promoters* intend to begin *de novo* to secure underwriting or purchase of the debentures.
5. That they do not intend to attempt to raise the capital they require until we have passed a Bill authorising the construction of the Glenora portion of the railway.

Viewed side by side with the statement in your letter that the company's debentures, "to the extent of £400,000, have been underwritten by some of the leading and most substantial capitalists in London," the above reply is eminently unsatisfactory, and does not place the Government in the position we have continuously declared we must be in before we submit to Parliament the proposals for the construction by the Government of a section of the line.

At this stage it becomes necessary to ask:

1. Who are the company that accepted the terms of my letter of 6th March, and what are the names of its principal members?
2. Where is the company located and registered, and what is the capital?
3. Do the *Promoters* intend to secure any amendments of their Acts before beginning *de novo* to procure capital for their undertaking?
4. If so, what are the amendments they propose to ask Parliament to make?
5. If such amendments are obtained, what prospect have they of securing the necessary capital?

The Bill to authorise the Government to construct about 35 miles of railway from Glenora is now in type; but before proceeding further with it, I will be obliged if you will favour us with answers to the above questions.

I have, &c.,

— STAFFORD BIRD, for Premier.

Messrs. DOBSON and YOUNG Solicitors, Hobart.

101, Macquarie-street, Hobart, 25th May, 1900.

Re Great Western Railway,

SIR,

REFERRING to Mr. Dobson's promise at his recent interviews with you, we now forward copies of the cables despatched and received by us during the last few days:—

"Harcourt Palmer,  
G.W.R. Co., Grenfell-street,  
Adelaide.

"Essential you cable instantly asking Brunlees satisfy Fysh underwriting reasonably certain "and get Fysh cable Premier again as Fysh has cabled;—Important alterations prospectus "necessitate *de novo* underwriting debentures which cannot be commenced until your Construction "Bill passed? other capital found by *Contractors* undoubted.

DOBSON.

15. 5. 00.—6.0. P.M."

(COPY.)

TOLD Treasurer Underwriters won't bind themselves till Act showing terms altered Con-  
cession passed, but believe Government will not submit Bill Parliament till Fysh cables hopefully.  
Dalton has letter for you.

DOBSON.

HARCOURT PALMER, *Esq.*,  
*Great Western Railway Company,*  
*Grenfell-street, Adelaide.*

We understand that the Agent-General wired to you on 17th instant with a copy of the cable which he received from Mr. Palmer in pursuance of Mr. Dobson's cable of 15th instant, and added that he was "waiting for instructions" from Ministers. On your informing Mr. Dobson of the purport of Sir Philip Fysh's cable, he contended that Ministers should instruct the Agent-General to make such inquiries as they desired with reference to the financial ability of the Promoters to carry out the undertaking. As however, you seemed disinclined to cable the Agent-General with instructions we sent the following cable on the 24th instant, to Mr. Brunless:—

"See Fysh again; satisfy him that sufficient debentures for undertaking will be subscribed if Bill passed in terms of letter, March 6th."

To the last-written cable we received yesterday the following cable from Mr. Brunless:—  
"Ask Government to instruct Fysh report by cable. Fysh awaiting answer to cable 17 May."

As Mr. Brunless' last cable so clearly bears out our contention that the Agent-General requires instructions from Ministers before acting further, we again express the hope that you will promptly cable to Sir Philip Fysh, and obtain through him the information, which we have explained throughout the negotiations is only obtainable in London.

We have, &amp;c.,

HENRY DOBSON, *for self and Mr. Young.**The Hon. the Treasurer.*

25th May, 1900.

GENTLEMEN,

HEREWITH I beg to enclose a copy of the further correspondence upon the subject of the Great Western Railway. I am to point out that this paper has not yet been laid upon the Table of the House of Assembly, and, therefore, cannot be treated as a Parliamentary Paper; in fact, the Treasurer desires you to be good enough to regard the paper as confidential until Parliament has authorised the printing of the correspondence.

I have, &amp;c.,

GEO. STEWARD, *Secretary to the Premier.**Messrs. RUSSELL YOUNG & BUTLER, Hobart.**Despatch No. 169.*

28th May 1900.

SIR,

I HAVE the honour to forward herewith printed copies of correspondence on the subject of the flotation of the Great Western Railway, which has taken place between this Government and the representatives of the company, and others, since the 15th February, 1900, to date; also copy of printed correspondence, 1899.

I have, &amp;c.,

N. E. LEWIS, *Premier.**The Agent-General for Tasmania, London, S.W.*

*Bank of Australasia Chambers, Elizabeth-street,*  
*Hobart, Tasmania, 28th May, 1900.*

SIR,

WE have the honour to acknowledge receipt of your letter of 25th instant, also copy of correspondence of Great Western Railway. As desired, this paper will be treated as confidential. We beg to express our thanks for same.

We have, &amp;c.,

RUSSELL YOUNG &amp; BUTLER.

GEO. STEWARD, *Esq.*, *Secretary to the Premier, Hobart.*

## TELEGRAM.

*To the Agent-General for Tasmania, London, S.W.*

RAILWAY. Ascertain precise conditions proposed in my letter of 6th March, 2nd May; verify and report fully by telegraph all available information Promoters submitted to you; also your deliberate opinion as to company's prospects.

N. E. LEWIS, *Premier.*  
28.5.00, 5.31 P.M.

29th May, 1900.

DEAR READ,

HEREWITH I am sending a supply of copies of the two papers which Ministers will ask the House to authorise to be printed, being correspondence on the subject of the Great Western Railway Bill. I presume you will require them for distribution among the Members of the House in the event of the papers being ordered to be printed.

Yours faithfully,

GEO. STEWARD.

Telegram to Hon. the Premier, Hobart, 29th May, 1900.

IMPOSSIBLE that any financiers will subscribe debentures until cognisant conditions. Whole Six hundred thousand pounds was underwritten. We are confident of obtaining the Four hundred thousand pounds if Government friendly and afford reasonable encouragement.

W. E. DALTON, *Secretary Great Western Railway.*

Telegram to Hon. the Premier, Hobart.

REFERRING to your telegram of 28th May letter 2nd May cannot be traced.

P. O. FYSH, *Agent-General.*  
29. 5. 1900.

*Despatch No. 173.*

1st June, 1900.

SIR,

REFERRING to my despatch, No. 169, dated 28th ultimo, I have the honour to forward herewith three copies of printed correspondence in further continuation of previous papers which were sent to you under cover of the abovementioned despatch.

I have, &c.,

N. E. LEWIS, *Premier.*

*The Agent-General for Tasmania, London, S.W.*

*Office of the Agent-General for Tasmania,  
Westminster Chambers, 5, Victoria-st.,  
London, S.W., 1st June, 1900.*

SIR,

REFERRING to your telegram dated the 28th ultimo, relative to the Great Western Railway, copy of which (for verification) will be found under cover of the usual despatch, I have the honour to state that the date given (6th March) has been interpreted to mean as that of the letter signed by you, and appeared in the *Mercury* of the day following. Nothing, however, can be traced bearing the date of the 2nd May, and a telegram to that effect was sent to you on the 29th ultimo. I am carefully proceeding on the lines laid down in your letter above referred to, and also considering the issues raised in Messrs. Dobson and Young's letter to you of the 16th March, which appeared in the *Mercury* of the 17th of that month, and on receiving the other letter referred to in your cable, I will go as fully as possible into the matter, with a view to giving effect to your cabled instructions.

I may add that both the important communications I have mentioned have come under my notice through the medium of the local press, and not by copies from your Department.

I have, &c.,

P. O. FYSH, *Agent-General.*

*The Honourable the Premier, &c., Hobart, Tasmania.*

*Southern Tasmanian Railway League,  
Hobart, 14th June, 1900.*

SIR,

I have the honour to inform you that, at a recent meeting of the League, I was requested to apply to you for a copy of the Great Western Bill dealing with the question of the £200,000 proposed to be expended on an extension of the Derwent Valley Line, and now in print. I have also to respectfully solicit whether any reply has yet been received by your Government from Sir P. O. Fysh to your telegram of recent date, requesting the Agent-General to report upon the company's position, &c., and, if a reply has been received, to be furnished with a copy thereof. The League will meet again next week, and I shall be glad to hear from you at an early date.

I have, &c.,

THOS. ARTHUR OKINES, *Hon. Secretary  
S.T.R. League.*

*The Hon. N. E. LEWIS, Premier.*

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*Office of the Agent-General for Tasmania,  
Westminster Chambers, 5, Victoria-street,  
London, S.W., 15th June, 1900.*

SIR,

IN continuation of my Despatch No. 42/316/00, dated 1st instant, relative to the Great Western Railway, I have the honour to inform you that I have seen in *The Mercury*, of the 3rd May, a letter dated the day before, signed by yourself on the matter. The question is now receiving my careful consideration, and I trust, in a few days, to give effect to the instructions conveyed in your telegram of the 28th ultimo.

I have, &c.,

P. O. FYSH, *Agent-General.*

*The Honourable the Premier, &c., Hobart, Tasmania.*

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Telegram to Hon. Premier, Hobart.

REFERRING to your telegram of the 28th May Railway accepts terms of 6th March. Pauling preparing contract with you delay in report as to financial matters necessary but will be accelerated.

P. O. FYSH, *Agent-General.*  
16. 6. 1900.

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Telegram to Agent-General.

REFERRING to your telegram of 29th May with reference to letter 2nd May, see *Mercury*, awaiting reply.

N. E. LEWIS, *Premier.*  
16. 6. 1900.

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22nd June, 1900.

SIR,

IN reply to your letter of the 14th instant, I have the honour to inform you that the Bill, of which you have asked me to send you a copy, will not be finally settled by Ministers until they see the draft of the Bill which the Promoters' Solicitors intend to present to Parliament. Until it is finally settled I cannot see my way to making it public.

The reply recently received from Sir Philip Fysh has been handed to the press and made public in that way. As soon as it was received it was shown to the Promoters' Solicitors, Messrs. Dobson and Young, who also act, I understand, for your league, and it was at their request withheld from the newspapers until the news reached Hobart through the press cables.

I have, &c.,

N. E. LEWIS, *Premier.*

T. A. OKINES, *Esg.,  
Hon. Secretary Southern Tasmanian Railway League.*

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22nd June, 1900.

SIR,

I HAVE the honour to convey to you my regret that your letter of the 16th ultimo has remained so long unanswered.

In that letter you say that it is admitted that, had it not been for the action of my predecessor, flotation was secured. Such an assertion has been made, but it has never been, and is not now, admitted by Ministers; and I do not wish that my silence on this point should be considered as now making the admission.

The negotiations have, so far, proceeded through Messrs. Dobson & Russell Young, who act I understand, for all parties. It is most desirable in this matter that the negotiations with the Government should be conducted through these gentlemen alone, and I feel sure that it will much facilitate business if you will send any communications you desire to make to the Government to Messrs. Dobson & Young, who can convey them to us.

I have, &c.,

— N. E. LEWIS, *Premier.*

W. E. DALTON, *Esq., Cavendish Chambers,  
Grenfell-street, Adelaide.*

*Office of the Agent-General for Tasmania,  
Westminster Chambers, 5, Victoria-street,  
London, S.W., 22nd June, 1900.*

SIR,

In continuation of previous despatches relative to the Great Western Railway of Tasmania, I have the honour to inform you that Mr. Harcourt Palmer having now returned to London, I am aware that negotiations are proceeding to enable me, at an early date, to cable to you a contract by Messrs. Pauling & Co. for the construction for the Government of the first 35 miles of the line from Glenora.

Simultaneously, I shall be able to advise that the terms set forth in your letter of 6th March are accepted by the Great Western Railway Company, the satisfactory answer to which two points will thus anticipate what I may hope shortly also to advise upon, the third, viz, the prospects of the company to finance this undertaking. No further steps can be taken in that matter until Messrs. Pauling & Co.'s contract with the Government, as part of that undertaking, is in the hands of the company.

I have, &c.,

P. O. FYSH, *Agent-General.*

*The Hon. the Premier, Hobart, Tasmania.*

*The Tasmanian Great Western Railway and Electric Power Company, Limited,  
Cavendish Chambers, Adelaide, 23rd June, 1900.*

SIR,

MESSRS. Henry Dobson and Russell Young having cabled for a reply to your letter of the 22nd May, I have now pleasure in complying with your request, and should have replied before had my Directors not been under the impression that the information was generally known.

1. The Tasmanian Great Western Railway and Electric Power Company, Limited, who are the Promoters of the London company for constructing the Railway from Glenora to the West Coast.

Directors :—Sir Richard Baker, President Legislative Council of S.A., Chairman.  
Mr. John Darling, jun., Member of Parliament, S.A.  
Mr. Henry Rymill.  
Mr. W. A. Horn.  
Mr. W. Harcourt Palmer, C.E.

The remaining shareholders forming the proprietary number 119 substantial and prominent residents of Adelaide, Melbourne, Sydney, and London.

2. Adelaide, in the Province of South Australia.

Capital, £44,000.

3 and 4. The wish of the company is that such amendments may be embodied in the Government Bill as are considered necessary to comply with the terms of the Premier's letter of the 6th March.

5. So soon as this company is made acquainted with the provisions of the proposed Government Bill, and upon the same being approved, the Directors are certain that the necessary funds for the construction of the line will be immediately forthcoming.

It is to be borne in mind that the Adelaide company was formed for the purpose of securing the right to construct the railway. They deposited £10,000 with the Government of Tasmania in accordance with their Act, as a guarantee of good faith, and also found £2500 for the survey, which latter sum was returned to the company when the work was accomplished, and the plans which proved that a practicable and easy route was available, had been deposited with the Government,

The company has expended large sums of money in clearing, &c., a portion of the line, and in negotiating the project in London. The flotation was successfully accomplished; £600,000 debentures were underwritten; a Board of Directors, comprising some of the best men in England, was secured; and a Contract for the construction of the line entered into with one of the leading English Railway Contractors; but in consequence of the action of the then Government cabling to England that our rights under the Act had been forfeited, although the eminent Q.C., Sir Edward Clarke, who was consulted, gave his opinion that all the company's rights were intact, the confidence of the financiers was so shaken that negotiations were suspended, pending a tangible assurance being obtained from the Government and Parliament of Tasmania, that reasonable and fair treatment, coupled with a liberal interpretation of the Act, could be relied upon. Following this the company was much gratified to note Sir P. O. Fysh's recommendation that in order to overcome the difficulty the Government should take £200,000 of the five per cent. debentures, and my Directors were still more gratified to find from your letters of the 6th March and 22nd May that you have offered to assist in a far more liberal manner, by offering to find £200,000 to construct, under the company's contractors, about 35 miles of the Glenora end of the railway at a rental of £7000 per annum, equal to three and a half per cent. on the beforementioned amount.

My Directors trust that these particulars will afford you all the information you require, and that the same may be of assistance to you in getting the proposed Public Bill passed at an early date.

Any further particulars you may require my Directors will be happy to furnish, if you will kindly communicate with them direct.

Yours faithfully,

W. E. DALTON, *Secretary.*

*The Hon. N. E. LEWIS, M.H.A., Premier, Hobart.*

Telegram to Hon. N. E. LEWIS, Premier, Hobart.

PUBLIC meeting held here to-night approved of Government proposal for construction of portion of Great Western Line provided that company be compelled to complete.

E. MARTIN, *Chairman.*  
Queenstown, 6. 7. 1900

Telegram to the Honourable the Premier, Hobart.

REFERRING to your telegram of 16th June hope to report on result of inquiry into financial matters in a few days.

*Agent-General, London.*  
6. 7. 1900.

Telegram to HENRY RYMILL, Esq., Tasmanian Club.

CABLE from Bakewell dated London twenty-fifth received to-day. Back's hostile report frightens financiers. Umpire not at all satisfactory. Withdraw Bill unless grades, curves, all other remain as things are at present. Strong syndicate of capitalists now being formed in order to continue the work pending formation of new company. We have replied if Bill withdrawn you must remit immediately in order to commence work in earnest first August.

W. E. DALTON.  
Adelaide, 27. 7. 1900.

*Office of the Agent-General for Tasmania,  
Westminster Chambers, 5, Victoria-street,  
London, S.W., 27th July, 1900.*

Great Western Railway.

SIR,

I BELIEVE I can now give definite, although very unsatisfactory, information respecting the prospects of this venture.

The concessionaires are unable to obtain a hearing for their proposals, unless having in hand the amended legislation, making perfectly clear and precise the position of the Government with respect to grades and curves, and other matters; irrespective of its absence, the unrest of the money market, and dubious state of trade, consequent upon the troubles in China, are a bar to all such enterprise as a distant railway scheme.

The parties concerned are baffled by these delays, but having full confidence in their power to satisfy the provisions of the Amendment of the original Act as last drafted, are making arrangements to continue construction in a *bonâ fide* manner. With that purpose, I am informed that Mr. Harcourt Palmer will soon again be on his way to Tasmania, armed with sufficient funds to complete the survey, and continue construction works, so as to justify an appeal to your Parliament in the Session of 1901.

I have, &c.,

P. O. FYSH, *Agent-General.*

*The Honourable the Premier, &c., Hobart, Tasmania.*

Telegram to HENRY RYMILL, Esq., Tasmanian Club.

LONDON cables expect syndicate will be completed within next few days. Cannot remit before completion. Advise work should be commenced immediately.

W. E. DALTON.  
Adelaide, 1. 8. 1900.

1st August, 1900.

SIR,

REFERRING to our interview on Saturday afternoon last, when you asked whether the Government would support a proposal to revive all the powers and concessions possessed by your company under the Great Western Railway Acts, and to extend such powers and concessions for a further period of twelve months, and whether I would state, in writing, the agreement of the Government to such revival and extension, subject to the ratification of Parliament. I have the honour to inform you that the matter has received very full consideration at the hands of the Cabinet, and I now have to reply as follows:—

1. It seems clear that there are no means by which a Bill to revive the company's Acts can be again introduced into the House of Assembly during the present Session.

2. It is, however, quite within Parliamentary practice for a private Member of the Legislative Council to introduce the desired Bill into that Chamber, or to obtain from the Council an expression of opinion that such a Bill should be introduced with an instruction to the Honourable the Chief Secretary to introduce a Bill in accordance with the resolution that may be agreed to.

3. The Government is fully convinced that, in the interests of the people of Tasmania, no further time should be lost in obtaining a proper and complete contract survey of the route between Glenora and Zeehan.

4. Having this in view, the Government can only support such a measure as is proposed, upon the condition (to be inserted in any Bill introduced in the Legislative Council) that the £10,000, deposited by the company with the Government in the terms of the original Act, should be expended by the Government, during the coming summer, in making such a survey as is above-mentioned.

5. Such survey will be the property of the company if it complies with the terms and provisions of the Railway Acts, including the Bill now proposed, and will be handed over to the company in lieu of the return of the £10,000 already deposited.

6. The railway shall be constructed by the company along the surveyed route. This will do away with all further reference to the question of curves and grades.

7. In the event of the company failing to comply with the terms and provisions of the Railway Acts, including the Bill now proposed, the surveys will remain the property of the Crown in the same way as the £10,000, if forfeited, would be its property.

I have, &c.,

N. E. LEWIS, *Premier.*

HENRY RYMILL, *Esq.,*  
*Tasmanian Club, Hobart.*

*Tasmanian Government Railways, General Manager's Office,*  
*Hobart, 1st August, 1900.*

Line of Railway from Hobart to West Coast.

REPLYING to your enquiry by telephone, as to whether, in the event of the Government making a survey by their own engineer for a line from Hobart to the West Coast, the question of curves and grades will be set at rest, I beg to say, yes. It would be better if the survey included plans, sections, and the usual detail drawings provided by our engineers in arranging for tenders for a railway contract. Every information as to quantities, &c., would then be available.

The line could then be taken up by a company, or let by, or constructed by, the Government.

FRED. BACK, *General Manager.*

*The Hon. the Premier, Hobart.*

*Hobart, 2nd August, 1900.*

SIR,

I BEG to acknowledge the receipt of your communication dated the 1st instant, and regret to say that the proposals therein contained do not meet with my approval.



I would again urge on your Government, that in the face of the events which have occurred since the receipt by me of your letter, the details of which I have had the honour of fully explaining to the Honourable Minister of Lands and Works, that your Government will kindly reconsider my request for an extension of time, even if only for a period of 9 months, in which time and perhaps a good deal less, I have every reason to believe that a strong English company will have been formed to make the railway.

I have, &c.,

HENRY RYMILL, *Director.*

*The Honourable the Premier.*

2nd August, 1900.

SIR,

I HAVE the honour to acknowledge the receipt of your letter of even date, and regret that the Government proposals communicated to you in my letter of the 1st instant do not meet with your approval.

I must point out, in reply to your letter, that it is not in the power of the Government to grant your request for an extension of time. Such an extension can be granted by Parliament alone, and, as already pointed out to you, the Bill providing for such extension can only, under existing circumstances, be introduced in the Legislative Council.

I have, &c.,

N. E. LEWIS, *Premier.*

H. RYMILL, *Esq., Tasmanian Club, Hobart.*

3rd August, 1900.

DEAR MR. LEWIS,

I SAW Mr. Rymill immediately after we left your room, and asked him, as a proposal from myself, whether he could reconsider his decision not to agree to the £10,000 being spent on a survey. He said he could not, and demanded that the £10,000 "shall remain inviolate." This is his ultimatum. He would, however, agree, he says, to the Government carrying out the survey at once, and making the company pay for it, if they go on with the line. I hope you will be able to consider this proposition, which can be attached by you as a condition to your promise of support of an extension of time, if you give such a promise. Of course, the Government survey, Mr. Rymill thinks, would follow the present flying survey of the company.

Yours faithfully,

HERBERT NICHOLLS.

#### MEMO.

GOVERNMENT to approve of nine months' extension of time being granted to the company, with all their existing rights reserved. Government to be at liberty to commence the survey of the line forthwith, and, if the company floats within the nine months, they are to pay all expenses thereof up to the date of the company commencing work—all plant, &c., becoming the property of the company. Provided the Government survey is on the line of route already indicated by the company's flying survey.

H. R.  
4. 8. 1900.

HANDED to me by Mr. Rymill, on Saturday morning, 4. 8. 1900.

N. E. L.

6th August, 1900.

SIR,

REFERRING to the memorandum which you left with me on Saturday last, I have the honour to inform you that the Government is prepared to support a resolution in the Legislative Council, seeking an extension of the Adelaide Company's rights, under the Great Western Railway Acts, for a further period of Nine months from the 1st instant, and to support the passage through both Houses, of a Bill to give effect to such resolution, subject to the following terms and conditions:—

1. If the company obtain the desired extension of time, and then fail to float a company with the necessary capital for the construction of the Railway, or otherwise fail to

comply with the provisions of the Acts, it must be clearly understood that the Members of the Government will collectively, and individually, oppose the repayment of the £10,000 which has been deposited.

2. The Government will seek, at an early date, the necessary authority to proceed with the preparation of a contract survey between Glenora and Zeehan.
3. If the £10,000 deposit be, with the consent of the Adelaide Company, applied to the purpose of the survey, then the survey will follow the route already indicated by the company's flying survey; and in the event of the Construction Company being floated the plans shall be the property of that company.
4. If, on the other hand, the Parliament finds the money for the survey, the Government must be unrestricted as to the routes to be adopted; and, in the event of the flotation of the Construction Company, then that company shall pay to the Government the amount actually expended in securing the survey, plans, &c., which shall thereupon become the property of such company.
5. In the event of the Construction Company not being floated, the survey, plans, &c., shall remain the property of the Government.

I have, &c.,

N. E. LEWIS, *Premier.*

H. RYMILL, *Esq., Tasmanian Club, Hobart.*

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*Tasmanian Club, Hobart, 6th August, 1900.*

SIR,

I HAVE the honour to acknowledge the receipt of yours of even date, and will submit the same to my Board on my reaching Adelaide.

Yours obediently,

HENRY RYMILL, *Director.*

*The Hon. the Premier.*

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Telegram to Hon. Premier, Hobart.

PROMOTERS Great Western state they will immediately employ 200 men complete survey and proceed with construction of until money market enables flotation company. They ask Government extend time completion construction of for 12 months.

*Agent-General.*  
20. 8. 1900.

---

20th August, 1900.

Great Western Railway of Tasmania.

DEAR SIR PHILIP,

WE are informed by cable that the Government has made the following offer, in writing :—

“ They will support Bill giving nine months' extension provided the Government are allowed to proceed with the contract survey on the line of flying survey, using our deposited £10,000.”

The Government have, therefore, offered to refund the £10,000 deposited with them at a much earlier date than the Act provides. We are prepared to do much better than that as a proof of our *bonâ fides*. We will immediately employ 200 men, and continue to do so until the flotation of the larger company, which should certainly be accomplished well within twelve months at the outside, but probably, a great deal sooner, and, possibly, next October. The only doubt in the minds of the financiers appears to be that we will not be able to complete the construction of the railway within the time named in the Act, but if an extension is granted there will be no further difficulty.

A powerful syndicate which has just been formed here have agreed to find the necessary money for the above. We therefore hope that you will see your way to send the following telegram for us to the Government :—

“ Promoters Great Western will immediately employ 200 men to complete survey and proceed with construction until money market enables flotation company. They ask that Government extend time completion construction 12 months.”

As work should be immediately re-commenced, would you kindly dispatch this telegram at your very earliest convenience, especially as the Government are now waiting for a reply to their offer, as above. What we propose will, as you see, leave the £10,000 deposit intact in the hands of the Government as a guarantee of our *bonâ fides*.

These financiers do not ask the Government to spend any money on the project or to make any alteration in the existing Acts.

We are, &c.,

JOHN BRUNLEES.

W. HARCOURT PALMER.

SIR PHILIP FYSH, *K.C.M.G.*, *Agent-General for Tasmania*.

COPY of cablegram to Agent-General, 24th August, 1900.

PROVIDED Company proceeds immediately to *bonâ fide* survey and construction in terms proposed in your telegram of 20th August Government give support when Bill introduced into Parliament for twelve months' extension completion of railway.

N. E. LEWIS, *Premier*.

*Office of the Agent-General for Tasmania,  
Westminster Chambers, 5, Victoria-street,  
London, S.W., 30th August, 1900.*

SIR,

I HAVE the honour to transmit herewith for your information copy of a letter I have received from the promoters of the Great Western Railway of Tasmania stating that they are prepared to immediately employ 200 men, and continue to do so until the flotation of the larger company, but asked that the Government would give a twelve-months' extension of time for the completion of the railway. The message from you agreeing to the terms cabled to you on their behalf by me on the 20th instant was received by them with great satisfaction.

I have, &c.,

P. O. FYSH, *Agent-General*.

*The Honourable the Premier, &c., Hobart, Tasmania.*

P.S. The substance of your telegram of to-day's date relative to the number of men actually employed at present, was immediately communicated to the Promoters.

Telegram to the Agent-General, London.

REFERRING to your telegram of 20th August, 200 men not yet employed. Henry Dobson has been informed that employment of 20 men now employed will not be considered continuance of construction after ten days.

N. E. LEWIS, *Premier*.  
31. 8. 1900.

*Adelaide, 7th September.*

To Minister of Lands and Works.

JUST received following cable, dated London sixth instant, from Mr. J. W. Bakewell, the accredited attorney of Adelaide Company. Please cable Agent-General, as requested therein, and notify the preliminary work of organizing company is now completed; twenty thousand pounds subscribed; is available, twenty-five thousand pounds to be reserved; delay entirely caused by holidays; solicitors require evidence Acts has been observed; ask Government cable Fysh; shall commence the work at once as soon as the reply is given by Government.

R. C. BAKER.

Telegram to the Agent-General for Tasmania.

RECEIVED telegram Adelaide Promoters Great Western preliminary flotation accomplished and twenty thousand pounds available. Confirm report. Government consider Acts still in force, but lapse unless two hundred employed immediately as arranged and continued.

N. E. LEWIS, *Premier*.  
7. 9. 1900.

Telegram to Sir RICHARD BAKER, Adelaide.

HAVE sent the following cablegram to our Agent-General:—Received telegram Adelaide Promoters Great Western preliminary flotation accomplished and twenty thousand pounds available. Confirm report. Government consider Acts still in force but lapse unless two hundred employed immediately, as arranged and continued.

N. E. LEWIS, *Premier*.  
7. 9. 1900.

Telegram to the Honourable the Premier, Hobart.

REFERRING to your telegram of 31st August delay caused by holidays. Preliminary work organising Company completed. £20,000 actually available. Telegraph at once whether Acts still operative.

AGENT-GENERAL, *London.*  
7th Sept., 1900.

Telegram from Agent-General, London, to the Honourable the Premier, Hobart.

11th September, 1900.

REFERRING to your telegram of 7th September, incorporation syndicate proceeding allotment, minimum twenty thousand pounds promised on Thursday, when first remittance two thousand pounds, employment of labour will be made, advise extension of week.

FORWARDED to the Honourable the Minister of Lands and Works.

N. E. LEWIS, *Premier.*  
12. 9. 1900.

PERUSED and returned.

E. MULCAHY.  
12. 9. 1900.

*The Honourable the Premier.*

*Adelaide, 12th September, 1900.*

To N. E. LEWIS, *Premier.*

IN view Fysh's satisfactory cable, Board request one week's further time employment two hundred men.

R. C. BAKER,  
*Great Western Railway.*

*Tasmanian Government Railways, Resident Engineer's Office,  
Hobart, 12th September, 1900.*

Memorandum for J. M. M'CORMICK, Esq., Engineer of Existing Lines.  
Great Western Railway.

IN compliance with the request of the Honourable the Minister for Railways, I proceeded on Monday last to the scene of the work.

At a distance of 17 miles 20 chains from Glenora, being the farthest point the clearing has reached, I met Mr. George Meredith, with a gang of 15 men working under him. He gave any information asked, and provided a man to accompany me back over some miles of the line, to see the general character of the work done.

This work, in the past and at present, consists in clearing the line for a width of about 50 feet on either side of the centre pegs, these being one chain apart, with mileage stamped on. All scrub is cut, and all trees grubbed, and rolled out on either side to the abovementioned width.

No other work has been commenced.

C. E. NAIRN, *Resident Engineer.*

F. BACK, Esq., *General Manager.*

Forwarded.

JOHN M. M'CORMICK.  
12. 9. 1900.

Telegram to Sir RICHARD BAKER, Adelaide.

EXPECTING report daily from officer sent to inspect works. Executive will deal with his report on Friday, twenty-first instant. If report unsatisfactory, and number of men promised in cable not in meantime arranged for, Ministers must recommend forfeiture.

N. E. LEWIS, *Premier.*  
13. 9. 1900.

Telegram to the Honourable the Premier, Hobart.

REFERRING to my telegram of 11th September, financiers believe impossible obtain 200 men by 21st September. Will Government consider requirements fulfilled if first £2000 sent immediately to employ labour as soon as obtainable.

AGENT-GENERAL.  
19. 9. 1900.

Telegram to Sir RICHARD BAKER, Adelaide.

HAVE received following telegram from our Agent-General: begins referring to my telegram, eleventh September. Financiers believe impossible obtain two hundred men by twenty-first September. Will Government consider requirements fulfilled if first two thousand pounds sent immediately to employ labour as soon as obtainable? Telegram ends, time too short to deal with England by cable. Cabinet will to-morrow deal with report of officer as to construction. Unless Ministers absolutely satisfied by noon to-morrow that money is in Tasmania, and instructions given to put on construction work, as soon as obtainable, at least two hundred men, there will be no alternative but to take steps to forfeit concessions.

N. E. LEWIS, *Premier.*  
20. 9. 1900.

Telegram to the Honourable the Premier, Hobart.

REFERRING to my telegram of 19th September, £2000 awaiting reply to telegram.

AGENT-GENERAL.  
21. 9. 1900.

*Adelaide, 21st September, 1900.*

Hon. N. E. LEWIS, *Premier, Hobart.*

AM sorry my company has been disappointed in receipt of money from England to employ two hundred men, which, from various telegrams received, my company had every reason to expect. In view of the fair and reasonable manner your Government has always treated my company, I cannot ask for further time; but if your Government, after full inquiries, consider it would be to the interest of Tasmania to grant my company extension of time for a given period, in order that it may construct the much-needed railway, my company will continue its most strenuous efforts to bring this about, or, if you desire it, they will withdraw at a moment's notice.

R. C. BAKER, *Chairman.*

*"Rialto," Melbourne, 21st September, 1900.*

Hon. N. E. LEWIS, *Premier of Tasmania, Hobart.*

GREAT Western. Am advised from London, arrangements made satisfy Government. Do nothing to kill Act. Cables may be through any moment.

W. H. WALKER, *Solicitor, Melbourne.*

*"Rialto," Melbourne, 22nd September, 1900.*

VIVIAN BUTLER, *Solicitor, Hobart.*

INFORM Ministry Baker no right abandon. Will contest.

W. H. WALKER.

Telegram to the Hon. N. E. LEWIS, Premier, Hobart.

*Adelaide, 22nd September, 1900.*

ELEVEN thirty. Just received following cable from Bakewell. Money ready. Financiers insist on official approval through Fysh. Will you please cable Fysh as Bakewell requests, and kindly send me copy your cable.

R. C. BAKER, *Chairman.*

Telegram to Agent-General, London.

ON receipt of your telegram of nineteenth September, Baker was informed that unless £2000 available Hobart, 21st September, for purpose of employing 200 at once, Government proceeds forfeiture of concessions. Conditions being unfulfilled it is intended 24th September give company week's notice. Intention to proceed with matter in such manner as circumstances require under Part Fourteen of Act. Failing remittance £2000 in a week, immediate engagement 200 with least possible delay, Application Court proceeds.

N. E. LEWIS, *Premier.*  
22. 9. 1900.

Telegram to Sir RICHARD BAKER, Adelaide.

HAVE just sent following telegram to our Agent-General. Begins—On receipt of your telegram of nineteenth September, Baker was informed that unless two thousand pounds available Hobart, twenty-first September, for purpose of employing two hundred at once, Government proceeds forfeiture of concessions. Conditions being unfulfilled it is intended twenty-fourth September give Company week's notice, intention proceed with matter in such manner as circumstances require under Part Fourteen Act, failing remittance two thousand pounds in a week, immediate engagement two hundred with least possible delay, Application Court proceeds. Telegram ends.

N. E. LEWIS, *Premier.*  
22. 9. 1900.

*London, 25th September, 1900.*

Telegram for the Honourable the Premier, Hobart.

REFERRING to your telegram of 22nd September, railway have deposited with me £2000 Pay Russell Young.

P. O. FYSH, *Agent-General.*  
25. 9. 1900.

*Office of the Agent-General for Tasmania, Westminster Chambers,  
5, Victoria-street, London, S.W., 25th September, 1900.*

SIR,

I HAVE the honour to inform you that I have this day telegraphed to you to pay Mr. Russell Young the sum of £2000. This sum has been paid to me by Messrs. Pauling and Co. as a first instalment in connection with the employment of labour on the Great Western Railway.

I have, &c.,

P. O. FYSH, *Agent-General.*

*The Hon. the Premier, &c., Hobart, Tasmania.*

*London, 26th September, 1900.*

Telegram for transmission to the Hon. the Premier, Hobart.

REFERRING to your telegram of 26th September, Promoters authorise the appointment of Young as Agent. Pay £2000 to his credit.

AGENT-GENERAL.

*22nd October, 1900.*

SIR,

REFERRING to your despatch No. 478/00, dated 30th August, 1900, covering a copy of a letter addressed to you by Messrs. Brunlees and Palmer, I desire to say that the communication contains very many misleading statements. I am having the whole correspondence between the Government and the Great Western Railway Company printed, and as soon as it reaches me from the Printer I will take care that a copy is forwarded to you. I have sent a copy of Messrs. Brunlees and Palmer's letter to the company's legal representative in Hobart, Mr. Russell Young, and have drawn his attention to the incorrect statements contained therein.

I have, &c.,

N. E. LEWIS, *Premier.*

*The Agent-General for Tasmania, London, S.W.*

*22nd October, 1900.*

SIR,

HEREWITH I have the honour to enclose a copy of a communication which was addressed by Messrs. Brunlees and Palmer to Sir Philip Fysh in London on the 20th August last. The letter contains very many misleading statements, as a perusal of the correspondence between the Government and the company will show. I am having printed a copy of all such correspondence, and as soon as it is received from the Printer I will forward a copy of the same to you.

I have, &c.,

N. E. LEWIS, *Premier.*

RUSSELL YOUNG, *Esq., Solicitor, Hobart.*

*Bank of Australasia Chambers, Elizabeth-street,  
Hobart, 23rd October, 1900.*

SIR,

I HAVE the honour to acknowledge receipt of your letter of this date enclosing copy letter addressed by Messrs. Brunlees and Palmer to the Agent-General, on the 20th August last. My firm is not in any way responsible for the statements contained in the letter enclosed.

I will be pleased to receive the copy correspondence referred to by you.

I have, &c.,

RUSSELL YOUNG.

*The Honourable the Premier.*

Telegram to the Hon. the Premier, Hobart.

GREAT Western Railway call due Wednesday, when £2000 will be remitted.

AGENT-GENERAL.  
25th October, 1900.

26th October, 1900.

SIR,

By direction of the Honourable the Premier, I have the honour to forward herewith a copy of a cablegram just to hand from Sir Philip Fysh, the Agent General in London, on the subject of the Great Western Railway Company.

I have, &c.,

GEO. STEWARD, *Secretary to the Premier.*

RUSSELL YOUNG, *Esq., Solicitor, Hobart.*

*Office of the Agent-General for Tasmania, Westminster Chambers,  
5, Victoria-street, London, S.W., 26th October, 1900.*

SIR,

I HAVE the honour to inform you that I have been advised by the Promoters of the Great Western Railway of Tasmania that on Wednesday next a second payment of Two thousand Pounds (£2000) will be made to this department for construction purposes on the railway. I was under the impression that these payments were to be made once a month, dating from the first one, viz., 25th September, but I am given to understand that the £2000 is sufficient for five weeks.

I have, &c.

HERBERT W. ELY  
*Secretary for Agent-General, absent.*

*The Honourable the Premier, Hobart, Tasmania.*

Telegram to the Hon. the Premier, Hobart.

REFERRING to my telegram of 25th October, pay Russell Young £2000.

(Signed) P. O. FYSH, *Agent-General.*  
31st October, 1900.

Transmitted to the Hon. the Treasurer for his information and guidance:

By direction,

GEO. STEWARD, *Sec. to the Premier.*  
1. 11. 1900.

*Office of the Agent-General for Tasmania, Westminster Chambers,  
5, Victoria-street, London, S.W., 1st November, 1900.*

SIR,

IN continuation of my Despatch No. 576, dated the 26th ultimo, relative to the Great Western Railway of Tasmania, I have the honour to inform you that yesterday I received from the syndicate a cheque for two thousand pounds (£2000), being the second instalment on account of construction of the railway. I immediately cabled to you requesting you to pay to the representative of the railway in the Colony that amount.

I have, &c.,

P. O. FYSH, *Agent-General.*

*The Honourable the Premier, &c., Hobart, Tasmania.*

1st November, 1900.

SIR,

I AM directed by the Honourable the Premier to forward herewith a copy of a cablegram which has been received this morning from London authorising this Government to pay to you the sum of £2000. A copy of the cablegram in question has been forwarded to the Honourable the Treasurer for his information and guidance.

I have, &amp;c.

GEO. STEWARD, *Secretary to the Premier.*RUSSELL YOUNG, *Esq., Solicitor, Hobart.*

## TELEGRAM.

London, 2.11.1900, 6.30 P.M.

To the Honourable the Premier, Hobart.

Great Western Company ask cessation of work, or keep expenses as low as possible, pending arrival of Pauling's engineer, leaving next week; Palmer and Brunlees follow week after; reply by telegraph.

AGENT-GENERAL.  
2.11.1900.

Ross Rail, 3.11.1900, noon.

To the Hon. the Premier, Richmond.

As reply wanted early I think we should cable at once that Government insist present expenditure on construction works of two thousand pounds be maintained as public pledge to that effect has been given.

E. MULCAHY, *Ross.*

To RUSSELL YOUNG, Esq., Elizabeth-street, Hobart.

I propose to send following telegram to Agent-General at one o'clock to day:—"Request contained in your telegram of second November cannot be complied with. Government publicly declare that it is intention to insist construction being continued." Telegram ends—"I am now proceeding to Oatlands where I shall be until about four o'clock this afternoon. Expenditure, £400 weekly."

N. E. LEWIS, *Premier.*  
5.11.1900.

[Urgent.]

Hobart, 5.11.1900. 12. 3 P.M.

To N. E. LEWIS, Premier, Oatlands.

Your proposal wire most damaging. We do not ask cessation of work now proceeding; but do ask reduction of weekly amount from Four Hundred Pounds to say Two Fifty Pounds to carry us over until arrival of Pauling's engineer.

RUSSELL YOUNG.

Telegram to the Agent-General, London.

Railway Government publicly declared that it is intended to insist expenditure on works £400 weekly, consequently request contained in your telegram cannot be complied with 2nd November.

N. E. LEWIS, *Premier, 6th November, 1900.*

Telegram from the Agent-General to the Hon. the Premier.

Pauling's Engineer Brunlees Palmer left London *Ortona.*

23. 11. 1900.



*Office of the Agent-General for Tasmania,  
Westminster Chambers, 5, Victoria-street,  
London, S.W., 23rd November, 1900.*

SIR,

I have the honour to inform you that the Engineer representing Messrs. Pauling and Co., Contractors for the Great Western Railway company (Tasmania); Mr. John Brunlees, the Consulting Engineer to the company; and Mr. J. Harcourt Palmer, left England by the R.M.S. *Ortona*, and should be in the Colony before this reaches you. A cable notifying this is being sent to you to-day.

A short time back a claim for £33 9s., being the cost of telegrams to and from the Colony on their behalf, was made to the promoters of the company. They, however, stated that their representatives in Adelaide had been instructed to pay the amount to the Colonial Treasury, as they held the working capital.

Should, however, they have not already done so, I would suggest that an application be made for the amount, together with the cost of all messages to and from this department dealing with the matter since the 26th September.

I have been advised that the third instalment of £2000, which is due on the 5th December, will be in my hands before that date.

I have, &c.,

P. O. FYSH, *Agent-General.*

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Telegram to the Honourable the Premier, Hobart.

PAY Russell Young £2000.

P. O. FYSH, *Agent-General.*  
1. 12. 1900

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3rd December, 1900.

SIR,

By direction of the Honourable the Premier, I have the honour to inform you that the following is a correct translation of a cablegram received from the Agent-General this day, dated London, 1st December, 1900, time 1.40 P.M. :—

“ Pay Russell Young £2000.”

I have, &c.,

GEO. STEWARD, *Secretary to the Premier.*

*The Honourable the Treasurer.*

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3rd December, 1900.

SIR,

I AM instructed by the Honourable the Premier to inform you that the following cablegram has this day been received from the Agent-General, London :—

“ Pay Russell Young £2000.”

The Honourable the Treasurer has been instructed accordingly.

I have, &c.,

GEO. STEWARD, *Secretary to the Premier.*

RUSSELL YOUNG, *Esq., Hobart.*

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*Office of the Agent-General for Tasmania,  
Westminster Chambers, 5 Victoria-street,  
London, S.W., 7th December, 1900,*

SIR,

I HAVE the honour to inform you that I have received from the Railway Construction and Development Company (Tasmania), and paid in to the credit of the Public Account of the Colony, at the London and Westminster Bank, a cheque for two thousand pounds (£2000), being the third instalment on account of the construction of the Great Western Railway. A telegram was sent to you on the 1st instant, asking you to pay that amount to the representative to the company in the Colony.

I have, &c.,

H. W. ELY, *Secretary for Agent-General.*

*The Honourable the Premier, &c., Hobart, Tasmania.*