

(No. 115.)



1882.

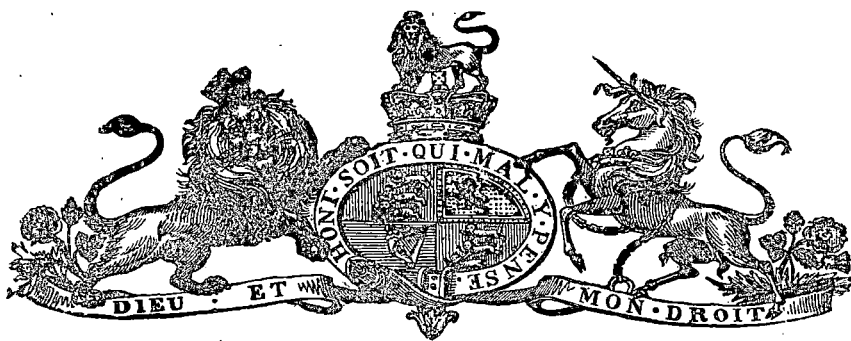
T A S M A N I A.

H O U S E O F A S S E M B L Y.

PROPOSED RAILWAY—FINGAL TO
ST. MARY'S :

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

Laid upon the Table by the Premier, September 26, 1882, and ordered by the
House to be printed.



CORRESPONDENCE between AUDLEY COOTE, Esquire, M.H.A., and the Government; and between C. H. GRANT, Esquire, Manager of the Tasmanian Main Line Railway Company, Limited, and the Government, as to the Construction of a Line of Railway from the Corners Station, near Campbell Town, to Avoca, Fingal, and Saint Mary's,—45 miles.

1.

Hobart, 4th July, 1882.

SIR,

HAVING noticed for some time past the desire of Colonists to extend the Railway System in Tasmania, I have been in communication with Capitalists in London with a view of ascertaining upon what terms they would construct one or more of the contemplated Railways, and I have especially brought under their notice the proposed line of Railway from the Corners to St. Mary's. I have from time to time explained to you the result of my enquiries, and you will have noticed from the cablegram that I showed to you a short time since that my friends in London are prepared to provide the necessary funds for constructing the proposed Railway on very favourable terms to the Colony; and I have now the honor to inform you that the gentlemen for whom I act are prepared to form themselves into a Company and to construct the Railway, upon the following terms:—

1. The Railway to start from the Main Line at the Corners and extend to St. Mary's, and pass through or near to the Townships of Avoca and Fingal, being about 45 miles in length. A branch line to be also constructed from Fingal to the Fingal Coal Seam, and another branch line from St. Mary's to the Coal Seam at Mount Nicholas; such branch lines being about 5 miles in length.
2. The gauge of the Railway to be 3 feet 6 inches, and the rails to be 40-lbs. steel rails; and the entire line, together with all necessary Stations, Sidings, and Works, to be completely finished and properly equipped and opened for traffic.
3. That the whole of the Railway and Works shall be constructed under the supervision of the Engineer-in-Chief for Tasmania, so that the Government will have the best possible security that the specification and terms of the Contract are faithfully carried out. The Capitalists for whom I act only require that the Contract shall protect them against unreasonable demands.
4. The Government to guarantee the Company interest at the rate of $\text{£}3\frac{1}{2}$ per cent., payable quarterly in London, upon the sum of $\text{£}225,000$, such interest to commence from the date on which the said sum of $\text{£}225,000$, or any part thereof (not being less than $\text{£}50,000$), is paid to the credit of the proposed Company at the Bank of New South Wales, London, and to be paid by the Government for a period of 25 years thence next ensuing.
5. The Government to obtain for the proposed Company running powers over the Main Line Railway, upon such terms as may be agreed.

I think it will be apparent to each member of the Government that the offer now made is most liberal in its terms; for it is quite certain that the Colony will have to pay $\text{£}1$ per cent. more in perpetuity than the guarantee I now ask for the short period of 25 years if they try and borrow the money required to build the Railway. It is equally clear that the Government could not execute the work as cheaply as the English Capitalists; and, as the proposed Company offer to construct the Line under the supervision of the Engineer-in-Chief of the Colony, obtain the one great and only advantage of constructing the Line themselves, and at the same time get rid of all the disadvantages and serious responsibilities of such a course.

If the Government will obtain from Parliament power to negotiate the matter in question upon the basis of the above terms, I believe I shall be able to arrange with you immediately the details of a Contract which will give entire satisfaction to the Colony.

I have the honor to be,
Sir,

Your obedient Servant,

The Honorable W. R. GIBLIN, Premier.

AUDLEY COOTE.

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 21st August, 1882.*

SIR,

NOTICING that your Government are favourably inclined to the construction of a Line of Railway from the Corners Station of the Main Line Railway to Fingal and St. Mary's, I have the honor to add my testimony to the many opinions you have received in favour of the immediate commencement of this highly important public work.

The country along the line of route being free from engineering difficulties of every kind, the survey already made by the Engineer-in-Chief will, doubtless, be amply sufficient to enable you to judge as to the cost of the railway; and, since no expensive bridges or works of art, or any extensive plant will be required thereon, the work might be forthwith commenced, and completed within about two years from the present time.

You are doubtless aware of the largely increased traffic that now passes over the road between the Corners and George's Bay, which is likely to be greatly enhanced by the vigorous working of the numerous tin mines about the southern slopes of Ben Lomond and in the neighbourhood of the Blue Tier and Thomas's Plains.

The country served by such a railway—in regard to the passenger accommodation—must not be measured by the valley of the South Esk River alone, since it is the quickest route to Launceston or Hobart for passengers from the rapidly developing Tin Mining Districts of Upper Ringarooma, Blue Tier, Thomas's Plains, Gould's Country, Wynifred River, &c., parts of which are also very suitable for agricultural purposes. Were a railway constructed to George's Bay, it would be the best means of communication for the whole of the greatly improving North-eastern country, except alone that portion lying on the northern sea-board.

The passenger traffic leaving the Corners Station now very far exceeds the whole amount that passed over the Main Road between Hobart and Launceston before the construction of the Main Line Railway, and must necessarily be enormously increased when facilities of railway communication are given.

At the present time the East Coast is little explored by tourists from the neighbouring colonies, or even by Tasmanians; but immediately on the construction of the line to St. Mary's, there cannot be a doubt but that there will be a very large number of visitors to the highly picturesque St. Mary's Pass, who will also make a temporary residence on the eastern seashore to enjoy the benefit of its bracing climate, which, I believe, excels that of any part of this Island.

You have, doubtless, been informed of the splendid prospects that are obtained from the tin mines at Ben Lomond, and especially the "Tasmanian" and "Clunes," and also of the great value of the tin lodes in the "Anchor," "Energetic," and other mines near the Blue Tier, which, having to work with machinery, will form a lasting industry, and employ a large amount of labour.

I have, lastly, to remark upon the grand prospects arising from the opening of the enormous seams of coal which are found on both sides of the South Esk Valley, from Avoca to St. Mary's, and have been worked many miles to the south, down to and below Seymour: of these coal beds sufficient is known to prove the supply practically inexhaustible.

Although the quality of this mineral in the surface workings has hitherto not been equal to that of Newcastle, N.S.W., I have every reason to believe that it will greatly improve when obtained beyond the reach of atmospheric influences, in which case the carrying powers of the Main Line Railway would be inadequate to meet the very large demand for freight of coal destined for shipment to the neighbouring colonies. Enough is known of the quality of the coal to ensure a ready market for it locally in Hobart and Launceston; as the situation of the mines is so unusually favourable that coal can be placed in the trucks at a less price per ton than at any mine I am acquainted with, thus more than compensating for the long railway carriage. It is therefore quite possible that the coal traffic alone will pay the whole cost of working and maintaining the branch line, also the interest on the capital expended.

All the coal mines in the Australia have been unable to supply the recent demand, and this difficulty will probably increase year by year. The time therefore is exceptionally favourable for developing this prolific source of wealth and industry for an increasing population.

Being so strongly impressed with the value and resources of the proposed line, I am desirous—in the event of the Parliament of Tasmania not feeling assured as to its success—to recommend to the Directors of the Tasmanian Main Line Railway that they undertake its maintenance and working, and also pay the interest on its cost of construction, say not exceeding £5000 per mile, or a rate of three and a half per cent. Such expenses to be charged to the working cost of the Main Line Railway, and therefore be at the risk of the Company, who will receive a corresponding benefit in

the general increase of traffic. It being understood that the owners of the railway would provide all requisite rolling-stock and appliances for the proper conduct of the traffic; and that arrangements could be made at Launceston, or on some part of the Tamar, for shipping the coal direct into sea-going vessels.

The Hon. W. R. GIBLIN, Premier and Attorney-General.

I have, &c.

C. H. GRANT.

3.

SIR,

Attorney-General's Office, Hobart, 23rd August, 1882.

I HAVE the honor to acknowledge the receipt this day of your letter of the date noted in the margin (21st August, 1882), with reference to the construction of a Line of Railway from the Corners to Fingal and St. Mary's, and have to inform you that your communication will be submitted to the Cabinet for its immediate and careful consideration.

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

I have, &c.

W. R. GIBLIN.

4.

COPY of Letter from Mr. Audley Coote to the Premier (No. 1.) was forwarded to the Hon. Minister of Lands, endorsed as follows:—

FORWARDED to the Hon. Minister of Lands, with the request that he will be good enough to instruct the Engineer-in-Chief to report in writing upon the probable cost of such a Railway as is proposed in the within letter, presuming it were undertaken by the Government. The estimate to include cost of stations, sidings, rolling-stock, and everything necessary to open the line for traffic.

W. R. GIBLIN.
23rd August, 1882.

FORWARDED to the Engineer-in-Chief, with the request that he will report upon the matters referred to by the Hon. the Premier.

C. O'REILLY.
4. 9. 82.

THE probable cost of such a Railway would be about £4000 per mile (as given in my Report, Paper No. 76, House of Assembly, 1881), exclusive of the two branches referred to, and of some allowance for the increased price of labour and possible difficulty in obtaining same.

The branches would probably be of a light character, and cost from £8000 to £10,000.

The Honorable C. O'REILLY, M.H.A., &c.

JAMES FINCHAM, *Engineer-in-Chief.*
5. 9. 82.

RETURNED to the Hon. the Premier.

C. O'REILLY.
6. 9. 82.

5.

SIR,

Hobart, 7th September, 1882.

REFERRING to my letter to you of the 4th of July last, and to my several recent interviews with you thereon, I have now the honor to state, for the information of the Government, that from enquiries I have made I find that the difficulties in the way of constructing a railway in Tasmania promptly and economically have lately very much increased; for during the past few weeks the cost of building and contract work of all descriptions has now risen exceedingly,—not only have higher wages been demanded, but skilled labour is not obtainable at any price, and the ordinary labourer is receiving from 6s. to 6s. 6d. a day.

I cannot anticipate that this state of things will alter, except for the worse, as all the Colonies are now engaged in constructing public works on a very large scale; and the development of the mines, and the execution of the public works in this Colony, must of necessity absorb all the available labour here for some years to come.

Under these circumstances I strongly advise that the enabling Bill which it will be necessary

6

for the Government to pass through Parliament if they approve of my proposals, should authorise the Governor in Council to increase the guarantee to $3\frac{1}{2}$ per cent.; and as I understand the Main Line Railway Company are willing to re-guarantee the Colony interest at this rate on the capital expended in constructing the proposed Railway, I would urge the Government to accede to these terms.

Trusting that you will favour me with a reply to this and my previous letter in the course of the week,

The Hon. the Premier.

I have, &c.

AUDLEY COOTE.

6.

Attorney-General's Office, Hobart, 8th September, 1882.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the date noted in the margin (7th September, 1882), in which you propose that the guarantee of $3\frac{1}{2}$ per cent. asked for in your letter of the 7th July, and during the subsequent negotiations proposed by you to be reduced to three per cent., on the cost of constructing a Railway from the Corners to Fingal and St. Mary's, should be named at $3\frac{1}{2}$ per cent. on the outlay, in consequence of the increase in the rate of wages, and have to inform you that your communication will be laid before Ministers to-morrow, and an early definite reply will be given to your proposals.

AUDLEY COOTE, *Esq., M.H.A.*

I have, &c.

W. R. GIBLIN.

7.

Attorney-General's Office, 12th September, 1882.

SIR,

WITH reference to the proposals made by Mr. A. Coote and yourself for the construction and working of a Line of Railway from the Corners to St. Mary's, I have the honor to inform you that after consideration Ministers are disposed to favourably entertain the proposition if they rightly understand the scope and effect of your offer, and can arrange as to some comparatively minor details. These could be more expeditiously dealt with at a personal interview; and I would therefore suggest that, if convenient, Mr. Coote and yourself should favour me with a call at this office on Saturday next, at 11 A.M., or some other convenient time, when the matters to which I have referred could be discussed, and possibly an arrangement come to which could be embodied in an enabling Bill for the approval of the Legislature.

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

I have, &c.

W. R. GIBLIN.

8.

Attorney-General's Office, Hobart, 12th September, 1882.

SIR,

REFERRING to my letter to you of the 8th instant, I have now the honor to inform you that Ministers, having carefully considered the proposals for railway construction and maintenance made by yourself and Mr. C. H. Grant, are disposed to recommend them for the favourable consideration of Parliament if certain minor details can be satisfactorily agreed on. I think it would facilitate matters if you could call on me in company with Mr. Grant, so that these points might be discussed, and I would name Saturday next, at 11 A.M., at my office, as a convenient time and place for meeting. I should be glad to hear from you if the arrangement suggested is convenient to you.

AUDLEY COOTE, *Esq., M.H.A.*

I have, &c.

W. R. GIBLIN.

9.

Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 14th September, 1882.

SIR,

I HAVE the honor to acknowledge the due receipt of your letter of the 12th instant, in which you suggest that Mr. Coote and myself should call at your office on Saturday next at 11 A.M., for the purpose of discussing the proposals made by Mr. Coote for the construction of a branch line of Railway from Corners to St. Mary's; and having ascertained from Mr. Coote that he is now returning from Launceston, I have to assure you that we will meet at your office at the appointed time.

It is with much satisfaction I learn that the Cabinet are disposed to favourably entertain the propositions that have been made for the construction of this line of Railway, which, in my opinion, cannot fail to be highly advantageous and profitable to the Colony.

The Hon. W. R. GIBLIN, Premier and Attorney-General.

I have, &c.

C. H. GRANT.

10.

Hobart, 18th September, 1882.

SIR,

I HAVE the honor to inform you that I have, as requested, duly considered what alteration I am prepared to make in my proposal for constructing the Fingal Railway, now that I have been informed by you that the Government are not prepared to include in the Railway the branch lines to the Fingal coal seam and to the coal at Mount Nicholas, mentioned in my first letter.

I estimate the length of the proposed line from the Corners to St. Mary's at 46 miles; and I believe I shall be able to float a Company for the construction of this Railway, exclusive of the branch lines, if the Government will guarantee interest at the rate of $3\frac{1}{2}$ per cent. on a capital of £210,000, instead of £225,000.

I have, &c.

The Hon. the Premier.

AUDLEY COOTE.

11.

Attorney-General's Office, Hobart, 21st September, 1882.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 18th instant, and, in reply, to inform you that, after full consideration of the whole matter, and the statements made by Mr. Grant at our interview on Saturday last, Ministers have decided to ask authority from Parliament for the construction by Government of the proposed Railway, if satisfactory terms for leasing the same to the Tasmanian Main Line Railway Company can be arranged as suggested by the Manager of that Company.

I have, &c.

AUDLEY COOTE, *Esq., M.H.A.*

W. R. GIBLIN.

12.

Attorney-General's Office, Hobart, 21st September, 1882.

SIR,

WITH reference to the interview I had the honor to hold on Saturday last with yourself, Mr. Audley Coote, and Mr. Henry Dobson (his Solicitor), as to the construction of a Railway from the Corners to St. Mary's, and your letter to me of the 21st August upon the same subject, I have now the honor to inform you that I have laid the matter before my colleagues, explaining, in accordance with your statement on Saturday, that I had been mistaken in treating your letter as a part of Mr. Coote's proposals; and after full consideration Ministers have decided not to recommend Mr. Coote's proposals to Parliament for adoption, but to seek authority from Parliament for the construction by Government of the proposed Railway, if satisfactory terms can be arranged with your Company for the maintenance and working of the line when constructed.

The proposal in your letter was, as I now understand, practically that your Company should become lessees of the line when constructed, maintaining and working it, and paying a rental equivalent to $3\frac{1}{2}$ per cent. upon an estimated cost of £5000 a mile,—which, for 45 miles estimated length, would be £7875 per annum on a cost of £225,000.

The rough estimate of cost supplied by our Engineer-in-Chief (based on a flying survey only) is £4000 a mile, or (say) £180,000, interest on which, at 4 per cent., the rate at which the Government would borrow, would amount to £7200 per annum.

Would you object to make your proposal equivalent to interest at 4 per cent. on a cost not exceeding (say) £200,000, or such less sum as the Railway might actually cost to construct and equip.

Of course I bear in mind that details must be left for after agreement, should Parliament sanction the construction of the line, and that you undertake to recommend the proposal to your Directors, of whose assent, however, I understand you entertain no doubt.

I have, &c.

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

W. R. GIBLIN.

13.

*Tasmanian Main Line Railway Company, Limited,
General Manager's Office, Hobart, 23rd September, 1882.*

SIR,

I HAVE the honor to acknowledge the receipt this day of your letter of the 21st instant, in which you refer to the interview I had the honor, in company with Messrs. A. Coote and Henry Dobson, to have with you for the purpose of discussing the proposals made by Mr. Coote for a branch line of Railway to Fingal, and of my letter to you recommending that the work should be undertaken.

I note that your Government have decided not to recommend Mr. Coote's proposals to Parliament for adoption, but will endeavour to obtain Legislative authority for the construction of the line by the Colony, if satisfactory terms can be arranged with the Tasmanian Main Line Railway Company for its maintenance and working hereafter.

You correctly state my suggestion that the Tasmanian Main Line Railway Company would be willing to undertake the maintenance and working of a branch railway from their Corners Station to St. Mary's, and would also pay out of their general revenue the interest on the cost of its construction, which I had limited to $3\frac{1}{2}$ per cent. on a capital of £5000 per mile,—amounting to £7875 per annum on an estimated cost of £225,000 for 45 miles.

I do not doubt that the line could be constructed in the satisfactory manner specified by the Engineer-in-Chief, and fully equipped, for the gross sum of £200,000, including the necessary rolling-stock for the very large mineral traffic expected; nor do I apprehend that the Tasmanian Main Line Railway Company would object to pay from their revenue receipts a rental equivalent to 4 per cent. on that amount, or (say) a maximum of £8000 per annum, and also to undertake all costs of maintenance and working.

It is so obviously to the advantage both of the Colony and of the Tasmanian Main Line Railway Company that the line should be constructed, and the agreement you propose entered into, that I do not anticipate the least difficulty in making a fixed and mutually satisfactory agreement after the sanction of Parliament has been obtained to the construction of the line.

Looking to the great importance of a larger and more certain supply of coal at the present time to most of the Australian Colonies, and considering also the daily improving character of the traffic along the line, it seems impossible that any reasonable doubt can be entertained as to the desirability and success of this important public work.

I have, &c.

The Hon. W. R. GIBLIN, Premier and Attorney-General.

C. H. GRANT.

14.

Hobart, 26th September, 1882.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 21st instant, in which you inform me that Ministers have decided to ask authority from Parliament for the construction by Government of the Fingal Railway, provided you can make satisfactory terms with the Main Line Railway Company for leasing the proposed Railway. It is now eighteen months since I first pointed out to you the advantages which the Colony would derive from the construction of this line, and I am gratified to find that the negotiations which I then initiated, and have since carried on, have resulted in the Government realising the importance of this work and deciding to ask Parliament for authority to undertake it.

Should the Government alter their present decision, or fail to make arrangements with the Main Line Railway Company, through Mr. Grant, for the latter Company to lease the Fingal Railway, I again place my services at your disposal, as I feel sure I could arrange for the construction of the Fingal Line upon the terms mentioned in my letter of the 18th instant. If the Government will therefore obtain from Parliament the necessary Act authorising them, in case they do not construct the railway themselves, to contract for its construction upon the terms of my last letter, I would, when required by you, proceed to London immediately and there float a Company to carry out the undertaking, and also arrange with the Directors of the Main Line Railway Company to lease to them the Railway, when constructed, upon such terms as would be satisfactory to the Colony.

I have, &c.

The Hon. the Premier, Hobart.

AUDLEY COOTE.