

(No. 29.)



1871.

T A S M A N I A.

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

M A I N L I N E R A I L W A Y.

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

Laid upon the Table by the Colonial Treasurer, and ordered by the House to be printed, November 8, 1871.



MAIN LINE RAILWAY CORRESPONDENCE.

32.

Hobart Town, 5th September, 1870.

SIR,

I HAVE the honor to inform you I have received information from London by the last Mail, stating that the Directors of the Tasmanian Main Line Railway Company had matured all matters satisfactorily, and are ready for business on the receipt of a telegram from me at any time.

The Directors also inform me, that our consulting Engineer, Mr. Wylie, will himself come out to Tasmania, about the Railway in the first instance; and that he now only awaits a telegram, when he will at once leave England.

Messrs. Darton & Co. also inform me, that the money market was much disturbed by the warlike aspect of affairs on the Continent, but that everything in connection with the Tasmanian Railway had been provided for.

I have, &c.,
(Signed) AUDLEY COOTE.

The Hon. the Colonial Secretary, Hobart Town.

33.

Colonial Secretary's Office, 5th September, 1870.

SIR,

I HAVE the honor to acknowledge the receipt of your communication of this day's date, informing me that you have received information from London by the last Mail, stating that the Directors of the Tasmanian Main Line Railway Company had matured all matters satisfactorily, and are ready for business on the receipt of a telegram from you at any time.

AUDLEY COOTE, *Esq.*, *Hobart Town.*

I have, &c.,
(Signed) J. M. WILSON.

34.

Hobart Town, 9th September, 1870.

SIR,

At the request of Mr. Audley Coote, I have perused the proposed Main Line Railway Amendment Act on behalf of "The Tasmanian Main Line Railway Company;" and I am instructed to state that the Company are prepared to contract with the Government for the construction of the Line upon the basis of this Act now proposed to be submitted to Parliament.

It is expedient that the leading Counsel of the Company in London should be able to advise the Shareholders that the Act is general in its terms, and does not contain restrictive clauses. If therefore the Act is altered in passing through Parliament, it is most important that the Amendments should be of a general character and not calculated to hamper the power of the Government, as was the case with the Act of South Australia, authorising the Government of that Colony to contract for the construction of Railways. In the Contract the Government will, of course, have the right to ask for all such Clauses as they think necessary for the protection of the Colony; but if these Clauses are introduced into the Act, it is probable that difficulty and delay will be caused in London.

The Hon. the Colonial Secretary.

I am, &c.,
(Signed) HENRY DOBSON.

35.

Colonial Secretary's Office, 8th October, 1870.

SIR,

REFERRING to my communication of the 15th August last, I have now the honor to forward six copies of a Bill to amend "The Main Line Railway Act," which has passed both Houses of the Legislature, and will receive the Royal Assent during the ensuing week.

I also forward six copies of the Act of last Session (33 Vict. No. 1), and I have marked the Clauses therein affected by the present Bill.

Before the departure of the Mail, leaving this in November, there will be ample time to prepare the Provisional Contract between the Company and the Government

I have, &c.,
(Signed) J. M. WILSON.

AUDLEY COOTE, *Esq.*, *Ship Hotel.*

36.

Hobart Town, 12th October, 1870.

DEAR SIR,

I HAVE to acknowledge the receipt of your letter of the 8th instant, informing me that the Railway Amendment Act had passed both Houses of Parliament and would shortly receive the Royal Assent. I therefore sent a telegram to the Company in London yesterday, telling them that the concession had been granted, that the Provisional Contract would be forwarded by the next out-going Mail, and asking them to send out their Engineers at once. Under these circumstances, I am most anxious that the preparation of the Provisional Contract shall at once be proceeded with; and in the hope of getting it finally settled in time for the Mail, I have made my arrangements to leave here for Sydney by the next trip but one of the *City of Hobart*. The Company are not likely to require many Clauses to be inserted in the Contract having reference to any matters other than the payment of the guarantee; and as therefore the greater part of the Contract will be for the protection of the Colony, it will save time and a great deal of useless trouble if you will submit a draft of the Provisional Contract, as required by the Government, for the approval of myself and the Company's Solicitor, Mr. Henry Dobson. I am sure it would facilitate matters if we were to confer on the different questions to be provided for in the Contract before the draftsman begins his work, and I shall therefore be happy to meet the Government and the Law Officers of the Crown at an early date.

I have, &c.,
(Signed) AUDLEY COOTE.

The Hon. the Colonial Secretary.

37.

MINUTE PAPER FOR THE EXECUTIVE COUNCIL.

Colonial Secretary's Office, Hobart Town, 31st October, 1870.

SUBMITTED,

THAT the Colonial Secretary be authorised to sign a letter to be addressed to Mr. Audley Coote, agreeing to contract with the Main Line Railway Company (Limited) for the construction of a Line of Railway to connect Hobart Town with Launceston, on the terms and conditions set forth in "The Main Line Railway Acts," and such other subsidiary terms and conditions, contingent on the same, as may be found necessary.

(Signed) J. M. WILSON.

THE Governor in Council approves.

E. C. NOWELL.

31. 10. 70.

The Hon. the Colonial Secretary.

Colonial Secretary's Office, Hobart Town, 31st October, 1870.

SIR,

REFERRING to my Letter to you of the 8th instant, I have now the honor to inform you that the Act of which I then transmitted you copies received the Royal Assent on the 18th instant.

At a meeting of the Executive Council held this day the Governor in Council was pleased to direct me to write to you intimating that he was now prepared to enter into a binding Contract with the Company which you represent for the immediate construction of a Railway to connect Hobart Town with Launceston, upon the terms and conditions of the Main Line Railway Acts of 1869 and 1870, and with such other subsidiary terms and conditions as may be deemed necessary and may be mutually agreed upon.

If the Tasmanian Main Line Railway Company (Limited) are prepared to construct the Railway in accordance with the provisions of the Acts referred to, the Governor in Council will on his part confer upon the Company all the immunities and privileges, and guarantee to the Company all the benefits, which by these Acts, or by the Act 33 Vict. No. 21, he is authorised to confer and guarantee. I am, however, directed to state, that in the opinion of His Excellency's Advisers the initial step to be taken by the Company in this matter is to have a new Survey made of the intended Line; a Survey which, under the altered conditions as to gauge, may probably result in a shorter, better, and more inexpensive route being adopted, besides laying out a Line which would intersect a larger area of cultivated land, and thereby enhance the prospective revenues of the Company.

It seems clear from the Letters you have shown me, as received by you last mail, that the Company you represent would not at present undertake to contract with the Governor in Council for the performance of the required work unless the latter would guarantee the correctness of the plans and surveys of Messrs. Doyne, Major, and Willett. This Parliament have not authorised His Excellency to do, nor would such a course have been suggested to the Legislature by His Responsible Advisers. One advantage of the proposal embodied in the Act of this Session is, that it limits and fixes the extent of the responsibility of the Colony. It presupposes that the contracting Company have satisfied themselves that the proposed Line of Railway can be constructed, the necessary Rolling Stock provided, and all expenses met for a sum of £650,000; and then guarantees a definite rate of interest upon the capital as raised. I would, therefore, urge upon the attention of the gentlemen who instruct you, that it is essential that the Engineers should be at once despatched to the Colony (if indeed they have not already sailed) for the purpose of having an accurate Survey completed of a narrow-gauge Line, and upon this being done the final Contract may be then prepared and signed.

For the present all that can be done by the Governor in Council, although anxious to expedite in every way the arrangements for the Company and the formation of the Line, is to assure you, and through you the Directors, that the Governor in Council is prepared to carry out in the fullest good faith and in its entirety the provisional Contract contained in the Letters which have passed between us of the 9th, 12th, and 15th August last, as modified by the provisions of the Act of Parliament 34 Vict. No. 13. Other offers have been made to the Governor for the construction of the Line, but the Government feel bound to deal exclusively with the Company represented by you; and if your Directors meet the Government with a desire to do business and to press on the work, the Government on their part will offer every facility and encouragement to them to do so. If, however, the Engineers of the Company are not despatched for the Colony within Six months from the date of this letter, the Governor in Council will consider that the Company do not desire to carry out the agreement entered into by you on their behalf, and will feel himself at liberty to enter into arrangements elsewhere; but if the Company are prepared to ratify your proposals, and confirm your action, the Governor in Council is ready to carry out all that is requisite on his part, or that he is by Law enabled to do.

I do not deem it necessary in this Letter to enter further into details which can be better embodied in the final Contract except as to the financial question, that being the one of the greatest importance to the Colony and of interest to your principals.

The Governor in Council will guarantee interest at the rate of Five per cent. per annum upon the money expended in and for the purposes of the construction of the Railway up to and not exceeding the sum of £650,000 during Four years of the period of construction, and for a period of Thirty years from the opening of the Line for traffic, and such interest will be payable as follows:—

1. *During Construction* the Company shall pay into the Bank of New South Wales in London (or some other Bank approved of by the Government) the money raised by them as the progress of the work may require, and such sums, if not less than £25,000 in amount, shall bear interest at the specified rate from the date at which they are paid in. Not more than £250,000 to be paid in in any one year, and no greater sum than £100,000 to be kept idle at the Bank for a period exceeding

Three months. The Company shall with each payment forward to me a receipt from the Bank Manager showing that the money has been paid to the credit of the Company; and before the interest is actually paid shall produce vouchers or documents satisfying the Governor in Council that the money (within the limitation named) has been expended for the purposes of the Railway. The interest will be paid in cash quarterly to the Company's authorised Agent at Hobart Town.

2. *After the Line is opened for Traffic* the Company shall furnish quarterly to the Government an abstract of their receipts and expenditure for the preceding quarter, so far as the same can be made up in the Colony, and the Governor shall thereupon issue his authority to the Colonial Treasurer to pay to the Agent of the Company in Hobart Town such amount of money as will with the profit of the quarter, (if any,) make up interest at the rate of Five per cent. per annum on £650,000, (or such lesser sum as the Line may cost); and so on from quarter to quarter; any accounts not adjusted by the Company in any one quarter being brought into account in the succeeding quarter, or as soon as the same can be adjusted in the Colony; and the Company to provide satisfactory vouchers or other evidence of any payment made by them if required so to do. If the profits of the Line for any quarter reach Five per cent. on the outlay, the Governor in Council to make no contribution for that quarter, (unless in respect of some payment standing over for adjustment from previous quarters). If the profits reach Six per cent. the Company to retain all such profits. If the profits exceed Six per cent. the Company to pay to the Government one-half of all profits over Six per cent., until the Company shall have repaid to the Government, (without interest,) all moneys which they may have received from the Government on account of guarantees: when that is accomplished all profits, however large, to belong to the Company. If in any quarter during the Thirty years the profits shall not reach Five per cent., then, (notwithstanding the Governor in Council may not have been liable to pay and may not have paid any contribution on account of the previous quarter,) the liability of the Governor in Council to make up interest to Five per cent. shall again arise, and so on from time to time during the stipulated period. The true intention of this Agreement being that the Company may be at all times able during the periods named to rely upon receiving interest at the rate of at least Five per cent. per annum upon the money expended by them, either from the profits of the undertaking or from the Colonial Treasury.

I have, &c.,
(Signed) JAMES MILNE WILSON.

AUDLEY COOTE, *Esquire*,
Ship Hotel, Hobart Town.

39.

Ship Hotel, Hobart Town, 8th November, 1870.

SIR,

I HAVE the honor to inform you that I am leaving for Sydney this afternoon, by the s.s. *City of Hobart*.

I have instructed my Solicitor, Mr. Henry Dobson, that upon receipt of any telegrams from England for me on the Railway business, he is to inform you at once of the contents of such telegrams, and then re-transmit the same to me at Sydney.

My present arrangements will keep me about six weeks in Sydney, I shall then return to Hobart Town.

My Sydney address is, 169, Premier Terrace, William-street, Woolloomooloo.

I have, &c.,
(Signed) AUDLEY COOTE.

J. M. WILSON, *Esq.*, *Colonial Secretary, Hobart Town.*

40.

1, Copthall Buildings, E.C., London, 30th December, 1870.

SIR,

I HAVE the honor to acknowledge the receipt of a copy, sent by Mr. Coote, of your letter dated the 31st of October last, addressed to him in reference to the Tasmanian Main Line Railway, and in reply thereto I have to inform you that the Directors of this Company, having duly considered the same, desire me to say that the Company are prepared to ratify the proposals made by Mr. Coote, and to confirm his action; and that, confiding in the assurance conveyed by that letter, and fully reciprocating the desire of the Tasmanian Government that the work should be pressed on, and in

reliance on the facilities and encouragement to be afforded by the Government for making and completing an accurate survey of a narrow-gauge Line, the Company propose with all possible expedition to dispatch Engineers to the Colony with proper instructions for effecting that object.

I have also the pleasure of saying that it is proposed to prepare in this country, and forward to Mr. Dobson by the next mail, the form of a contract between the Governor and Council and the Company, embodying the terms of the provisional contract contained in the letters which have passed between yourself and Mr. Coote of the 9th, 12th, and 15th of August last, as modified by the provisions of the Act of Parliament 34 Vict. No. 13; and that the Directors fully recognise and adopt these terms as expressing and containing the basis on which the definitive contract should be made between the Governor and Council and the Company in reference to the proposed undertaking.

I have, &c.,

(Signed) W. HAWES,

Chairman of the Tasmanian Main Line Railway Company, Limited.

The Hon. JAMES MILNE WILSON, Colonial Secretary, Hobart Town, Tasmania.

41.

Tasmania,

Colonial Secretary's Office, 25th February, 1871.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 30th December last, acquainting me that Mr. Coote had transmitted to you a copy of my letter addressed to that gentleman, dated 31st October last, in reference to the Tasmanian Main Line Railway.

It is with much satisfaction that I now learn that the Directors of your Company are prepared to ratify the proposals made by Mr. Coote, and are also prepared to confirm his action, and fully reciprocate the desire of the Tasmanian Government that the work should be pressed on; and further that the Company propose, with all possible expedition, to despatch Engineers to the Colony to make an accurate survey of a narrow-gauge Line.

When the form of a contract between the Governor in Council and the Company, embodying the terms of the provisional contract contained in the letters which have passed between myself and Mr. Coote, shall have arrived in the Colony by the next mail from Europe, nothing shall be wanting on the part of the Governor in Council to facilitate the final settlement of the contract in question.

I have, &c.,

(Signed) JAMES MILNE WILSON,

*W. HAWES, Esq., Chairman of the Tasmanian Main Line Railway Company,
1, Copthall Buildings, E.C., London.*

42.

169, Premier Terrace, William-street, Sydney, 3rd January, 1871.

SIR,

I HAVE the honor to inform you I received by the last Mail letters from my Principals in London, in reply to mine of September last.

I have now to inform you my Telegram reached London on November 3rd, twenty-three days after it left Hobart Town.

The Directors also inform me, they regret the somewhat serious alterations which have been introduced into the terms of the Concession; at the same time they state, those alterations are not found to affect prejudicially the success of the Company.

The Directors also state, immediately on the arrival of the next Mail, with the "Document" conveying the Government Concession of the Railway to the Company, they will at once take the necessary steps, and will spare no exertion to secure the construction of the Line in the most satisfactory and expeditious manner.

As the Concession would not arrive in London until the 26th of December, the Engineer would not leave England until the 30th December, so cannot be expected to arrive until the 19th February mail, and that would only allow him four days to prepare himself after the document arrived; so a telegram cannot well be expected until the next incoming Mail.

I know of no other reason which the Directors allude to, as to "serious alterations," but that they expected and hoped to receive the interest for a longer term, viz., for 35 years from the completion of the Line instead of 30 years.

I propose to return to Hobart Town by the first steamer after I receive my letters by the next Mail, to be able to communicate with you should this business require it.

I have, &c.,
(Signed) AUDLEY COOTE.

J. M. WILSON, *Esq.*, *Colonial Secretary, Hobart Town.*

43.

169, *Premier Terrace, William-street, Sydney, 24th January, 1871.*

SIR,

I HAVE the honor of again addressing you on the subject of the Tasmanian Main Line Railway.

By the last Mail from London I have received letters from the Company, dated December the 2nd, informing me they were anxiously waiting the arrival of the Concession, which was expected to reach London on the 26th December: until that document arrived the Engineer would not leave London.

The Chairman informs me, that as soon as they are in possession of that document, nothing will prevent them using the utmost dispatch in bringing out the Company; for although there was a great unwillingness on the part of the public to enter into new responsibilities, he is of opinion this enterprise is calculated to receive attention, and receive support; he also informs me it was quite impossible at the present time to bring out any undertaking in the ordinary way; but he also states, the excitement caused by the war has somewhat passed off. I have also a letter from my brother, who is one of the Directors, and he informs me, it will in all probability be a month from the time the Concession arrives in London before the Engineer would leave for Tasmania, so we cannot expect him now before the 19th March.

As nothing can be done in Tasmania until the Engineer arrives, I have decided in the meanwhile to visit New Zealand, having received a telegram from that Government asking me to proceed to Wellington with as little delay as possible. I therefore leave Sydney by the Mail steamer *Wonga Wonga* on the 31st instant, and expect to arrive back in Tasmania by the 5th of March.

I have, &c.,
(Signed) AUDLEY COOTE.

J. M. WILSON, *Esq.*, *Colonial Secretary, Hobart Town, Tasmania.*

44.

Hobart Town, 22nd March, 1871.

SIR,

THE Tasmanian Main Line Railway Company (Limited) have transmitted to me a copy of their letter to you of the 30th December, 1870, by which they ratify and confirm the terms entered into by Mr. Coote with your Government.

The Company require to raise a small amount of capital at once to enable them to make a Survey of a narrow gauge Line across the Island, and for other preliminary expenses connected with the Railway; but they intend to limit such expenditure to £25,000. I am specially instructed to obtain the sanction of the Government to allow the sum required for the Survey and other preliminary expenses (not exceeding £25,000) to form part of the cost of construction, (so that such cost of construction, including the preliminary expenditure, does not exceed £650,000), in order that the Company may claim interest on the sum raised for preliminary expenses, under the second section of "The Main Line Railway Amendment Act," from the date at which it is raised.

I shall be glad if you will bring this matter before the Executive at once, as it is most important that the sanction of the Government to the plan now proposed should be forwarded to the Company by the next English Mail.

I have, &c.,
(Signed) HENRY DOBSON.

The Hon. the Colonial Secretary, Hobart Town.

Colonial Secretary's Office, 25th March, 1871.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 22nd instant; and in reply thereto I beg to say that, to facilitate the immediate construction of the Main Line Railway, the Government are prepared to sanction the outlay of a sum not exceeding £25,000 (part of the total sum of £650,000 named in the Contract) to defray the cost of survey and other preliminary expenses. Should it be necessary for the Company to raise a sum for immediate expenses prior to the signing of the Contract, the Government will be prepared to recognize the payment of interest on that sum, as well as the repayment of the sum itself (not exceeding for principal and interest £25,000), as forming part of the moneys expended "for the purposes of construction," under the 2nd Section of "The Main Line of Railway Amendment Act." Of course the total cost of construction upon which the Government guarantee interest, including all costs of survey, interest on advances, and other expenses, must not exceed £650,000, and, as intimated in my previous letter, no liability on the part of the Government for payment of any interest is to arise unless the Contract is signed, and the Line actually constructed in accordance with the Acts and Contract.

I would urge upon you to forward to me, as early as possible, the draft Contract, which I understand from Mr. Coote you have received, so that it may be finally settled before the departure of the mail closing here in April.

I have, &c.,

(Signed) JAMES MILNE WILSON.

HENRY DOBSON, *Esq., Solicitor, Hobart Town.*

46.

MINUTE PAPER FOR THE EXECUTIVE COUNCIL.

Colonial Secretary's Office, Hobart Town, 27th March, 1871.

SUBMITTED,

That upon the application of the Main Line Railway Company (Limited), through their Solicitor, Mr. Dobson, in his letter dated 22nd instant, and addressed to the Colonial Secretary, a sum not exceeding Twenty-five thousand Pounds (£25,000) for principal, including interest thereon, be sanctioned for the cost of the survey of a Line of Railway and other preliminary expenses; but the said amount, or any lesser sum for such purpose, shall be considered as forming part of the "moneys expended for the purposes of construction" under the 2nd Section of "The Main Line of Railway Amendment Act."

No liability on the part of the Government for payment of any interest is to arise unless the Contract is signed and the Line actually constructed in accordance with the Acts and Contract.

(Signed) JAMES MILNE WILSON.

THE Governor in Council approves.

E. C. NOWELL.

27. 3. 71.

The Hon. the Colonial Secretary.

47.

Hobart Town, 19th April, 1871.

SIR,

I HAVE the honor to inform you that owing to the present uncertain state of the English Money Market, consequent upon the cessation of the war between Prussia and France, the Tasmanian Main Line Railway Company have not yet completed their financial arrangements.

In your letter to Mr. Coote of the 31st of October last, stating the terms upon which the Government were prepared to contract for the construction of the Railway, you state that the offer then made would only be binding on the Government provided the Company's Engineer left England for this Colony within a period of six months from the date of your letter. As this period has nearly elapsed, I have to request that the Government will allow their offer to remain open for a further period of six months.

I have, &c.,

(Signed) HENRY DOBSON.

The Hon. the Colonial Secretary, Hobart Town.

Colonial Secretary's Office, 19th April, 1871.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of this day's date, requesting, on the part of the Tasmanian Main Line Railway Company, Limited, "that the Government will allow their offer to remain open for a further period of six months."

The "offer" contained in my letter of the 31st October having been already accepted by your principals, I presume I am to understand your letter to refer only to that stipulation of the preliminary contract which binds the Company to despatch their Engineers to the Colony within six months from the date of that letter.

I learn with surprise, not unmingled with regret, that any circumstance should have arisen which could induce your principals to apply for this extension of time.

In Mr. Hawes's letter to me of the 30th December last, the Government was assured that, "fully reciprocating the desire of the Tasmanian Executive that the work should be pressed on, and in reliance on the facilities and encouragement to be afforded by the Government for making and completing an accurate survey of a narrow-gauge Line, the Company propose, with all possible expedition, to despatch Engineers to the Colony with proper instructions for effecting that object."

The concession granted by the Government in respect of the interest on a sum of £25,000 for survey and preliminary expenses, as announced to you in my letter of the 25th ultimo, constitutes an additional proof of the readiness of the Governor in Council to encourage and facilitate the operations of the Company. But the present application so vaguely worded, coupled with your retention of the Draft Contract, which has been forwarded to you from England, would almost seem to justify a doubt of the sincerity of the intentions of the Company, or of its ability to undertake and complete the construction of a Railway under the provisions of the Act of last Session.

The Government is unable to understand the necessity or to appreciate the exigency of this demand for delay. At the same time they are unwilling to throw any impediment in the way of the conclusion of a contract with the Tasmanian Main Line Railway Company, Limited, under the provisions of the Act already referred to. They are accordingly ready to grant an extension of time to the 31st August next, for the despatch of Engineers for the Colony, within which period it is possible for a telegraphic reply to your communication of this decision to be received in Hobart Town.

I take this opportunity of stating to you, for the information of your principals, that if this delay is sought under the expectation that any more favourable terms can be obtained from the Governor in Council other than those sanctioned by "The Main Line Railway Amendment Act," such expectations must be inevitably disappointed.

I must also request you to intimate to your principals, that the Government desire to be distinctly understood as holding themselves released from all further obligations to the Main Line Railway Company, Limited, in the event of my not receiving within five months from this date a positive assurance that the Company's Engineers will be despatched for the Colony on or before the 31st of August next.

I have, &c.,

(Signed) JAMES MILNE WILSON,

H. DOBSON, Esq., Solicitor, Hobart Town.

Hobart Town, 22nd April, 1871.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 19th instant, informing me that the "Government are ready to grant an extension of time to the 31st August next for the despatch of Engineers for the Colony." In answer to my request for an extension of time your letter states, "The Government is unable to understand the necessity or to appreciate the exigency of this demand for delay;" and in another part of your letter you say, "The present application, so vaguely worded, coupled with your retention of the Draft Contract which has been forwarded to you from England, would almost seem to justify a doubt of the sincerity of the intentions of the Company, or of its ability to undertake and complete the construction of a Railway under the provisions of the Act of last Session."

I would remind you that on the receipt of your letter of the 31st October, Mr. Coote and myself took exception, in a personal interview, to the term of six months from that date as the

latest period for the despatch of Engineers for the Colony. We then thought that term too short, and were given to understand that the Government insisted upon it with a view to expediting the Railway negotiations, but would not be indisposed to consent to an extension of time should sufficiently substantial reasons be alleged for an application to that effect, on behalf of the Company, at some future period.

You must be aware that the prospect of peace in Europe has considerably affected the English money market. Applications for large Loans, at £6 and £7 per cent. interest, are pouring in from all quarters, and Capitalists are holding in the expectation that money will very soon command a higher rate of interest.

Under these circumstances I think that the Government ought to be able to understand the necessity, and to appreciate the exigency of my application for an extension of the short time allowed; and I feel bound to add, that your remarks as to the sincerity and ability of the Company to construct the Railway are not justified by the facts. I have not submitted the Draft Contract for approval, simply because the Government are not authorised to allow the insertion therein of certain provisions which my principals consider necessary to give them the full benefit of the true meaning and spirit of the Railway Acts.

Had I allowed the Contract to be executed, and transmitted to England by the last mail, without containing the provisions required by the Company, you might have had grounds for complaint if four months hence the Company had asked for further delay in consequence of circumstances known to them at the present moment.

My so-called retention of the draft Contract, coupled with Mr. Coote's full explanation to the Government as to the cause of the delay immediately he became aware of it, prove, I think, the perfect sincerity and good faith of the Company, and do not in the slightest degree warrant the remarks you have made. The last paragraph of your letter states that "The Government will hold themselves released from all further obligations to the Company in the event of my not receiving within *five* months from this date a positive assurance that the Company's Engineers will be despatched for the Colony on or before the 31st August." I presume that the word *five* is written in error, and that you mean three months. I sent a copy of your letter to the Company by the last mail, and Mr. Coote, who wrote them very fully, expects a telegraphic reply by the mail to be delivered here in July, so that you will receive an answer within three months from the date of your letter.

I have, &c.,
(Signed) HENRY DOBSON.

The Hon. the Colonial Secretary.

50.

Colonial Secretary's Office, 2nd August, 1871.

SIR,

I SHALL feel obliged by your obtaining for the information of the Government with the least possible delay a ground plan of the reserve for the Launceston Terminus of the Railway, showing the limits of the station-ground, the different lines of rails already laid down or to be laid down, the passenger booking office, goods sheds, workshops, and all other buildings either erected or in course of construction or proposed to be constructed.

I have, &c.,
(Signed) J. M. WILSON.

S. V. KEMP, Esq., Launceston.

51.

*Railway Commissioners Office, Public Buildings,
Launceston, 3rd August, 1871.*

SIR,

IN compliance with the request contained in your communication of yesterday's date, I have the honor to forward herewith a tracing of the Launceston Terminus, which I have this day made from a plan supplied by the Company's Engineers.

I have, &c.,
(Signed) SAML. V. KEMP.

*The Hon. J. M. WILSON, M.L.C., Colonial Secretary,
Hobart Town.*

12

52.

Hobart Town, 5th August, 1871.

SIR,

I HAVE the honor to forward herewith a Draft of the Contract between the Governor and the Main Line Railway Company, for the perusal of the Government. I hope that nothing will occur to prevent the Contract executed by His Excellency from being sent to London by the mail on Thursday. I shall have to address you again on several matters of importance to the Company, having reference to the taking of lands, &c., including a portion of the Domain, which at present cannot be alienated without the authority of an Act of Parliament, and these matters Mr. Wylie requires to have settled before the departure of the mail.

I have, &c.,
(Signed)

HENRY DOBSON.

The Hon. Colonial Secretary.

53.

Hobart Town, 7th August, 1871.

SIR,

I HAVE the honor to return the Tracing of the Launceston and Western Railway Station at Launceston.

I beg to enclose for your guidance the Doquet Mr. Wylie considers necessary to be put on the Tracing, and signed by some responsible officer of the Company.

Until this has been obtained the Tracing is valueless for the purpose it is wanted.

I have, &c.,
(Signed)

AUDLEY COOTE.

The Hon. Colonial Secretary, Hobart Town.

DOQUET to be put on Tracing of Launceston and Western Railway Station-ground.

August, 1871.—This Plan shows accurately the whole of the buildings, rails, platforms, roads, &c. constructed or to be constructed by the Launceston and Western Railway Company, within the limits of the ground hereon delineated.

This Doquet to be signed by some responsible officer of the Company.

54.

Colonial Secretary's Office, 7th August, 1871.

SIR,

IN compliance with my request Mr. Kemp has furnished the accompanying Tracing of the Launceston and Western Railway Terminus at Launceston, but in order to render it complete I shall feel obliged by your endorsing on it the following Memo., and signing it as Secretary of the Company:—

“This Plan shows accurately the whole of the buildings, rails, platforms, roads, &c. constructed or to be constructed by the Launceston and Western Railway Company, within the limits of the ground hereon delineated.

*Secretary of the Launceston and Western Railway Company,
Launceston, ___ August, 1871.”*

I should be glad to receive the Tracing back again by return post, thus bearing your certificate.

I have, &c.,

(Signed)

JAMES MILNE WILSON.

H. DOWLING, Esq., Secretary Launceston and Western Railway Company.

55.

*Launceston and Western Railway Company, Limited,
Launceston, 10th August, 1871.*

SIR,

REFERRING you to my former letter and telegrams, I have the honor to inform you that I have compared the copy Tracing which you forwarded on the 7th instant with the Engineer's Plan of the Launceston Station-ground, and that I am prepared to certify that the Tracing shows accurately

the whole of the buildings, rails, platforms, roads, &c. constructed by the Launceston and Western Railway Company, Limited, but I cannot certify that these comprise the whole of the buildings, &c. yet to be constructed, as it is very desirable further works should be erected and constructed as funds may be available. A further carriage-shed, an outside goods platform and road, continued from the present goods shed, have already been reported as necessary for the Spring traffic; and these improvements it will be desirable to supplement by yards to be leased to the public for various commercial purposes, and, as the land to the east of the workshops towards the river is very low and wet, the whole of the available portion of the ground will very soon be occupied.

I have, &c.,
(Signed) H. DOWLING, *Secretary.*

The Hon. Colonial Secretary.

56.

Colonial Secretary's Office, 11th August, 1871.

SIR,

I HAVE had the tracing of the plan of the Station Ground transferred on drafting paper, and also the written certificate you were prepared to give.

I now forward the same herewith, and would be obliged by your returning it to me with your signature attached to the certificate by the Mail coach leaving on Monday evening.

I have, &c.,
(Signed) JAMES MILNE WILSON:

H. DOWLING, Esq., Secretary Launceston and Western Railway Company.

57.

*Launceston and Western Railway Company, Limited,
Launceston, 14th August, 1871.*

SIR,

I HAVE to acknowledge your letter of the 11th, forwarding Station plan, with a further request that I certify, which I have done accordingly, after penciling a Memorandum or two thereon; and, as instructed, have transmitted the same by mail to your address.

I have, &c.,
(Signed) H. DOWLING, *Secretary.*

The Hon. the Colonial Secretary, Hobart Town.

58.

Hobart Town, 8th August, 1871.

SIR,

I HAVE the honor to bring under your notice several points connected with the proposed junction of the Main Line Railway with the Launceston and Western Line, which Mr. Wylie is anxious to have settled with as little delay as possible.

Under the powers conferred by the 12th Section of "The Launceston and Western Railway Act, No. 5," (33 Vict. No. 21), there seems to be full power reserved to the Governor in Council to authorise the Main Line Railway Company to lay down a third rail upon and along any part of the Launceston and Western Line, and to run their trains over and along the said Launceston and Western Railway, and to execute all works necessary to carry out this object, upon payment of reasonable tolls and compensation for so doing; but, in carrying out these powers into actual working, certain difficulties will arise of a practical nature, which it is necessary to bring before you in order to ascertain from the Government as to the extent to which they consider the present powers will enable them to go in authorising the Main Line Railway Company to proceed with the construction of the various works necessary to enable them to utilize the Launceston and Western Railway in the manner contemplated by the Act 33 Vict. No. 21; and if the existing powers are insufficient for this purpose, how the Government propose to get over the difficulty.

1. The first matter I have to suggest for your consideration is as to the power of the Company to use and run over the sleepers on the Launceston and Western Line. It is presumed that this power can be conferred on the Company by the Governor in Council, but unfortunately a practical difficulty will arise in laying down the third rail and properly maintaining the three rails on one sleeper; and if the Launceston and Western Railway Company throw any obstacles in the way of the difficulty being overcome their opposition might prove fatal to the whole undertaking. The

point is this:—In what is technically called “packing up the sleepers” they are always packed at the ends alone, but if a third rail is laid down on these sleepers they would also have to be packed in the middle, and if this middle packing remained firm when the ends got loose an oscillating movement would be communicated to the engine and carriages of the train, which might become dangerous and throw the train off the line. It seems that by a little extra care the real danger would be trifling, but in the event of any accident the Launceston and Western Railway Company would probably affirm that it was caused by the unequal “packing of the sleepers,” and seek to make the Main Line Railway Company liable for all damage. This is a serious liability which the Company must decline to undertake, and hence the importance of having it settled at once.

2. From the height of the platforms which have been made at the Launceston station it is impossible for the Main Line Plant to make the smallest use of them. It will therefore be necessary for the Main Line Railway Company to construct platforms, goods sheds, &c. for themselves, a contingency that never was expected to happen, and for which no provision has been made by the Company in its estimates of the cost of construction. Assuming the money difficulty to be got over, have the Government the power, or can they arrange with the Launceston and Western Railway Company to make over to the Main Line Company a portion of their station ground, which is of considerable extent, to enable the latter Company to construct a station for themselves? The Main Line Company will have to pay compensation for the use of the Launceston and Western line, but they are not prepared to incur great additional expense in making a new station or in purchasing land in Launceston for that purpose.

3. Another point arises as to the working of the passenger traffic at Launceston; for this purpose a booking-office is of course essential, but there appears to be no power to compel the Launceston and Western Company either to book the passengers for the Main Line Company, or to give such accommodation in their station as would enable the Main Line Company to do this for themselves.

4. The last point I have to bring before you is in reference to the land given to the Launceston and Western Railway Company for their station in Launceston. Can the Governor in Council authorise the Main Line Company or arrange for them to acquire a portion of this land, and if so, on what terms? Will the Launceston and Western Railway Company be entitled to charge the Main Line Company such a price as they may consider the land now worth to them, or will the Government compel them to part with such portion of the land as may be required at the same nominal price they paid for it?

You will see at once the great practical importance of these points; and, as Mr. Wylie is anxious to leave the Colony in a few days, I trust no time will be lost by the Government in bringing them to a satisfactory settlement.

I have, &c.,
(Signed) HENRY DOBSON.

The Hon. the Colonial Secretary.

59.

Hobart Town, 11th August, 1871.

SIR,

I HAVE the honor to apply to the Government to remit the Wharfage which the Main Line Railway Company will otherwise have to pay on landing their plant in the Ports of Hobart Town and Launceston. It is estimated that the Wharfage would amount to £2500 or £3000, and if this sum is remitted, and the Railway constructed for anything less than the £650,000, the Colony would be benefited to the extent of the Wharfage by the concession now asked for.

Another ground on which I make this application is, that the Marine Board can afford the Company no facilities for landing the heavier portions of their plant, so that the Company will be obliged to pay the expense of getting the requisite machinery to unload their vessels.

The Government are aware that the Company will be put to considerable expense in using the works connected with the Launceston and Western Railway, which was never contemplated by either the Government or the Main Line Company, and which has accordingly not been provided for in the estimate of the cost of construction made by Mr. Wylie.

Under these circumstances, I trust that the Government will grant the application now made.

I have, &c.,
(Signed) HENRY DOBSON.

The Hon. the Colonial Secretary.

15

60.

Colonial Secretary's Office, 26th August, 1871.

SIR,

I HAVE the honor to acknowledge the receipt of your letter, under date 11th instant, requesting that the Government will "remit the Wharfage which the Main Line Railway Company will otherwise have to pay on landing their plant in the Ports of Hobart Town and Launceston."

In reply I beg to inform you that the Act of Parliament, 21 Victoria, No. 16, authorises the Marine Board to fix and collect Wharfage Rates, and that it would require a Statutory enactment to enable the Government to comply with your request.

With this object in view the Government will be prepared to submit to Parliament a Bill to enable the Governor in Council to exempt from Wharfage Rates the Railway Plant in question.

I have, &c.,

(Signed)

JAMES MILNE WILSON.

HENRY DOBSON, *Esq., Solicitor Main Line
Railway Company.*

61.

Hobart Town, 11th August, 1871.

SIR,

REFERRING to our conversation on the subject of Offices for the Main Line Railway Company, will you be kind enough to inform me if the Government would allow the Company to rent the Engineering Offices in Macquarie-street during the time the Railway is being constructed?

Will you also be kind enough to inform me the rent that will be required for the same, and if the necessary repairs are to be done by the Government or the Company.

I have, &c.,

(Signed)

AUDLEY COOTE.

The Hon. the Colonial Secretary.

62.

Colonial Secretary's Office, 16th August, 1871.

SIR,

IN reply to your letter of the 11th instant, requesting to be informed whether the Government would allow the Tasmanian Main Line Railway Company to rent the building recently used by the Commanding Royal Engineer for office purposes, I have the honor to inform you that the house in question can be let to the Company during the period of construction of the Railway, at an annual rental of Fifty Pounds;—any repairs during such tenancy to be at the expense of the Company.

I have, &c.,

(Signed)

J. M. WILSON.

AUDLEY COOTE, *Esq., Hobart Town.*

63.

*Tasmania,
Colonial Secretary's Office, 15th August, 1871.*

GENTLEMEN,

I HAVE the honor to enclose herewith the Contract agreed upon between the Governor in Council and the Tasmanian Main Line Railway Company (Limited), for the construction, maintenance, and working of a Main Line Railway between Hobart Town and the Northern side of the Island. (See Appendix.)

The Contract, as you will perceive, has been duly signed by His Excellency the Governor, and witnessed by the Members of the Executive Council.

This document is transmitted to you for the purpose of being delivered to the Tasmanian Main Line Railway Company, upon your receiving the counterpart of the Agreement duly executed by the Company.

The representatives in this Colony of the Company have acquainted their principals in London that the Crown Agents will be authorised, on the part of the Government, to make the necessary exchange of Agreements.

I have to request the favor of your attention to this important matter, and rely with confidence that all due care will be bestowed in effecting the exchange of Agreements entrusted to you.

I have, &c.,
(Signed) J. M. WILSON.

The Crown Agents for the Colonies.

64.

Hobart Town, 16th August, 1871.

SIR,

THE Government are aware that Mr. Wylie has fixed upon the Lower Cricket Ground in the Queen's Domain as the only suitable place for the Main Line Railway Station at Hobart Town, and that he intends the Line to pass through the Domain, as this route is by far the cheapest and best way of getting out of Town. The Act of Parliament, 24 Victoriae, No. 16, provides that no part of the Domain shall be alienable for any greater estate than a demise from year to year otherwise than by virtue of an Act of Parliament. The Company will require for their terminus about 8 acres of the Domain fronting on Park-street, and also a strip of land through the Domain of the average width of 40 feet for the construction of the Line, with the usual powers of entering on other portions of the Domain for the purpose of taking and using materials for construction.

I have, therefore, the honor to request that you will obtain from Parliament an Act authorising the Governor in Council to vest in the Tasmanian Main Line Railway Company such portions of the Queen's Domain as may be reasonably required by their Engineer for the purposes of the Railway.

I have, &c.,
(Signed) HENRY DOBSON.

The Hon. the Colonial Secretary.

65.

Hobart Town, 16th August, 1871.

SIR,

I HAVE the honor to inform you, that Mr. Wylie is of opinion that the proposed Swing Bridge at Bridgewater should be dispensed with, as it would be dangerous to have a Bridge of that description in such a locality. The descent from the Brighton side of the Bridge is very steep—1 in 60,—and the slightest mistake in the signals would cause accidents, as the trains could not be easily stopped. Mr. Wylie proposes to erect a permanent Bridge at a height of 24 feet above high water mark, and this would give sufficient room for the Steamer *Monarch*, which has unusually high paddle-boxes, to pass under; but it would necessitate the Steamer using a folding funnel, as is done on the Thames; and a similar arrangement would have to be adopted by the crafts trading beyond Bridgewater. The cost of the permanent Bridge will be as great, if not greater, than that of a Swing Bridge, and Mr. Wylie's sole object in making the alteration is on the ground of safety.

I have, therefore, to request that the Government will obtain the passing of an Act by the Parliament at its coming Session, authorising the Tasmanian Main Line Railway Company to erect a permanent Bridge at Bridgewater, at a height of 24 feet above high water mark.

I have, &c.,
(Signed) HENRY DOBSON.

The Hon. the Colonial Secretary.

66.

Colonial Secretary's Office, 18th August, 1871.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 16th instant, bringing under notice that Mr. Wylie has fixed upon the Lower Cricket Ground in the Queen's Domain as the only suitable place for the Main Line Railway Station at Hobart Town; and that he intends the line to pass through the Domain, as this route is by far the cheapest and best way of getting out of town. You acquaint me that the Company will require for their Terminus about eight acres of the Domain fronting on Park-street, and also a strip of land through the Domain of the average width of forty feet for the construction of the line, with the usual powers of entering on other portions of the Domain for the purpose of taking and using materials for construction.

To meet these requirements you request that I will obtain from Parliament an Act authorising the Governor in Council to vest in the Tasmanian Main Line Railway Company such portions of the Queen's Domain as may be reasonably required by their Engineer for the purposes of the Railway.

In reply I beg to inform you that the Government acquiesce in the views of Mr. Wylie, and having personally viewed with that gentleman the Station and route in question, will submit to Parliament a Bill to meet his wishes on these points. But it is obvious that, as the Queen's Domain has been set apart chiefly for the recreation of the public, the materials for construction must only be taken from such places as would not tend to destroy the objects to which it has been devoted.

I have, &c.,
(Signed)

JAMES MILNE WILSON.

HENRY DOBSON, *Esq.*, *Solicitor, Hobart Town.*

67.

Colonial Secretary's Office, 18th August, 1871.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 16th instant, requesting that the Government will obtain the passing of an Act by the Parliament authorising the Tasmanian Main-Line Railway Company to erect a permanent Bridge at Bridgewater at a height of twenty-four feet above high-water mark.

You acquaint me that Mr. Wylie is of opinion that the substitution of a permanent Bridge in lieu of the proposed Swing Bridge would lessen the very steep gradient of 1 in 60, and obviate accidents which would be caused by the slightest mistake in the signals, while the elevation of twenty-four feet would give sufficient room for the Steamer *Monarch* to pass, and which vessel has unusually high paddle-boxes, &c.

In reply I beg to inform you that, after taking the proposition into consideration, and having conferred with Mr. Wylie on the question, the Government will be prepared to propose to Parliament a measure for the erection of a permanent Bridge at Bridgewater.

I have, &c.,
(Signed)

JAMES MILNE WILSON.

HENRY DOBSON, *Esq.*, *Solicitor, Hobart Town.*

68.

Tasmania,
General Post Office, Hobart Town, 30th August, 1871.

SIR,

I HAVE the honor to forward herewith a letter dated the 21st instant, marked No. B 71, 3322 (with registered letter receipt attached thereto), received by me from the Secretary of the Post Office, Sydney, in which is acknowledged the receipt of the letter addressed to the Crown Agents for the Colonies, 5 A, Spring Gardens, London, S.W., handed by you to me on the 15th instant for transmission to London *via* California as a registered letter.

I have, &c.,
(Signed)

A. C. DOUGLAS, *Secretary.*

The Hon. T. D. CHAPMAN, Colonial Treasurer.

FORWARDED to the Hon. the Colonial Secretary.

THOS. D. CHAPMAN, *Postmaster-General.*

August 30, 1871.

General Post Office Sydney, 21st August, 1871.

SIR,

I HAVE the honor to acknowledge the receipt of your communication, dated 15th instant, forwarding two letters and a packet to be despatched to London *via* California, and requesting that the one addressed to the Crown Agents for the Colonies may be registered.

In reply, I have to inform you that the letter last referred to has been duly registered, and will, together with the other letter and packet, be transmitted to destination by the next Californian Mail Steamer.

The registration receipt, as well as four shillings and tenpence (4s. 10d.) surplus of remittance for postage, are herewith forwarded to you.

I have, &c.,
(Signed)

JAS. DALGARNO,
Pro Secretary.

The Secretary, General Post Office, Hobart Town.

APPENDIX.

This Contract made the 15th day of August A.D. 1871, between His Excellency CHARLES DU CANE, Esq., Governor of Tasmania, by and with the advice and consent of his Executive Council, for and on behalf of the Government of Tasmania, and in respect of the acts and observances herein expressed to be obligatory upon the Governor and Council or the Government, and hereinafter called "The Governor," of the one part, and the Tasmanian Main Line Railway Company, Limited, for and in respect of the acts and observances herein expressed to be obligatory upon the Company, and hereinafter called "The Company," of the other part. ~~Witnesseth~~ that in pursuance and exercise of the powers given by the Acts of the Parliament of Tasmania, 33 Vict. No. 1, passed the 22nd October, 1869, the short title whereof is "The Main Line of Railway Act," and 34 Vict. No. 13, passed the 18th October, 1870, the short title whereof is "The Main Line of Railway Amendment Act," and which two Acts are hereinafter referred to as the Main Line Railway Acts, and in pursuance and exercise of all other powers given or reserved to or possessed by the Governor of Tasmania in that behalf and for accomplishing and carrying into effect the objects and purposes authorised or contemplated by the said Acts, **it is agreed** as follows :—

1. The Company shall construct, maintain, and work a Main Line of Railway between Hobart Town and Launceston, or between Hobart Town and any point on the Launceston and Western Railway, with running powers over that Railway to Launceston, subject to and in accordance with the conditions set forth in the Schedule at the foot hereof, which construction, maintenance, and working are included in the expression "the said undertaking" herein used.

2. The Governor may add to, alter, and vary the said conditions mentioned in the said Schedule, but so that the conditions as so added to, altered, or varied shall not be more onerous upon or less advantageous to the Company than the conditions as set forth in the said Schedule.

3. The conditions as so set forth, or as so added to, altered, or varied, shall be treated and considered as part of the Contract, and fulfilled by the Governor and Company accordingly.

4. The Governor hereby confers upon the Company all rights, powers, privileges, and immunities, and guarantees to the Company all benefits which, by the said Main Line Railway Acts or any Acts incorporated therewith, or by the Act 33 Victoria, No. 21, passed 22nd October, 1869, or otherwise howsoever the Governor is authorised to confer, create, use, exercise, delegate, or guarantee for the purposes or in reference to the said undertaking and the connection thereof with the Launceston and Western Railway, with running powers over the said last-mentioned Railway, and also power to lay down an additional rail or rails, and to execute and do all such works as may be necessary to connect such Main Line of Railway with the said Launceston and Western Railway, and including especially the leases of Crown Lands which the Company may require for the purposes of the said undertaking.

5. The Governor hereby especially guarantees to the Company Interest at the rate of £5 per cent. per annum upon the money actually expended in and for the purposes of the construction of the said Main Line of Railway up to and not exceeding the sum of £650,000 during Four years of the period of construction, commencing from the date of this Contract, and for a period of Thirty years from the opening of the entire Line for traffic; and such Interest will be payable as follows :—

The Company shall pay into the Bank of New South Wales in London, or some other Bank approved of by the Governor, to the credit of the Company, the money raised by them for the construction of the said Railway as the progress of the works may require; and such sums, of not less than £25,000 in amount, shall bear Interest at the specified rate from the date at which they are paid in.

Not more than £250,000 shall be paid into the said Bank in any one year, and no greater sum than £100,000 shall be kept idle at the Bank for a period exceeding Three months.

The Company shall with each payment forward to the Colonial Secretary, to his Office in Hobart Town, a receipt from the Manager of the said Bank showing that the money has been duly paid to the credit of the Company; and before the Interest is actually paid by the Governor, shall produce to him or whom he may appoint vouchers or documents showing that the money (within the limitation named) has been actually expended for the purposes of the construction of the said Railway. The Interest will be paid in cash quarterly to the Company's Bankers in Hobart Town.

6. No sum shall be payable for guaranteed interest for any period during which the Company do not continue to maintain and work the said Line of Railway in an efficient manner so as to afford all sufficient station accommodation and due facilities for the passenger and goods traffic of every portion of the Line.

7. The main object for which the Company has been formed having been the construction, maintenance, and working of the said Railway, there shall be allowed as forming the first instalment of the cost of construction a sum of £25,000, but no more, which sum it is agreed shall be deemed to cover all preliminary expenses, including the expenses of the formation of the said Company, the negotiation with the Governor, and all engineering and other expenses, prior to the 1st day of January, 1871.

8. After the entire Line is opened for traffic, the Company shall furnish to the Governor at the close of each quarter (viz. on the 31st day of March, the 30th day of June, the 30th day of September, and the 31st day of December in each year) an Abstract of their receipts and expenditure for the preceding quarter so far as the same can be made up in the Colony; and the Governor shall be bound to pay to the Company in Hobart Town quarterly, within Fourteen days next after the delivery of each of such Abstracts, such amount of money as will with the profit (if any) of the preceding quarter make up interest at the rate of £5 per cent. per annum on £650,000 (or such less sum as the said Railway and works may cost), and so on from quarter to quarter.

9. Any accounts not adjusted by the Company in any one quarter shall be brought into account in the succeeding quarter, or as soon as the same can be adjusted in the Colony.

10. The Company shall provide satisfactory vouchers or other evidence of all payments made by them when required so to do by the Governor or whom he may appoint.

11. So long as the Governor shall be liable to pay and shall be called on to pay interest as hereinbefore agreed, the Governor may appoint some person or persons with full power to enter upon the Offices and Stations of the Company, and to examine and audit all Books and Accounts of the Company, so as to check any such Abstract as hereinbefore mentioned; and the Company shall furnish every facility for the purpose of verifying any such Abstract.

12. If the profits of the undertaking for any quarter reach an amount equivalent to interest at the rate of £5 per cent. per annum on the outlay (limited as aforesaid), the Governor shall not be bound to make any contribution in the nature of guaranteed interest for that quarter, unless in respect of some account which has not been adjusted in a previous quarter, and in respect of which the Governor is liable to pay interest.

13. If in any quarter the profits of the undertaking reach but do not exceed a sum equivalent to Six Pounds per cent. per annum on such outlay, the Company is to retain all such profits. If the profits exceed £6 per cent., the Company shall pay to the Governor one-half of all profits over £6 per cent., and so in every quarter until the Company shall have repaid to the Governor, without interest, all moneys which the Company may have at any time previously received from the Governor on account of the Guarantee hereinbefore contained: when and so soon as all moneys which have been advanced or paid by the Governor for interest have been repaid to the Governor, the profits of the said undertaking shall not be divisible, but shall belong exclusively to the Company; but this clause shall not prejudice the authority of the Governor to reduce the fares, which is hereinafter contained.

14. If in any quarter during the said period of 30 years the profits of the said undertaking shall not reach an amount equivalent to £5 per cent. per annum on such limited outlay as aforesaid, then (notwithstanding the Governor may not have been liable to pay, and may not have paid any contribution on account of the previous quarter,) the liability of the Governor to pay or make up the rate of interest to £5 per cent. shall again arise or revive, and so on from time to time during the whole of the said stipulated period of 30 years; the true meaning and intention of this Agreement and of the contracting parties being that the Company may at all times during the said period receive interest, at the rate of at least £5 per cent. per annum upon the money expended by them (limited as aforesaid to the said sum of £650,000), either from the profits of the undertaking or from the Governor.

15. All profits arising during the period of construction from the working of sections or portions of the Line which may be opened for traffic shall (until the whole Line shall be opened for traffic) belong exclusively to the Company.

16. The Company shall be bound at all times from and after the completion and opening of the said Railway to keep and maintain the same and the Rolling-stock, and generally the whole undertaking, in good and efficient repair and working condition.

17. The undertaking, with all its incidents, benefits, and privileges, both existing and prospective, may be purchased by the Governor at any time after the Line shall have

been opened for traffic, upon giving Twelve Months notice in writing to the Company both in London and in Tasmania, at a price to be fixed, failing agreement, by a majority of Five valutors, Two to be named by the Governor, Two by the Company, and One to be chosen by the Four valutors first appointed.

18. The obligations of the Governor and Company under this Contract are to be correlative and dependent; the fulfilment of the obligations of the Governor being dependent upon the fulfilment of the obligations of the Company, and *vice versa*.

19. This Contract is made subject to the provisions of "The Main Line Railway Acts" of the Parliament of Tasmania hereinbefore recited; and each of the contracting parties agrees to abide by such provisions, save so far as they may be herein expressly modified, or they may hereafter be altered, added to, or varied by mutual consent.

20. Nothing in this Contract contained shall be deemed or construed to impose a personal obligation upon the Governor, who contracts for and on behalf of the Colony of Tasmania and under the authorities aforesaid.

21. Both parties hereto will from time to time do all such acts, matters, and things, and execute all such grants, demises, deeds or instruments, as may be necessary or desirable for giving full and complete effect to this Agreement and every part thereof.

22. This Contract will be executed by the Governor as aforesaid in Tasmania, and a counterpart thereof will be executed by the Company in London; but the date of this Contract shall for the purposes of this Agreement be deemed and taken to be the day on which the said counterpart shall be executed by the Company in London.

23. All Notices required or which may be necessary by this Contract to be given by the Governor to the Company, or by the Company to the Governor, may be served on the Governor by leaving the same with the Colonial Secretary for the time being of Tasmania at his Office in Hobart Town aforesaid, and may be served upon the Company by leaving the same at their Office in Hobart Town aforesaid, or at their Office in London, or by serving the same on one of the Directors of the Company for the time being resident in London.

24. All powers herein or in any Act referring to this Railway contained, given, or reserved to the Governor or the Governor in Council shall and may be exercised by the Governor for the time being or the Officer administering the Government of Tasmania from time to time by and with the advice of his Executive Council as the case may require.

25. The Company shall, before receiving any Interest under this Agreement, be incorporated in Tasmania, or otherwise made capable of suing and being sued in Tasmania.

Signed, sealed, and delivered by the
above-named CHARLES DU CANE,
Esquire, Governor of Tasmania, at a
meeting of the Executive Council
held at Hobart Town this day, the
same being signed in the presence of
and by and with the advice of us the
Members of the said Council.

CHARLES DU CANE. (L.S.)

J. M. WILSON, *Colonial Secretary.*
THOS. D. CHAPMAN, *Colonial Treasurer.*
W. R. GIBLIN, *Attorney-General.*
HENRY BUTLER, *Minister of Lands and Works.*
J. A. DUNN, *M.E.C.*

The Seal of the said Company was affixed
hereto in the presence of the undersigned,

THE SCHEDULE REFERRED TO IN THE FOREGOING CONTRACT.

The route of the said Railway shall keep as near as may be practicable to existing centres of population; but the Company shall have full power to alter or vary the route as their Engineer may advise to be necessary or advantageous, having reference to the exigencies of construction, or difficulties of route, or prospects of traffic.

The exact points of the Termini of the said Railway shall be fixed by the Company.

The Company shall also have the right to run into the Launceston and Western Railway at any point they may consider most advantageous, and to lay down a rail or rails upon that Line from the point of junction to the Terminal Station at Launceston, so as to allow the Company's Rolling Stock to run over that portion of the Launceston and Western Railway.

The Works shall be commenced within Six calendar months after the date of this Contract, and after commencement shall be diligently prosecuted until completion.

The whole of the said Works shall be completed and the said Railway opened for traffic throughout within the period of Four years from the date of the Contract, under a penalty of £20 for every day's delay beyond that period, unless it can be shown that the delay has arisen from strikes or other circumstances beyond the reasonable control of the Company.

The said Railway, together with all Stations, Rolling Stock, and all other Works connected with such Railway, shall be constructed of the best material, and in a thoroughly substantial manner.

The gauge of the Railway shall be 3 feet 6 inches.

The Bridges shall be constructed of brick, stone, iron, or timber, as the Company's Engineer may determine; but in any construction the Bridge to be so designed and built as to have a strength sufficient to bear a strain without breaking four times greater than can be put upon it with the heaviest Rolling Stock on the Line, or otherwise so as to comply with the regulations as to strength of the English Board of Trade.

The weight of the Rails shall average forty pounds to the yard.

The Sleepers shall not be less than 6 feet 6 inches in length by 8 x 4½ inches in breadth and depth, and to be half round or squared timber, and fastened with dog spikes or other equally efficient fastening.

The Ballast of the Line shall not be of less width than 8 feet 6 inches, nor of less depth than 18 inches from top of rail.

No curve on the said Railway shall have a less radius than four chains, and no gradient shall be steeper than 1 in 40.

The Station Buildings shall be built of brick, stone, iron, or wood, and with such offices and accommodations as the Company's Engineer may consider necessary.

When the said Railway is completed and opened for traffic, at least four Trains shall run daily upon the said Line throughout its entire length; namely,—Two Trains daily from Hobart Town to the opposite Terminus, and two Trains daily from the opposite Terminus to Hobart Town; and such Trains shall be of such capacity and shall start at such hours as the Governor may from time to time determine, having reference to the exigencies of a single Line of Railway, and the general convenience in the working of the Railway as well as regards the Company as the Public.

The minimum average speed at which such trains shall travel shall be for one daily train each way 23 miles an hour, and for the other daily train each way 10 miles an hour, including all stoppages and detentions.

The maximum fare for passengers travelling on the said Railway shall not exceed Three-pence per mile for First Class Passengers, and Two-pence per mile for Second Class Passengers, and the rate for goods shall not exceed that charged from time to time upon the Government Railways in Victoria: Provided that, when in any year the profits of the said Railway arising from the traffic thereon shall exceed £10 per cent. upon the actual outlay, the Governor shall have power to require the Company to reduce the fares for passengers so as such reduction shall not diminish the profits of the Railway below £10 per cent.

All first and second class passenger carriages are to be covered, and to contain seats for all passengers.

All tolls for passengers or goods to be charged equally to all persons, and at the same rates, without preference, favour, or otherwise.

Children under 3 years of age accompanying passengers by such train to be taken free of charge, and children of 3 years and upwards, but under 12 years of age, at half the charge for an adult passenger.

Each First Class Passenger to be allowed 75 lbs., and each Second Class Passenger 56 lbs. of luggage free, not being merchandise or goods carried for profit or hire; any excess of luggage to be charged by weight, at a rate not exceeding the lowest rate of charges for passengers' luggage by other trains on Victorian Lines of Railway.

The Company shall carry all mails to and from all Townships, Stations, and places along the line upon such terms as may from time to time be agreed upon between the Governor and the said Company, and until otherwise agreed it is stipulated as follows:—

Every train to carry mails if required to do so by the Postmaster-General.

The mails to be accompanied by a Guard, or to be without a Guard, at the option of the Postmaster-General.

The Postmaster-General may require the whole inside of a carriage to be exclusively appropriated for the purpose of carrying mails.

The Postmaster-General may require separate carriages for the purpose of sorting letters during transit.

Mail-guards are to be deemed Second Class Passengers.

The Company to receive such remuneration for the mail service as may be agreed on, and in case of difference to be settled by arbitration.

The mail service not to be suspended or postponed by reason of the amount of remuneration not having been fixed upon, or of the award not having been made.

The amount of remuneration for mail service may again be considered when it has been in force for three years.

The Postmaster-General may put an end to mail services on giving three months' notice.

The Company may establish, work, and use for their own profit a line of Electric Telegraph upon the Railway.

Government Messages shall have priority, if required; and subject to the use of the Company, and to the priority (if any) claimed by the Governor, the Telegraph to be open for receiving and sending Messages by all persons alike, without favour or preference.

The Governor may erect a Telegraph along Line of Railway for Government use only, on reasonable compensation to Company.

The amount in case of difference to be settled by Arbitration; and, subject to a prior use for Government purposes, the Railway may use the Telegraph on terms to be agreed upon with the Governor, or in case of difference to be arbitrated.

Any reference to Arbitration of any dispute between the Governor and the Company shall, where not otherwise provided, be carried out in the manner provided by *The Lands Clauses Act* (21 Vict. No. 11, Secs. 14 to 26 inclusive), so far as the said provisions can be applied.

CHARLES DU CANE.

Witnesses—

J. M. WILSON.
THOS. D. CHAPMAN.
W. R. GIBLIN.
HENRY BUTLER.
J. A. DUNN.