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T A S M A N I A.

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

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

L E T T E R F R O M M R. A U D L E Y C O O T E.

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Laid upon the Table by the Colonial Treasurer, and ordered by the House to be printed, June 26, 1873.



*Tasmanian Main Line Railway Company, Limited,  
Hobart Town, 25th June, 1873.*

SIR,

It would appear from the Parliamentary notices that you purpose to draw the attention of the Members of the House of Assembly, on Wednesday next, to the Contract with the Main Line Railway Company, respecting which there has lately been some discussion in the Press.

Having been personally concerned in the negotiations preceding the Contract, and therefore fully cognisant of its history and detail, and being also acquainted as to the manner in which the Company understood and accepted the terms of the Contract, I think it but right to state to you the equities of the agreement on their side.

The route of the Railway now seems to be the point most contested; but I cannot understand on what reasonable grounds it could be asserted that the Government can determine this at their own volition, when the Contract so explicitly leaves the decision of this point with the Engineer of the Company; and he alone must necessarily—from all the circumstances of the Contract—be the sole authority to determine it.

If any route could be defined as that specially provided for in the Contract, it must be that of Messrs. Doyne, Major, & Willett, the plans of which were handed over to the Company, and formed, with the Report of the Main Line Railway Commission, the real and only basis of the Contract. It is in my personal knowledge that the Engineers and Advisers of the Company made the whole of their calculations on these plans, after altering them simply according to the revised specification of gradients and curves, and allowing for a large saving in distance, which they erroneously judged could be thereby effected.

It is not credible that the very experienced Railway Directors who formed the Company would undertake, for a fixed subsidy, to construct a Railway through any part of the Country and in a manner of which the Government were to be the sole judges. As in this case the cost would be altogether an indefinite amount, and might be many times that they contemplated and provided for; they therefore very properly assumed that Messrs. Doyne & Co.'s route was the most unfavourable that they could possibly be called upon to adopt, and made their calculations accordingly; but they expected that with the altered specification their Engineer would succeed in finding a much shorter and more economical Line. That he has not done so is a most grievous disappointment and loss to the Company, and it justly entitles them to the liberal consideration of the Government.

The second clause in the Contract appears to have been specially added to secure the Company against any unprofitable outlay that interference in their operations on the part of the Government might occasion.

As regards the interest of the Colony in the matter, it seems to me that it has obtained all it required in being assured of a Railway from Hobart Town to Launceston, and for an extremely inadequate compensation.

It is often erroneously stated that the Company are secured from loss in any case by the small interest they receive on the sum of £650,000 for thirty years; but I need not remind you that the Line has to be regularly worked for the guaranteed interest to become due, and it might happen that this interest had to be applied in keeping the Line running, in which case all the bondholders' money would be practically lost, while the country received to the fullest extent all that it bargained for, making only a contribution to the working expenses, for which they received a full equivalent in reduced rates.

The above £650,000 will not however cover the cost of the Line, as already nearly £800,000 of cash has been subscribed, and must be expended on its account, independently of the Company's reserve of £1,000,000 of share capital to meet working and other expenses.

The Company have further to consider a very large claim made by the Contractors for extra compensation on account of the unexpected difficulties and delays in carrying out the work by the route that the Company require them to adopt, and the serious extra length of the Line beyond that contemplated.

From this it appears to me that the Contract—even on the Company's view of it—is wholly in favour of the Colony ; and it would be indeed monstrous to suppose it intended that the Government could be allowed to dictate where the Line should go, or its details of construction, altogether irrespective of the cost of its requirements.

It is not in my province to express an opinion as to the engineering peculiarities of either of the routes that have been discussed, but since the name of the late Mr. Wylie has been so prominently mentioned in connection with that *vid* the Main Road, it is perhaps only right that I should authoritatively state (as his constant companion during the whole time he was in this country) the result he arrived at after we had taken a journey along the Main Road, from which he did not at any time depart more than two miles, owing to his extreme ill health at the time. He therefore was never on the Jerusalem route, and only saw enough of the Jordan to convince him that a Line along it was impracticable.

Mr. Wylie made no survey whatever of any Line, but simply a rough reconnaissance of the country, and therefore very diffidently expressed an opinion ; but after riding through the district he stated that he thought a Line along the Main Road was "just possible." Although he roughly sketched such a Line on a plan he did not commit himself to this opinion in writing on any occasion, and if such was his professional opinion we have no record whatever to that effect.

It cannot therefore reasonably excite surprise that this immature project is found impracticable on an instrumental survey being made.

The only equitable interpretation of the Contract in general terms that we can arrive at appears to me to be, that the Government agreed with the Company that the sole liability and contribution of the Colony should be limited to the payment of a minimum interest on the greatly reduced estimate of £650,000, for which the whole necessary capital was to be obtained, and a Railway made and always maintained between the two terminal points specified ; but that the Company should be (as is only natural considering that they provided the whole of the money and took all the risk) protected against any excessive outlay or injustice by the execution of the Contract being placed in the hands of their own Engineer.

I will not now remark upon the rival merits of the routes, because the Company's Engineer having decided that only the adopted one is practicable, a discussion of others must seem useless ; but I agree with most of the leading colonists with whom I have conversed on the subject that the Jerusalem route has much to recommend it rather than the others, while the fact that the land has been arranged for throughout its length, and the heavy timber cleared off, more than ten miles of Railway constructed, and considerable progress made with the tunnel, must demonstrate more clearly than anything I could state that the Company could not now alter the route, except for a very large compensation.

I have the honor to be,  
Sir,

Your obedient Servant,  
AUDLEY COOTE.

*The Hon. F. M. INNES, M.L.C., Colonial Treasurer.*