

(No. 24.)



1870.

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T A S M A N I A .

LEGISLATIVE COUNCIL.

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M A I N   L I N E   R A I L W A Y .

CORRESPONDENCE.

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Laid upon the Table by Mr. Wilson, and ordered by the Council to be printed,  
August 23, 1870.



## MAIN LINE RAILWAY CORRESPONDENCE.

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### 1.

*Woodlands, Glenorchy, 30th August, 1869.*

SIR,

SINCE I had the pleasure of an interview with you some weeks back, I have been waiting for Parliament to meet before I again communicated with you on the subject of the "Main Line of Railway."

I beg leave to refer to His Excellency's Speech on that particular subject in the *Mercury* newspaper of August 25th, in which he states that, according to a scheme you are prepared to submit to Parliament, it need not be deferred by any difficulties of a money character.

I now beg leave to state I am the representative of English capitalists, also of a Company formed in London, "whose Power of Attorney I hold," who are willing to contract for and construct any railroads in this Colony, upon certain conditions.

Will you be kind enough to inform me if the Government will entertain a proposition during the present Session to construct a line of railroad between Hobart Town and Longford or Launceston, on the principle of a guarantee of interest sufficient to produce in the London market the sum necessary for the purpose?

I also wish to say we have Engineers from England in the other Colonies, and if the Government will enter into any preliminary agreement our Engineers will proceed to inspect the line *at our own expense*, and the Company will forthwith enter into a firm and final agreement to construct and open the line for traffic.

An answer will oblige at the earliest convenience.

I have, &c.,  
(Signed)

AUDLEY COOTE.

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

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### 2.

*Colonial Secretary's Office, 30th August, 1869.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of this day's date, intimating that you represent English capitalists, and also a Company formed in London, who are willing to contract for and construct railways in this Colony upon certain conditions.

In reply, I have to inform you that, as the question of the construction of a Line of Railway between Hobart Town and Launceston will be considered by Parliament during the present Session, I shall not be in a position to entertain any proposition you may make until the determination of the Legislature on the subject shall be made known.

I have, &c.,  
(Signed)

JAMES MILNE WILSON.

*A. COOTE, Esq., Woodlands, Glenorchy.*

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3.

*Glenorchy, 27th September, 1869.*

SIR,

SINCE I had the honor of writing to you before upon the subject of the Main Line Railway I have been waiting the Bill to be introduced, and for it to pass, before I again communicated with you.

I now beg leave to say, if the Government will enter into an agreement with me, on behalf of a Company formed in London, for the contract to construct the Main Line Railway, I will send for a staff of Engineers to come over and inspect the line, and make the necessary surveys; and I undertake that the survey shall be commenced in November next.

I also beg leave to inform you I have reason to believe that our Engineers have commenced the survey of another line, so that I am not quite certain the time it may take them before it is completed; in the meantime, should business result, I am making arrangements for our Financial Agent to come over before the Engineers, that no time may be lost in arranging for this business in London.

I have, &c.,

(Signed)

AUDLEY COOTE.

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

4.

*Hobart Town, 3rd November, 1869.*

SIR,

I HAVE the honor to submit the following proposal to the Government, with a view to facilitate the immediate construction of the proposed Railway from Hobart Town to Launceston.

I am willing to proceed by the Overland Mail leaving Melbourne in December, at my own expense, to London, and there to negotiate in the English money market for the construction of the Railway upon the terms and conditions of "The Main Line Railway Act." I may be permitted to state that I possess exceptional advantages for aiding in this matter, as I am the accredited Agent in Australia of gentlemen residing in England who possess large means, and who are at present engaged in the construction of railways and telegraphs in Spain, South Australia, South America, &c., and that, from my correspondence with them as to the Tasmanian Railway, I have not the slightest doubt of being able to negotiate successfully to carry out the work now under consideration. I should not seek any remuneration from the hands of the Government whether my services were successful or otherwise.

Should the Government see fit to avail themselves of my offer, I should require to be armed with an exclusive authority to treat with Financiers in England for a period of three months from the date of my arrival in England, say from the middle of January next.

I have, &c.,

(Signed)

AUDLEY COOTE.

*The Hon. the Colonial Secretary.*

5.

*Colonial Secretary's Office, 6th November, 1869.*

SIR,

I BEG to acknowledge the receipt of your letter dated 3rd instant, submitting a proposal to the Government to facilitate the immediate construction of the proposed Railway from Hobart Town to Launceston, and expressing your willingness to proceed by the Overland Mail leaving Melbourne in December next for London, and there to negotiate for the construction of the Railway upon the terms and conditions of "The Main Line Railway Act."

In reply, I have the honor to acquaint you that the Government are prepared to acquiesce in your offer, and that I will in due time arrange the final details to enable you to afford full information in your negotiation.

I have, &c.,

(Signed)

JAMES MILNE WILSON.

*AUDLEY COOTE, Esq., Hobart Town.*

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6.

*Hobart Town, 10th November, 1869.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter dated 6th instant, in which you state the Government are prepared to acquiesce in my offer, and that you will in due time arrange the final details to enable me to afford full information in my negotiations.

In reply, I beg leave to state that I am now fully prepared to arrange the final details with you.

I have, &c.,

(Signed) AUDLEY COOTE.

*The Hon. the Colonial Secretary, Hobart Town.*

7.

*Colonial Secretary's Office, 18th November, 1869.*

GENTLEMEN,

As the Government are now about to complete arrangements with Mr. Coote to enable him to negotiate in England for the construction of the Main Line Railway, I would be glad to be favoured, for the satisfaction of the Government, with the names of the Capitalists in London, or with the address of the Company with which he is associated.

I have, &c.,

(Signed)

JAMES MILNE WILSON.

*Messrs. GIBLIN & DOBSON, Solicitors to AUDLEY COOTE, Esq.*

8.

*Hobart Town, 18th November, 1869.*

SIR,

WE have the honor to acknowledge the receipt of your Letter of this day's date, which we at once communicated to Mr. Audley Coote.

In reply, Mr. Coote requests us to inform you that the following are the names of the Financiers in London with whom he is associated—

Cornelius Walford, Esquire, of the City of London, and of Little Park, Enfield, Middlesex;

Arthur Harvey, Esquire, Messrs. F. Darton & Co., of Newman's Court, Cornhill, London;

George Coote, Esquire, of the City, and of Smeatham Hall, Sudbury, Suffolk;

And Messrs. Punch & Clark, of London.

The last-named firm are known in South Australia as "The Port Augusta Railway Company." Mr. Walford is now conducting the financial arrangements of the Railways now being constructed in Spain, and is very largely connected with Railway enterprise.

The Powers of Attorney from these gentlemen to Mr. Coote are in the hands of the Chief Secretary of South Australia; but if the Government would communicate directly with the parties the result would be more satisfactory, both to the Government and to Mr. Coote, than resting simply upon what may at present appear to be our client's unsupported statements.

Mr. Coote is fully aware of the large measure of confidence which, in the present matter, he is asking to have extended to him, and therefore wishes us to state that he is desirous that the Government should make any and every enquiry they may deem necessary into the stability and financial resources of the gentlemen with whom he is associated.

We have, &c.,

(Signed)

GIBLIN & DOBSON.

*The Hon. the Colonial Secretary.*

6

9.

*Tasmania,*  
*Colonial Secretary's Office, 18th November, 1869.*

GENTLEMEN,

I HAVE the honor to acquaint you that, during the last Session of Parliament, measures were passed to enable the Governor in Council to cause a Contract on behalf of this Colony to be entered into with any person or Company for the construction, maintenance, and working of a Main Line of Railway between Hobart Town and Launceston, or any point on the Launceston and Western Railway.

I enclose herewith the Act of Parliament, 33 Victoria, No. 1, granting such authority, and also a separate Act, 33 Victoria, No. 21, which by its 12th and 13th Sections authorises the using, upon the terms therein set forth, of the Launceston and Western Railway from the point at which the proposed Railway will join the same.

You will observe by the former Act that the subsidy to be paid by the Colony in respect of the work would be a sum not exceeding Three hundred thousand Pounds, or an annual amount not exceeding Twenty-five thousand Pounds, for a period of Twenty years.

In addition to the advantages referred to in the Act which any "Person or Company" would receive, all Railway Plant, Rolling Stock, and all material which may be imported solely for the purpose of the construction of the Railway, would be admitted into the Colony free of duty.

I forward to you by this mail copy of the Report of the Engineers, Messrs. Doyne, Major, and Willett, on the proposed Railway, the Report of the Returns of Traffic, and also the Report of the Royal Commission on the Main Line Railway.

By the first opportunity, *viâ* Melbourne, I will transmit a Map of the Colony, on which will be delineated the proposed Line of Railway and other valuable information.

I have given Mr. Audley Coote a letter of introduction to you. This gentleman has proceeded to England to negotiate for the construction of the Railway; and should he solicit your advice, I should be glad if you would afford any information in furtherance of his mission.

*The Crown Agents for the Colonies.*

I have, &c.,

(Signed)

JAMES MILNE WILSON.

10.

MINUTE PAPER FOR THE EXECUTIVE COUNCIL.

*Colonial Secretary's Office, Hobart Town, 19th November, 1869.*

SUBMITTED,

THAT Mr. Audley Coote be authorised to negotiate for the construction, maintenance, and working of a Main Line of Railway between Hobart Town and Launceston, or any point on the Launceston and Western Railway, in accordance with the provisions of the Acts of Parliament 33 Vict. No. 1, and No. 21. Such negotiation to be subject to the approval of the Governor in Council.

JAMES MILNE WILSON.

THE Governor in Council approves,

E. C. NOWELL,

19. 11. 69.

*The Hon. the Colonial Secretary.*

11.

*Tasmania,*  
*Colonial Secretary's Office, 19th November, 1869.*

SIR,

You are hereby authorised and empowered, on behalf of the Government of this Colony, to negotiate for the construction of the "Main Line Railway," in accordance with the provisions of the Acts of Parliament 33 Victoria, No. 1, and 33 Victoria, No. 21, and also subject to the annexed leading Conditions.

The result of such negotiation will require to be embodied in a Contract, and submitted to the Governor in Council for approval.

I have, &c.,

(Signed)

JAMES MILNE WILSON.

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

## CONDITIONS.

### 1. *Payment.*

- a. The sum of £25,000 a year for 20 years to be first offered, and the £300,000 not to be operated upon unless the first proposal fails.
- b. To be paid in sums of one third, when each one third of the work in value is completed, upon Certificate of an Engineer appointed by the Governor in Council.
- c. With a view to secure a permanent *bond fide* work, the Government to have a Lien on Railway and Works, complete or incomplete, for the £300,000, or so much as may be paid until the expiration of Five Years after the time fixed for completion of Works. Such Lien to be enforced only in case the work is not completed, or is abandoned at any time within that period.

### 2. *Construction of Railway.*

- a. Gauge to be 5 feet 3 inches, and only under the strongest necessity can its reduction to 4 feet 8½ inches be allowed.
- b. Weight of rail to be not less than 40 lbs. to the yard.
- c. Railway and all works connected therewith to be good and substantial.
- d. No part of Railway to be opened until the Governor in Council is satisfied that it is sufficiently completed for the safe conveyance of passengers, and that the opening would not be attended with danger to the public.
- e. Railway to be completed on or before the 31st day of December, 1874, under a penalty of so much per week for every week's delay beyond that time.

### 3. *One Train daily each way.*

- a. To start at any hour between the hours of 6 A.M. and noon, or such other hours as may be approved by the Governor in Council.
- b. To travel at an average speed not less than twelve (12) miles an hour for the whole distance, including stoppages.
- c. To take up and set down Passengers at every Passenger-station on the Line.
- d. The Passenger Carriages to be covered, and contain seats for all Passengers.

### 4. *Fares by such Train.*

- a. The fare or charge for each Third Class Passenger not to exceed Two (2) pence for each mile travelled.
- b. Each Passenger to be allowed half a hundredweight of luggage, not being merchandise, or goods carried for profit or hire.
- c. 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.
- d. Children under three years of age, accompanying passengers by such train, to be taken without charge; and children of three years and upwards, but under twelve years of age, at half the charge of an adult passenger.
- e. Goods to be carried at a price not exceeding Sixpence per ton per mile.
- f. All Tolls for passengers or goods to be charged equally to all persons, and at the same rates, without preference, favour, or otherwise.

### 5. *Profits.*

- a. When the clear annual profits divisible on the subscribed and paid up capital of the Railway upon the average of three then last preceding years equal or exceed £10 per cent., the Governor in Council may revise the Scale of Tolls, and fix such new Scale as will be likely to reduce the divisible profits to £10 per cent.; and in case of any deficiency by reason of such revision, the same shall be made good to the rate of £10 per cent. by the Government.
- b. The Company to keep all necessary and proper books, and to afford all information as to their affairs, and to submit their books and vouchers to inspection when called upon to do so by the Governor in Council.

### 6. *Power to purchase.*

The Government may purchase. The amount to be settled by arbitration.

7. *Telegraph.*

- a. The Company may establish a Line of Electric Telegraph.
- b. Government Messages to have priority over all others if required.
- c. And subject to the use of the Company and to the priority, if any claimed by Government, the Telegraph to be open for receiving and sending Messages by all persons alike without favour or preference.
- d. The Government may erect a Telegraph along Line of Railway on reasonable compensation to Railway. 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 Government, or in case of difference to be arbitrated.

8. *Mails.*

- a. Every train to carry a mail if required to do so by the Postmaster-General.
- b. The mails to be accompanied by a Guard, or to be without a Guard, at the option of the Postmaster-General.
- c. The Postmaster-General may require the whole of the inside of a carriage to be exclusively appropriated for the purpose of carrying the mail.
- d. The Postmaster-General may require separate carriages for the purpose of sorting letters during transit.
- e. Mail-guards to be deemed third-class passengers.
- f. The Railway to receive such remuneration as may be agreed upon between the Company and the Postmaster-General, and in case of difference to be settled by arbitration.
- g. The services 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.
- h. The amount of remuneration may be again considered when it has been in force for three years.
- i. The Postmaster-General may put an end to services on giving three months' notice.

9. *Land.*

The provisions for leasing all Government land required by the Company at a peppercorn rent, under Section 3 of "The Main Line Railway Act," will be carried out in favour of the Company.

10. *Junction with Western Railway.*

The Governor in Council will exercise all or any of the powers contained in 33 Vict. No. 21, in favour of the Company.

11. *Legislation.*

The Government will do its best to place the Company by legislation in the same position as to its rights and liabilities as English companies under the Railway Acts, and as common carriers, provided the Company desire it.

12. *Place of Business of Company.*

The Company to have a Place of Business in Hobart Town, to be notified in the *Gazette*; and service of all notices and process by leaving the same at such place shall be accepted by the Company as service on such Company for all purposes.

13. *Damages for Breach of Contract.*

The Company to be liable to liquidated damages in case of breach of any of the provisions of the Contract.

(Signed) JAMES MILNE WILSON.  
Colonial Secretary's Office, 19th November, 1869.

## 12.

Colonial Secretary's Office, 19th November, 1869.

SIR,

WITH reference to your letter of the 3rd instant, and my reply thereto, I have now the honor to inform you that the Governor in Council approves of your proceeding forthwith to England for the purpose of negotiating for the construction of a Line of Railway from Hobart Town to Launceston, under the conditions of "The Main Line Railway Act."

You are now thoroughly acquainted with the terms upon which the Governor in Council is authorised to contract for the construction of such Railway, with the general views entertained by His Excellency's Advisers in reference thereto.

The Government trust to hear from you within a reasonable time after your arrival in Great Britain that you have been enabled to negotiate successfully for the construction of the proposed Railway.

The Crown Agents for the Colonies, Messrs. Julian & Sargeant, have been instructed to afford you every facility in their power for carrying out your plans; and I trust that with the aid of the Engineering Survey of the Line, and the Maps and Papers furnished to you from this Department, you will be able to bring to a successful issue a matter so fraught with importance to the interests and welfare of this Colony.

I have, &c.

AUDLEY COOTE, *Esq., Hobart Town.*

(Signed)

JAMES MILNE WILSON.

13.

*Tasmania,  
Colonial Secretary's Office, 19th November, 1869.*

GENTLEMEN,

THIS letter will be presented to you by Mr. Audley Coote on his arrival in London, and whom I beg to introduce to you.

Mr. Coote proceeds to England, *via* Melbourne, to negotiate for the construction of a Line of Railway to connect Hobart Town with Launceston.

I had the honor of addressing you yesterday on the subject of the proposed Railway, and at the same time forwarding the Acts of Parliament authorising the construction of the Work, and which renders it unnecessary for me to advert further to the Powers and Terms granted for the construction of the Railway.

Should Mr. Coote require to make any reference to you, or to solicit your opinion or advice, I should be glad to recognise any services you may render in the interests of this Government.

I have, &c.

*The Crown Agents for the Colonies.*

(Signed)

JAMES MILNE WILSON.

14.

*Port Phillip Club Hotel, Melbourne, 22nd November, 1869.*

SIR,

I HAVE the honor to forward you my "Power of Attorney" to negotiate for the construction of the Main Line Railway in Tasmania, also a letter from Jno. W. Bagot, Esq., Chief Secretary of South Australia.

I also beg leave to state that another full Power of Attorney should now be on its way from England from other Capitalists, for me to negotiate with your Government upon the terms of the Main Line Railway Act.

I have also written to my Solicitors in Adelaide, Messrs. Way & Brook, instructing them to write to you as to the Powers they hold for South Australia in my name from Capitalists in London with whom I am now working.

As to the names of Messrs. Punch & Clark, or the Port Augusta Railway Company, I cannot say for a certainty that they will undertake the Tasmanian Railway until I put it before them; but you can rest assured my connection in London is such that if those undertaking the South Australian Railways will not undertake the Tasmanian, the other gentlemen will. I have received letters to that effect,—that they are preparing for my arrival. I may state Mr. Harvey goes to England by this Mail also.

I have arranged to leave by the S.S. *Great Britain* on Thursday, 24th instant, and hope to arrive on the 20th January next, when I shall at once communicate to you my safe arrival.

I have, &c.,

(Signed)

AUDLEY COOTE.

*The Honorable the Colonial Secretary, Tasmania.*



To ALL TO WHOM these Presents shall come I James Brook of 69 King William-street Adelaide in the Province of South Australia Notary Public duly admitted and sworn residing and practising in Adelaide aforesaid Do hereby certify and attest unto all whom it may concern that the Deed Poll or Power of Attorney herunto annexed and marked A. was on the sixth day of July one thousand eight hundred and sixty-nine duly signed sealed and executed by Arthur Harvey therein named in my presence And that the signature Arthur Harvey thereto subscribed as that of the person executing the same is of the proper handwriting of the said Arthur Harvey—And the signature "Jas. Brook" thereto subscribed as that of the attesting witness to the execution of the said Deed Poll is of the proper handwriting of me the said Notary.

WHEREOF an Act being requested I have granted the same under my notarial firm and seal of office to serve and avail as occasion may require.

Dated at Adelaide aforesaid this sixth day of July one thousand eight hundred and sixty-nine.

JAS. BROOK, *Notary Public Adelaide S.A.*

To ALL TO WHOM these Presents shall come I Arthur Harvey of the City of London Gentleman at present residing in Adelaide in the Province of South Australia Agent for the "Port Augusta and Northern Extension Railway Company" send greeting WHEREAS I am desirous of obtaining from the Legislature of Tasmania either directly or through the medium of the Government of that Colony the necessary powers and grants for the construction of a Line of Railway connecting the Cities of Hobart Town and Launceston in that Colony on a guarantee by the Government of that Colony of a rate of interest upon the capital required and expended in and about the construction of such line AND WHEREAS I am desirous of appointing Audley Cooté of Woodlands Glenorchy in the said Colony Esquire as my Agent for the purpose of obtaining the powers and grants before referred to and of entering into such negotiations as he may consider expedient to effect the purpose so required Now KNOW YE and these presents witness that I the said Arthur Harvey do hereby nominate constitute and appoint the said Audley Cooté my Attorney for me and in my name to do all acts and take all necessary steps to procure the passing of an Act of the Legislature of the said Colony of Tasmania authorising me and my assigns to construct a Railway from Hobart Town to Launceston aforesaid.

WITH such powers provisions and indemnities and subject to such stipulations as may be thought fit in that behalf And also to negotiate and contract with the Government of the said Colony of Tasmania for the construction by me or my assigns of such a Railway as before mentioned upon such terms as to payment or guarantee of interest as he may think advisable or as I may by letter of instructions from time to time notify And for all or any of the purposes aforesaid to enter into sign seal execute and deliver any bonds contracts indemnities agreements deeds and documents as he shall consider necessary and expedient in that behalf And I undertake to ratify and confirm all and whatsoever my said Attorney shall or may lawfully do by virtue or in pursuance hereof.

AS WITNESS my hand and seal hereto this sixth day of July in the year of our Lord one thousand eight hundred and sixty-nine.

ARTHUR HARVEY.

Signed sealed and delivered by the above-named Arthur Harvey  
in the presence of—

JAS. BROOK, *Notary Public Adelaide South Australia.*

*Adelaide, 5th October, 1869.*

MY DEAR MR. HARVEY,

It affords me much pleasure to be enabled to state that I have had your acquaintance both in London and in this Colony; and from my personal knowledge can say that you are connected with Capitalists through whose assistance I thoroughly believe you can undertake and carry out the largest Public Works. My knowledge of your ability to do so is founded on correspondence and on personal communication with gentlemen whom you are connected with in business.

I have, &c.,

(Signed) JOHN W. BAGOT.

ARTHUR HARVEY, *Esq., York Hotel, Adelaide.*

DEAR SIR,

I BEG to enclose for your information part copy of a letter to me from one of the best financiers in London, and received the Mail before I made my Agreement with the Government.

(Copy.)

THE Tasmanian Government will make a mistake if they send their Railway home to their Agents, as no Company will take it up without first seeing the country; and, if their Agent in England makes a preliminary agreement, it will have to be confirmed by people who come out to inspect. It took two years to bring them out in the case of the South Australian Railways, after the Parliament had passed its last Bill,—they having passed two Bills respectively in 1842 and 1864, for the construction of the Line. If the Government will make an Agreement with you, which shall come into force so soon as £5000 is paid in London to the Agent of the Colony, and that sum to be paid within six months from entering into the Agreement, to be forfeited if the Works are not commenced or material shipped within another six months, much time would be saved. It must not be an open question of the first come first served, as no one will be at the risk of sending out if the *chances existed* of some one being there before them. The expense is too great to be incurred except in a case of certainty.

As it is not an open question, it will now be a success.—A.C.

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15.

69, King William-street, Adelaide, 30th November, 1869.

SIR,

WE have the honor to address you upon the instructions of Mr. Audley Coote, recently of Tasmania, but now on his way to England by the Great Britain.

Mr. Coote, just prior to his leaving Australia, communicated to us his desire that we should write you, acquainting you with the fact that he holds authorities from English capitalists which extend to this province, and that the necessary documents are in our possession.

We have much pleasure in so far complying with Mr. Coote's request, but as he has not informed us of the object of this communication, we are at a loss to know what further information, if any, you may require. Any enquiry from you will receive our prompt attention.

JAMES MILNE WILSON, Esq., Colonial Secretary,  
Hobart Town, Tasmania.

We have, &c.,

(Signed) WAY & BROOK.

16.

Offices of the Crown Agents for the Colonies, Spring Gardens,  
London, S.W., 5th February, 1870.

SIR,

I HAVE the honor to acknowledge your Letter dated 18th November last, informing the Crown Agents for the Colonies that during the last Session of the Tasmanian Parliament measures were passed to enable the Governor in Council to enter into a contract for the construction of a Railway between Hobart Town and Launceston, and enclosing copies of certain Acts relating to that subject.

The above Letter was received on the 29th ultimo with the Southampton portion of the Overland Mails, but some of the printed papers referred to in it reached this office about a week previously, *via* Marseilles.

You state that Mr. Audley Coote has proceeded to England to negotiate for the construction of the Railway. That gentleman has not yet called at this Department; but when he does, the Crown Agents will have pleasure in affording him any information in their power in furtherance of his mission.

I have, &c.,

(Signed) W. C. SARGEAUNT.

The Hon. the Colonial Secretary Tasmania.

17.

London, 25th February, 1870.

Re TASMANIAN MAIN LINE RAILWAY.

SIR,

PERMIT me to inform you that I reached here on the 7th instant.

I proceeded at once to lay the particulars before several gentlemen of influence in connection with the construction of such works.

Before any good opinion can be arrived at, it is necessary that the quantities of the works required to be done be taken from the Plans which you have supplied me with.

This work I have entrusted to a Civil Engineer whose measurements are relied upon, and who is now engaged in the work, and hopes to complete it in a few days.

Until this is done I am unable to make further progress.

I may add that, with other men of eminence in Railway and Engineering matters, I have the influence of J. St. George Burke, Esq., Q.C., a leading Parliamentary Barrister in connection with Railway and Public Works; also of J. Hawkshaw, Esq., C.E.; of J. Fowler, Esq., C.E.; and others who will give me their best assistance, should I need it, in the business.

I had an interview a few days ago with Messrs. Julian & Sargeaunt, Crown Agents; and although they saw great difficulties in getting the business favourably viewed in England, I hope to be able to report otherwise to you ere long.

Messrs. Julian & Co. also said that they were afraid any Plans, Surveys, or Estimates made by Mr. Doyne would not be relied upon by Engineers or Contractors in England, as Mr. Doyne had made some gross errors in respect of the Ceylon Railway, which was proved on the works being carried out.

It also appeared to Messrs. Julian & Co. that the three months named as the period of my negotiation in England was undoubtedly much too short a time to make arrangements of so much importance.

At the present moment I see my way clearly to a satisfactory arrangement within the time; but as a delay of nearly a month is caused in getting out the quantities of the works, I must ask you to be good enough to extend the time for arrangements a further period of three months, which I hope will not be refused, and I shall be glad to receive this authority by the next mail.

I hope, nevertheless, (and I have fair reason to believe,) that a short time only beyond the three months first named will be required to bring about a satisfactory arrangement for the construction of the Tasmanian Main Line Railway.

My address in England is—"Smeetham Hall, Sudbury, Suffolk."

I have, &c.,

(Signed) AUDLEY COOTE.

To the Hon. J. M. WILSON, Colonial Secretary,  
Hobart Town, Tasmania.

## 18.

*Tasmania,*  
*Colonial Secretary's Office, Hobart Town, 21st April, 1870.*

SIR,

I AM in receipt of your letter under date the 25th February last, reporting your arrival in London, and the progress of your proceedings in the negotiation of a Contract for the construction of a Railway under the provisions of the Main Line Railway Act.

The Government learn with much gratification that you see your way clearly to a satisfactory arrangement within the period specified in your authority; and I entertain a confident expectation that you will use your best exertions to bring this important matter to a successful issue.

Your Commission was originally limited to three months, in order to enable the Government to meet Parliament in July or August next with some definite report of the result of the attempt to carry "The Main Line Railway Act" into practical operation.

You now ask for an extension of that authority for a further period of three months. I am aware that six months is a sufficiently short period for the completion of arrangements of such magnitude, and I am unwilling to jeopardise the success of your exertions by a too precise limitation of your powers.

You may therefore consider your original commission extended to six months from the date of your arrival in England; but I desire to impress upon you that the Government is specially anxious to be able to lay before Parliament at its next meeting a definite statement of the result of your mission, and I must request you to write me fully of your proceedings by every opportunity.

I have, &c.,

(Signed) J. M. WILSON.

AUDLEY COOTE, Esq., Smeetham Hall, Sudbury, Suffolk.

## 19.

*Smeetham Hall, Sudbury, Suffolk, 18th March, 1870.*

**Re TASMANIAN MAIN LINE RAILWAY COMPANY.**

SIR,

SINCE my letter to you of the 25th February ultimo, I have, with the assistance of some of the leading capitalists and stock-brokers, ascertained that it is impossible to negotiate the construction and working the above line on the terms set forth in the Main Line Railway Act, viz., £25,000 a year, or only about 3 per cent. on the amount estimated by English engineers and contractors (£850,000).

The carrying out such works can only be undertaken in England at a guaranteed rate of interest greater than the above ; therefore, that no time may be lost, I shall return by the S.S. *Great Britain* with an authorised proposal which I shall receive from a powerful Company formed with a capital of a million sterling, under the title of "The Tasmanian Main Line Railway Company ;" and I have fully satisfied myself, as have also leading Parliamentary Agents and Stock Brokers in London, that no better terms for constructing this line can ever be made in England or elsewhere.

I have, &c.,

(Signed) AUDLEY COOTE.

To the Honorable J. M. WILSON, Colonial Secretary, Tasmania.

## 20.

Melbourne, May 15th, 1870.

SIR,

I HAVE the honor to inform you that my mission to England for the purpose of arranging a contract to make the Main Line Railway will be a success, provided the Tasmanian Legislature will pass an Act to give a little larger guarantee than the one passed during last session, and that guarantee to be on £850,000 only,—the very lowest estimate we can get according to the plans and sections.

I have carefully gone into the prepared tables, taken under direct orders from the Government, and find that the existing traffic between the termini, which will pass along the Railway, amounts to £94,000 per annum, and, allowing 50 per cent. for working expenses, leaves £47,000 a year for dividend ; and taking the £25,000 voted by the Legislature last year, and adding it to the traffic returns of £47,000 there will be a total sum of £72,000 a year dividend, which is nearly 8½ per cent. on a capital of £850,000.

It would appear at first sight there would be little difficulty in raising the needful capital without any extra guarantee of interest ; but on conferring with our leading Parliamentary Agents, Stock Brokers, and Bankers, I found it was utterly useless to carry out such an operation.

Although I could show good interest on the capital required of nearly 8½ per cent., some of our financial friends asked for the opinion of some of the "Old Colonists" now residing in London, and nearly all these gentlemen gave it as their opinion that the traffic *did not exist*, so it has taken me longer to arrange this business than I first expected ; and some of our friends having just taken contracts in Hungary and other places out of England, to the extent of about £11,000,000, upon a larger guarantee than I could offer, also caused a delay : so without this guarantee no capital for any Railway out of England can be raised, and it appears that no early prospect exists of a change in public opinion.

I applied through influential channels to ascertain whether, with an actual bonus or gift by the Government of £300,000, as also contemplated in the Act, but could not induce them to raise the balance of capital to complete the line ; in fact there was but one answer from all quarters, a larger guarantee must be provided.

I now beg leave to inform you I have at length induced some eminent and experienced Railway Directors and Engineers, combined with one of the most influential firms of Solicitors in England, to take the matter up at a larger guarantee than first offered, but at a reduced guarantee than that offered by other Colonies, as the traffic returns we show are larger, combined with a very advantageous suggestion of dividing the net profits above 7 per cent., on capital expended, between the Government and a Company with a capital of £1,000,000, which has been formed and registered for the express purpose of carrying out the proposed line, and other lines of Railway, by an extension of capital in Tasmania as may hereafter be required.

It will be seen if the Government have confidence in the traffic returns. Although a larger guarantee is to be asked for with a division of profits, yet, on the completion and opening of the Railway, it may be confidently expected that a large sum will be earned, and that in a very short period there will be no charge whatever on the expenditure of the Colony for interest, but on the contrary an actual profit will be realised to the credit of the Government.

Mr. Henry Whyllie, C.E., has been selected as a party on whom the greatest reliance can be placed, from his known caution and great experience in Railway matters. He now represents the Indian Council as Engineer-in-Chief to the Northern Punjab Line,—a Railway requiring the highest engineering knowledge, combined with strict economy in expenditure ; and numerous Railways in Scotland and England he has satisfactorily completed are further evidence of his fitness for the appointment.

The Solicitors for the Company in London are Messrs. Wilson, Bristowe, and Carpmael, who are Solicitors to some of the principal Railways and monetary companies, and command the requisite confidence in financial circles, on which the success or otherwise of such a Company as this so much depends.

With regard to the Directors of the Company, it is almost needless for me to refer to their position,—they are so well known in the commercial and railway world. First is Sir James Elphinstone, Bart., of considerable Government influence, and much esteemed in city circles as a safe man. William Hawse, Esq., is Chairman of the East London, North Metropolitan, and other Railways, a Director of some of the largest Telegraph Companies, &c. Captain Mangles, E. C., late M.P., Chairman of the South Western Railway, Chairman of the Royal Mail Company, Chairman of one of our largest discount Companies, and Vice-Chairman of the Marine Insurance Company. Rear-Admiral Erasmus Ommanney, C.B., F.R.S., of large experience and great influence in the higher circles. Henry E. Kennedy, Esq., a merchant retired from business, but of active commercial habits and great experience in financial matters. George Coote, Esq., of Smeetham Hall, Suffolk, a Director of several of our large Insurance Companies, &c. Francis W. Fox, C.E., of the Atlas Works, Bristol, and of the Bristol and Exeter Railway Company.

By the Government having a Company of so influential a character to deal with, they are guaranteed the completion of the Railway, even if the cost exceed £850,000. In many instances the guarantees have had to be continually extended to raise the requisite capital to complete Railways undertaken by small capitalists and contractors, until at last it would have been far better for the Governments to have employed their own engineers and made the Railways themselves.

In the event of this Company obtaining the concession, it will be requisite for the Government to appoint an experienced engineer, as payment to the contractors for the Company will be made as the works progress under the joint certificate of the two Engineers, as the desire of the Company is to carry out the undertaking on a scale and in a manner that will ensure a preference in any further public works.

Probably about £200,000 to £300,000 per annum will be the rate of issue required to meet the payments to the contractors, unless greater progress is made than is usual in such undertakings, and the guarantee of interest will be in accordance thereto.

I had an interview with the Crown Agents a few days before leaving London, and found their calculations of the value of Colonial Government securities entirely agreed with the financial gentlemen I had seen. They also fully confirmed the result of my enquiries that the capital could not be raised on the Act as already passed. Messrs. Julian and Sargeant's opinion was, also, that the debentures being issued through their office made a difference of quite  $2\frac{1}{2}$  per cent. from those issued through the bankers.

Experienced financial authorities think 4 per cent. will be the average Bank of England rate of interest during the next three years.

Some parties may advocate a different gauge to that already in use in Tasmania and the adjoining Colonies. This Company would recommend an adherence to the 5ft. 3in. gauge for a main line like this, as in the long run it will prove far less expensive and more equal to a progressive traffic. The difference in first cost is really not worth consideration compared with the permanent advantage of having a uniform gauge.

There is no doubt that a 3ft. 6in. gauge can be constructed at considerable less money through a bad country than a wider gauge can be; but to work anything like a heavy traffic over a Main Line of Railway constructed on that narrow gauge is undoubtedly more expensive than on the wider gauge, and this is borne out by some of the most experienced engineers in England.

I have now the honor to inform you I have full power to negotiate with your Government for the concession to raise the capital and construct the Railway from a Company which is known and registered in London as "The Tasmanian Main Line Railway Company, Limited," the Directors of which are those already mentioned in the first part of this letter.

I have, &c.,

(Signed) AUDLEY COOTE.

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

15

21.

Melbourne, May 15th, 1870.

MY DEAR SIR,

I HAD the honor of addressing you officially this morning, which will come on by the same steamer that brings this letter. I also send the printed articles of association of the Tasmanian Main Line Railway Company.

I intended to have come on to Hobart Town direct on my arrival at this place but for a telegram I have just received from Sydney, urging me to proceed on to that place without delay.

My present arrangements are to come on from Sydney by the direct steamer to Hobart Town in about a fortnight. In the meantime I am anxious to know if you wish to see me before that time, and about what time Parliament will meet again. Will you be kind enough to favour me with a telegram to my address in Sydney with that information, and oblige

Yours very faithfully,

(Signed) AUDLEY COOTE.

J. M. WILSON, Esq., Hobart Town, Tasmania.

P.S.—My "Sydney address" is 169, Premier Terrace, William-street, Woolloomooloo, Sydney.  
A. C.

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22.

ELECTRIC TELEGRAPH, TASMANIA.

20th May, 1870.

I AM anxious to see you as soon as possible.

JAMES MILNE WILSON, Colonial Secretary.

AUDLEY COOTE, Esq., 169, Premier Terrace, William-street,  
Woolloomooloo, Sydney.

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23.

Hobart Town, 11th June, 1870.

SIR,

I HAVE the honor to inform you that I have just returned from London, where I had the opportunity of conferring with several financial companies on the desire of your Government to construct a Main Line of Railway between Hobart Town and Launceston. The whole of the plans and specifications with which you furnished me were closely gone into by the financiers on whose behalf I am acting; and after much difficulty, caused chiefly by your own colonists resident in London throwing cold water on the scheme, I succeeded in forming a Company with a capital of £1,000,000 sterling, for the purpose of constructing the Main Line Railway between Hobart Town and Launceston.

I have now, on behalf of "The Tasmanian Main Line Railway Company" (which is duly registered in London), to submit for the approval of the Government the following terms for the construction of the Railway:—

The Company will construct a Main Line Railway from Hobart Town to a point to be hereafter agreed upon on the Launceston and Western Railway of either a 5ft. 3in. gauge or 4ft. 8½in. at their own cost, upon the Government of Tasmania guaranteeing to the Company the payment of interest at the rate of £6 per centum per annum upon the sum of £850,000 for a period of thirty years from the opening of the line for traffic.

The payment of interest by the Government would be required to be paid on the capital as it is raised, and would commence from the day on which each call is due, the calls being so arranged in periodical payments as to ensure the Directors being in possession of funds to meet the drafts from the Colony as the works proceed; or it might be so arranged that the payment of interest by the Government should be made in the Colony upon the certificates of the Government Engineer that the works were properly carried out. This last course would simplify and economise the financial arrangements of the undertaking. The capital will be raised at the rate of from £200,000 to £300,000 a year unless greater progress is made than is usual in such undertakings.

The Company estimate that the proposed line can be constructed for £850,000; but as their capital, as already stated, consists of £1,000,000, they are, of course, prepared to complete the line although the cost of construction may exceed the amount estimated. The Company will bind

themselves to divide with the Government the net profit realised beyond £7 per cent. on the amount of capital expended; and it would appear from the returns based upon an estimate of the present traffic, and furnished to me by you, that under this arrangement the Government would in a short time receive so large an amount of profit as to reduce their liability on the guarantee to interest at the rate of £3½ per cent. instead of £6 per cent. The Company are prepared to give the Government the right of buying the entire line at any time after the expiration of ten years from the day the line is opened for traffic upon such terms as may be hereafter agreed upon.

The line will be in the control and under the management of the Company; but they will undertake to run a parliamentary train daily from each end at a rate for third-class passengers not exceeding 2*d.* per mile.

The Company would strongly recommend the Government to adopt the broad gauge for a Main Line like the one in question, as in the end the 5*ft.* 3*in.* or 4*ft.* 8½*in.* gauge will prove far less expensive and more equal to a progressive traffic.

If, however, the Government prefer to adopt a narrower gauge, the Company are prepared to construct the Main Line Railway with a 3*ft.* 6*in.* gauge at their own cost, upon the Government of Tasmania guaranteeing to the Company the payment of interest at the rate of £6 per cent. per annum on the sum of £650,000, upon the same terms in all respects as those before mentioned.

I shall be glad if the Executive will consider this proposal at an early date; and if required, I shall be happy to supply any further information in my power.

I have, &c.,

(Signed) AUDLEY COOTE.

*The Hon. the Colonial Secretary, Tasmania.*

## 24.

*Colonial Secretary's Office, 14th June, 1870.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter, dated the 11th instant, intimating your return to the Colony, and proposing, on behalf of "The Tasmanian Main Line Railway Company, to construct a Main Line Railway from Hobart Town to a point to be hereafter agreed upon on the Launceston and Western Railway, of either a 5*ft.* 3*in.* gauge or 4*ft.* 8½*in.* gauge, at their own cost" on certain conditions.

In reply, I have to acquaint you that the Government, after giving due consideration to the terms you have submitted, consider them excessive; and therefore would not be prepared to recommend their adoption to Parliament.

Should you, however, be in a position to make other proposals for the construction of the Main Line Railway, I shall be glad to receive such communication with as little delay as possible.

I have, &c.,

(Signed) JAMES MILNE WILSON.

AUDLEY COOTE, *Esquire.*

## 25.

*Hobart Town, 14th June, 1870.*

SIR,

I HAVE the honor to acknowledge the receipt of your reply to my letter of the 11th instant wherein you state that the terms submitted by me for the construction of the Main Line Railway between Hobart Town and Launceston are excessive.

The projectors of the Main Line Railway Company in London have carefully considered the question as to the rate of guarantee, and they are of opinion that, both for the benefit of the Company and the interests of the Colony, the interest should be £6 per cent., this being the rate now guaranteed on all the large loans taken up by English financiers for a term in most cases of 99 years.

The success of this Company will be materially affected if they are compelled to issue an unpopular stock at a discount instead of a popular stock at a premium, and this will inevitably be the case if the rate of the guarantee is to be reduced below the current rate, viz., £6 per cent.

The only alteration I am empowered to make in the terms I have already submitted are that the Company will construct the Main Line Railway with a 3 feet 6 inch gauge upon the Government of Tasmania guaranteeing to the Company the payment of interest at the rate of £5½ instead of £6 per centum per annum upon the sum of £650,000 for a period of thirty years from the day the line is opened for traffic.

The Company on whose behalf I am acting would not undertake to construct the Railway on any terms whatever, if the rate of interest to be guaranteed is reduced to below £5½ per cent.

The Company would require that the guarantee now asked for be made a charge on the Revenue of the Colony, to take priority over any liability entered into by the Government of subsequent date.

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

*The Hon. the Colonial Secretary.*

## 26.

*Colonial Secretary's Office, 15th June, 1870.*

SIR,

IN reply to your letter of yesterday's date submitting a modification of your former offer on behalf of the "Tasmanian Main Line Railway Company" to construct a Railway across the Island, I have the honor to acquaint you that, inasmuch as your present proposal comprises demands upon the Colony so greatly in excess of the powers vested in the Governor in Council by the Main Line Railway Act, the Government must decline to recommend it to Parliament for acceptance.

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

AUDLEY COOTE, *Esquire, Ship Hotel*

## 27.

*Hobart Town, 20th June, 1870.*

SIR,

I HAVE the honor to acknowledge the receipt of your last letter, declining on behalf of the Government to accept the modified terms submitted to you in my letter of the 14th instant for the construction of the Main Line Railway.

Since you left for Melbourne I have had several interviews with your Colleagues, and have at length consented to accept a lower guarantee than that previously asked for by me; and I have therefore to submit for the consideration of the Government a final offer for the construction of the Railway.

I am prepared to undertake, on behalf of "The Tasmanian Main Line Railway Company," to construct the Main Line with a 3ft. 6in. gauge, upon being guaranteed by the Government interest at the rate of £5 per centum on the sum of £650,000 for a term of thirty-five years from the day the line is open for traffic.

I make this proposal on the same terms as those mentioned in my former letters, including, of course, the division of all profits beyond £7 per centum between the Company and the Government.

As I leave here for Sydney by the *City of Hobart*, I shall be glad to receive your answer by noon to-morrow.

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

*The Hon. the Colonial Secretary.*

## 28.

*Tasmania,  
Colonial Secretary's Office, 19th July, 1870.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 20th ultimo, which reached my Department during my absence in Victoria, intimating that you are "prepared to undertake, on behalf of 'The Tasmanian Main Line Railway Company,' to construct the Main Line with a 3ft. 6in. gauge, upon being guaranteed by the Government interest at the rate of £5 per cent. on



the sum of £650,000 for a term of 35 years from the day the line is open for traffic;" and further acquainting me that you "make this proposal on the same terms as those mentioned in my former letters, including, of course, the division of all profits beyond £7 per cent. between the Company and the Government."

In reply, I have the honor to acquaint you that the Government are prepared to entertain favourably the proposals you have now made with a slight modification, and this can best be accomplished by a personal interview with yourself.

I am informed by a letter from your solicitor, Mr. Henry Dobson, that you propose returning to this Colony by the next trip of the *City of Hobart*, when I entertain no doubt the negotiations affecting the "Main Line Railway" may be finally arranged.

I have, &c.,

(Signed) JAMES MILNE WILSON.

AUDLEY COOTE, Esq., 169, Premier Terrace, Sydney.

## 29.

Colonial Secretary's Office, 9th August, 1870.

SIR,

REFERRING to our last interview on the subject of a Main Line Railway, I have now to acquaint you that I am prepared to submit for the consideration of my Colleagues the following modification of your last proposal:—

1. The Tasmanian Main Line Railway Company to construct the railway on a 3ft. 6in. gauge, with the necessary stations, rolling-stock, and all other requisites to the proper and efficient working and maintenance of the line.

2. The Company to work the line with such engines, and run such trains daily, as may be agreed upon with the Government.

3. The Government to guarantee interest at the rate of £5 per cent. per annum on the actual cost of the railway complete, as in Paragraph 1, up to and not exceeding £650,000.

4. Should the railway be worked at a profit of less than £5 per cent., the Government guarantee to be payable only to the extent of the difference between such profit and £5 per cent. on the cost of construction as above.

5. The Government guarantee to continue for thirty years from the opening of the line, provided the line is worked and maintained by the Company in accordance with conditions to be named in the Contract.

6. Half the net profits of the line over 5 per cent. to be received by the Government until all moneys advanced by them for the payment of interest under Paragraph 3 shall have been repaid. After that period all profits to belong solely to the Company.

7. The Government to be at liberty to purchase the line at any time, on giving twelve months' notice in writing to the Company, on terms to be set forth in the Contract.

I have, &c.,

(Signed) JAMES MILNE WILSON.

AUDLEY COOTE, Esq.

## 30.

Hobart Town, 12th August, 1870.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 9th instant, submitting certain modifications in the terms proposed by me for the construction of the Main Line Railway.

I consent on behalf of the Tasmanian Main Line Railway Company to construct the railway on a 3ft. 6in. gauge, with the necessary stations, rolling-stock, &c.; and to work the line with such engines, and run such trains, as may be hereafter agreed upon between the Company and the Government, in accordance with Paragraphs 1 and 2 of your letter.

As to your 3rd paragraph, I consent that the Government shall guarantee interest at the rate of £5 per centum per annum on the actual cost of the railway up to and not exceeding the sum of £650,000, whether the railway cost more or less than this sum; but such cost must include the amount of compensation to be paid for land, and all other expenses connected with the construction of the railway or incidental thereto.

I agree on behalf of the Company that the payment of the £5 per cent. interest shall be guaranteed by the Government in the manner stated by you in your fourth (4th) paragraph, and shall continue for the period of thirty (30) years from the day the line is opened for public traffic, and be payable half-yearly in London. But I require, in addition to the 30 years' guarantee, that the payment of interest at the rate of £5 per cent. per annum shall also be guaranteed by the Government on the capital of the Company up to, but not exceeding, the sum of £650,000 as it is from time to time raised for the purpose of constructing the railway, in accordance with my first letter to you of 11th June last,—and such interest to be payable at Hobart Town.

The Company will divide with the Government the net profits to be derived from the line over and above £6 per cent. (not £5 per cent. as mentioned in your letter), until the Government shall have been repaid out of such profit the amount of all moneys paid by them in respect of the guarantee, but after that time the whole profits of the railway are to belong to the Company.

I am willing that the Government shall have the right of purchasing the entire line on the terms mentioned in the last paragraph of your letter.

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

*The Hon. the Colonial Secretary.*

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### 31.

*Colonial Secretary's Office, 15th August, 1870.*

SIR.

I HAVE the honor to acknowledge the receipt of your letter of the 10th instant, offering, on behalf of "The Tasmanian Main Line Railway Company," to construct the Railway to connect Hobart Town with Launceston on certain terms and conditions.

In reply, I have to inform you that the Government are prepared to accede to the modification of terms set forth in your letter, and will seek from Parliament such an extension of the power now by law vested in the Governor in Council as will enable them to enter into a formal Contract with your Company.

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

AUDLEY COOTE, Esq., Hobart Town.