

(No. 25.)



1862.

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TASMANIA.

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**DELORAINÉ RAILWAY.**

CORRESPONDENCE.

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Laid upon the Table by Mr. Innes, and ordered by the House to be printed,  
25 July, 1862.



*Launceston and Western Railway, 12th April, 1862.*

SIR,

I HAVE the honor to inform you that the Promoters of the Launceston and Western Railway are desirous that a Railway Bill may be brought before the Parliament on its meeting; and, at a General Meeting of Committee held on the 10th instant, in the Municipal Council Chambers, Launceston, at which Sir Richard Dry presided, it was resolved unanimously, that in addition to the usual provisions of such a Bill it will be necessary to provide for the following objects:—

1. That the present Promoters be the Promoters of the Bill.
2. That a District, to be denominated the Railway District, comprise the Town of Launceston (which for the purposes of the Act must be constituted a Road District), and the Road Districts through which the Railway passes, with the Road Districts of Chudleigh, Upper Meander, and Medhurst.
3. A Board of Five Commissioners to be appointed by the Governor. Members to be permanent during the pleasure of the Governor. Board responsible to the Government. On the election and appointments being complete, Board to supersede the Promoters under the Bill, and to have all the powers of Railway Companies in England.
- 4 Capital to be raised by Government Debentures at 6 per cent. for 30 years. Not to exceed in the whole £400,000. The Railway Works not to be commenced until it has been shown to the satisfaction of the Governor in Council that they can be permanently executed and maintained by the contractor, or otherwise for one year after being opened for traffic, and including interest during construction for a sum not exceeding in the whole the said amount of £400,000.
5. Should the profits in any year not be sufficient to cover the interest on the Debentures, said deficiency to be paid by Government in the first instance; but the Board of Commissioners immediately to levy a rate on the District equal to one half the amount of deficiency,—such rate to be paid to the Colonial Treasurer.
6. The “Railway Clauses Consolidation Act, 1845,” so far as applicable, will be re-enacted, and all lands to be taken to be subject to provisions of the “Lands Clauses Act” of this Colony.

I have the honor to add, that the Promoters intend to give formal notice to every proprietor and tenant on the line of Railway, and within the prescribed limits of deviation of the intention of the Promoters, and inviting their inspection of the land, plans, and sections; and to advertise a similar notice in the local newspapers, and by Public Meetings convened in the principal townships, further to make known the nature of the application to Parliament; by which means, in connection with the detailed Estimate and Report of Mr. Doyne (already in the hands of the Government), the Promoters believe they will have fully met the requirements of the Legislature.

I am instructed further to assure you that the Promoters have carefully considered the provisions of the proposed Bill,—as much with reference to the general interests of the Colony as to those of a local nature,—keeping in view the fact that no foreign capital can be secured without, in the first instance, the absolute guarantee by the Government for 30 years.

In submitting these questions to the consideration of the Governor in Council, I have the honor further to request that Her Majesty's Government will be pleased to sanction the introduction of this Bill to Parliament as a “Public Bill,” on the meeting of the House of Assembly, either by one of the Members of the Government presenting it, or by an authority being given to a private Member to present it.

If the Government desire it, the plans and sections, with any other information required, can be laid before the Executive Council by one of the Promoters, on my receiving directions to this effect.

I have the honor to be,  
Sir,

Your obedient Servant,

HENRY DOWLING, *Honorary Secretary.*

*The Honorable the Colonial Treasurer.*

P.S.—I have omitted one of the proposals of the Committee of Promoters, which, however, I beg to supply:—That, out of future profits, the amount of any deficiency paid be refunded to the Government and to the Road Districts *pro rata*.

*Launceston and Western Railway, 19th June, 1862.*

SIR,

I AM requested by the Committee of this undertaking to request that they may be favored by a definite reply being given to their communication of the 12th April.

The Committee are, of course, aware that the Deputation who met the Members of Government at Hobart Town understood that it was deemed desirable first to get in the Petitions now in course of signature; but it is found that this work will occupy so long a period of time as to have no sufficient opportunity prior to the assembling of Parliament to take any further action on the question within the District.

I am instructed further to say, that if the Government will be pleased now to say, in writing, the precise terms on which they propose to consent to the introduction of a Railway Bill, a General Committee Meeting will be at once convened, for the purpose of considering the proposal and acting accordingly.

I have the honor, &c.,

HENRY DOWLING, *Vice Chairman.*

*The Honorable the Colonial Treasurer.*

*Colonial Treasury, 27th June, 1862.*

SIR,

I HAVE the honor to acknowledge your letter of the 19th instant, to the concluding enquiry in which I have now, with the consent of the Governor in Council, to reply,—That the Government is prepared to sanction the introduction of a Railway Bill in Parliament, provided the parties intrusted with it agree to confine their proceedings, in the first instance, to the introduction of the Bill; suspending further steps with it until they have established to the satisfaction of the Parliament that there is ground to justify the belief that the projected Railway will pay its working expenses, and the interest at six per cent. of any sum expended upon it for which the Government may under the Bill become liable, or which it may advance, and also provide for the creation of a sinking fund adequate to the extinction of the claims of the Government in respect to its advances on the undertaking, immediately or otherwise, within a period of 35 years.

In any Bill to promote the object in question, beside satisfying the above conditions, and providing the appropriate machinery for the purpose, the Government would require provision to be made for the contingency of the undertaking failing to satisfy the calculations of its Promoters and of Parliament, so as to prevent the consequent loss in that event falling on the General Revenue of the Colony; that it should be provided that the Districts or portions of Districts (to be defined in the Bill) especially benefitted by the Line, should become liable to a rate on the assessed value of the properties in such Districts, which shall be adequate to discharge one-half the interest yearly of the original sum raised on account of the undertaking, and for which the Government may have become liable, and also provided the sum to be annually contributed towards the creation of a sinking fund for the extinction of all claims or liabilities on the part of the Government in the period already specified of 35 years.

The Government, subject to these conditions, would agree that the Bill should secure to the Districts liable to assessment the property of the Line of Railway, whenever—by the profits of the undertaking, or by rates levied in the Districts, or by any other means—the General Revenue of the Colony has been freed from all liability on account of the Railway, and any advances it may have made on account of it have been reimbursed to the Revenue.

In making this communication to you, I desire to state that the principles on which the Government wishes to act, in respect to the Launceston and Deloraine Railway project, are precisely such as it will be prepared to apply, under the sanction of Parliament, to other projects of a similar character to which assistance by guarantee, or otherwise, may be sought from the Public Revenue.

I have the honor, &c.,

F. M. INNES.

H. DOWLING, *Secretary to the Launceston and Deloraine Railway Committee.*

*Launceston and Western Railway, 3rd July 1862.*

SIR,

I HAVE the honor to acknowledge the receipt of your communication of the 27th June, addressed to Mr. Dowling, and to inform you that I placed your letter before the Committee of Promoters to-day.

The Committee desire that I should state to the Government their surprise that the Executive of this Country felt it necessary to depart so far from the practice of other Australian Colonies with

reference to Railways, and from the practice of this Government with reference to the construction of main lines of road, as to ask that the Districts affected by the proposed Western Railway shall provide in their Railway Bill for a Rest Fund, sufficient in amount to pay off the whole of the principal in 35 years.

I am, however, to say that the Committee desire to express their willingness to submit in their Bill clauses to secure the payment in 50 years. We do not think it right that the present generation should be forced to purchase the fee of this property, that it may go to the next fully developed and free of all charges. There can be no doubt that the Railway will be a much more valuable property at the end of 30 years than at the commencement; and it is but reasonable that those who come into possession of it should pay a fair rent for it.

I have therefore the honor to request that the Governor in Council may be moved to allow the period during which the Rest Fund shall accumulate to be 50 years; and that the amount annually reserved may be £1,500 during 12 years, commencing with the Fifth year after opening of the line for traffic, and £4,000 per annum during the remaining years.

An early answer, I beg to submit, is highly necessary, as the Committee will then have to convene a Public Meeting before the opening of Parliament.

I have, &c.,

RICHARD DRY, *Chairman of Committee.*

*The Honorable the Colonial Treasurer.*

[ ENCLOSURE. ]

*ESTIMATE of REST FUND commencing end of Fifth Year after opening of the Railway. £1500 for Twelve Years; £4000 remainder.*

<i>End of</i>	<i>Amount.</i>	<i>End of</i>	<i>Amount.</i>	<i>End of</i>	<i>Amount.</i>	<i>End of</i>	<i>Amount.</i>									
5th Year..	£ 1,500	16th Year	£ 22,372	26th Year	£ 84,573	36th Yea	£ 204,160									
6th, interest	90		1,342		5,074		12,249									
	1,500		1,500		4,000		4,000									
7th ditto.	3,090		17th ditto		25,214		27th ditto	93,647	37th ditto	220,409						
	185				1,512			5,608		13,224						
	1,500				1,500			4,000		4,000						
8th ditto.	4,775				18th ditto			28,226		28th ditto	103,255	38th ditto	237,633			
	286							1,693			6,195		14,257			
	1,500							4,000			4,000		4,000			
9th ditto.	6,561							19th ditto			33,919		29th ditto	113,450	39th ditto	255,890.
	393										2,035			6,807		15,353
	1,500										4,000			4,000		4,000
10th ditto	8,454	20th ditto		39,954		30th ditto					124,257			40th ditto		278,243
	447			2,397							7,455					16,694
	1,500			4,000							4,000					4,000
11th ditto	10,401		21st ditto	46,351			31st ditto.		135,712		41st ditto					298,937
	624			2,781					8,142							17,875
	1,500			4,000					4,000							4,000
12th ditto	12,525			22nd ditto	53,132				32nd ditto	147,854		42nd ditto				320,812
	751				3,187					8,871						19,248
	1,500				4,000					4,000						4,000
13th ditto	14,776				23rd ditto			60,319		33rd ditto			160,725		43rd ditto	344,060
	886							3,619					9,643			20,640
	1,500							4,000					4,000			4,000
14th ditto	17,162	24th ditto				67,938		34th ditto					174,368	44th ditto		368,700
	1,029					4,075							10,462			22,122
	1,500					4,000							4,000			4,000
15th ditto	19,691		25th ditto			76,013	35th ditto				188,330		45th ditto			394,322
	1,181					4,560					11,330					23,688
	1,500					4,000					4,000					4,000
	22,372					84,573					204,160					£422,510

At 50 years an ample margin left for contingency, if not fully realising compound interest.

Colonial Treasury, 7th July, 1862.

SIR,

I HAVE the honor to reply to your letter of the 3rd instant, with the approval of the Governor in Council.

You state, that the Committee of Promoters of the Western Railway are surprised that the Executive of this Country feel it necessary to depart so far from the practice of other Australian Colonies with reference to Railways, and from the practice of the Government itself in reference to the construction of Main lines of Road, as to ask that the Districts affected by the proposed Western Railway shall provide in their Railway Bill for a Rest Fund sufficient to pay off the whole of the principal moneys in 35 years.

Without entering into any discussion as to whether the circumstances which surrounded Railway undertakings in the neighboring Colonies, at the period at which their governments embarked in them, were or were not parallel to those which surround the projected Launceston and Deloraine Railway, or whether experience has established the wisdom of the course which they have pursued, I desire to state, that neither by the Legislature, nor by the Executive Government, have the lines of communication which the Promoters of the Deloraine Railway contemplate ever been recognised as belonging to the main roads of the Colony; and, until Parliament shall sanction their being regarded in that light, the Executive can only entertain any proposal in respect to them on principles applicable to local roads or other local undertakings.

His Excellency in Council is solicitous that the position now stated should be clearly and unequivocally understood; for if that which your communication appears to assume is admitted, the conclusion from it follows, as a matter of course, that, as in the case of recognised main roads, so in that of the projected Western Railway,—no liability, immediate or remote, certain or contingent, should fall upon the Districts, which nevertheless it is proposed by the Bill to subject to rates on account of the undertaking,—a conclusion, I have to add, which it does not more concern the Executive from the outset to deprecate than it does the Promoters of the Railway to leave no ground to Parliament or the Country generally to apprehend as a position which may be revived and insisted on in the unfavorable event of the Railway not proving to be a paying undertaking.

His Excellency in Council is above all things desirous, in the present stage of the Railway question, that there should be no misapprehension whatever on the side of the Government, or that of the Promoters of the Railway, and the Districts specially interested in it, as to their relative positions in connection with this question, when it comes under the consideration of Parliament, and which are the following:—

The Government holds itself free of all pledges or engagements in favor of the projected Western Railway, until Parliament has had such evidence brought before it as to satisfy it of the financial soundness and general feasibility of the undertaking; but its influence will be exercised to obviate preliminary objection to the introduction of a Railway Bill, provided the Bill is not further proceeded with, pending inquiry of Parliament into the scheme in its financial and general character.

Should such a "case" be made out as to justify a pecuniary liability being contracted by the Government, or a guarantee given in furtherance of the projected Railway, the Districts to be especially benefitted by it must be unmistakeably liable; the General Revenue of the Colony must be indemnified against any loss or payment not distinctly contemplated and set forth in the Railway Bill which Parliament may pass. The thorough and hearty acceptance of this condition by the Promoters of the Railway Bill, and by the Districts which it is proposed by that measure to subject to a Railway Rate, is, in the opinion of the Governor in Council, indispensable to its passing, even after a *prima facie* case has been established in favor of the Railway; and therefore it is that His Excellency in Council has thought it necessary that any position, or any principles, should be objected to from the first, the effect of which, either immediately or at a future period—perhaps when the Ratepayers oppressed by the inconvenient burden might be provoked to insist on them with practical urgency—to saddle the General Revenue with a loss which ought not to fall upon it.

The proposed Railway between Launceston and Deloraine stands, for the present at least, (whatever the position which the question may acquire when it is thoroughly investigated at the approaching Session of Parliament) in the light, not of a national or government project, but in that of a local one.

At the same time that I am thus careful, in accordance with the view of His Excellency in Council, to obviate misunderstandings between the Committee which you represent and the Executive, allow me to assure you, that His Excellency's Government will welcome the production of a Railway scheme, so framed and supported by evidence as they will find it to be consistent with a prudent regard to the finances and the general interests of the Country to approve and exercise their influence with Parliament to adopt.

In reference to the modification for which you apply of the terms conditionally assented to by the Governor in Council, and communicated in my letter of the 27th ultimo, I beg to state that the

Executive will take into consideration, after preliminary proceedings in Parliament in respect to the Railway Bill have been disposed of. The Committee of Promoters it is presumed will, on reflection, see that to the extent to which assistance may, with propriety, be extended by Government to the Railway must be affected by the greater or less conclusiveness of the evidence in support of the scheme which may be submitted to Parliament in the approaching Session.

I have, &c.,

F. M. INNES.

HENRY DOWLING, *Esq.*

*Launceston and Western Railway, 8th July, 1862*

SIR,

Your letter in reply to Sir Richard Dry's communication of the 3rd instant came addressed to me, and I have lost no time in submitting it to the Members of Committee on the spot.

I am to submit to you that the Promoters have to bring under the notice of the public the new feature proposed by the Government in the terms conditionally assented to by the Governor in Council in your letter of the 27th instant, namely, that a Reserve Fund must be provided for by the Bill, sufficient to clear off the Debt in 35 years; and they are of opinion that the term is a short one, and, for the reason stated in Sir R. Dry's letter, that 50 years should be named in the Bill, subject, of course, to precisely the same conditional terms.

Without, therefore, further troubling you on the various points raised in your letter, I am again to solicit, as a modification of the "Conditional Terms" named by the Governor in Council, that the Bill may provide for a Rest Fund sufficient to pay off the whole debt in 50 years.

The Public Meeting has been called by Sir Richard Dry for Monday next, at noon.

I am, &c.

HENRY DOWLING.

*The Honorable the Colonial Treasurer.*

*Colonial Treasury, 9th July, 1862.*

SIR,

I REGRET to be informed, by your letter of yesterday's date, that my reply to the communication of Sir Richard Dry of 3rd instant had been addressed to you instead of Sir Richard himself. The mistake was inadvertently committed by the clerk entrusted with the duty of addressing the letter.

You again submit, on the part of the Promoters of the Railway, the proposition, that the period for the liquidation of all debt to the Government, or the extinction of all liability by guarantee or otherwise on the part of the Government, should be enlarged to 50 years, supposing that such a "case" is established in favor of the Railway as to induce the Government, under the sanction of the Legislature to contract any engagements in favor of the undertaking whatever. Permit me in reply, without the delay incident to a renewed reference of the question to the Governor in Council, to say, that had the decision of the Government, communicated in my letter of the 7th instant, been founded on considerations of detail, there might have been some use in my re-opening the question in Executive Council before again replying to you.

But I venture to remind you, that the answer which I had the honor to give, under date the 7th instant, was simply to the effect of postponing a final decision until the Executive, as well as the Parliament, had before it the "case" in favor of the Railway; the greater or less conclusiveness of which must determine the question of the expediency, and even the necessity, of the period contemplated being fixed at 35 or 50 years, or any other that may be suggested.

The ground of that reply of course survives.

I have, &c.,

F. M. INNES, *Colonial Treasurer.*

HENRY DOWLING, *Esq., Launceston.*

*Launceston and Western Railway, 15th July, 1862.*

DEAR SIR,

I HAVE the honor to inform you that I had the honor yesterday to preside at a very large and influential Meeting of the Northern Districts of the Colony, duly convened by public advertisement, in the local newspapers, and by placards extensively circulated in the townships, "for the further consideration of the question of the Launceston and Western Railway, with special reference to the decision of His Excellency the Governor in Council on the proposed Railway Bill, and in which decision the General Committee appointed by the Public Meeting of 1857 are desirous of taking the sense of the public, before proceeding any further with this all-important measure."

The Meeting was opened by the reading of your communication of the 27th June, and after discussion and deliberation, the following resolution was unanimously adopted:—

"That this Meeting desires to confirm the Resolutions of prior Meetings of the Districts, that it is essential the Launceston and Western Railway should be constructed as early as practicable after due enquiry in a Select Committee of the House of Assembly, and that the present Committee be hereby requested to continue their efforts to this end."

This proposal was moved by W. P. Weston, Esq., of Longford, and seconded by Roddam Douglas, Esq., of Westbury, and, as I have already stated, was carried without a dissentient vote.

I have the honor to be,  
Sir,

Your obedient Servant,  
RICHARD DRY.

*The Honorable the Colonial Treasurer.*