

R576/2

Robert Inglis



LAUNCESTON AND WESTERN RAILWAY
NO LOSS TO THE COUNTRY :

PROMOTERS v. ANTAGONISTS.

“ We take our principles at haphazard, upon trust, and without ever having examined them, and then believe a whole system upon a presumption, that they are true and solid; and what is all this but childish, shameful, senseless credulity? * * * * When men take up the principles in this or that science upon credit, inclination, interest, &c., in haste, without due examination, and most unquestionable proof, they lay a trap for themselves, and as much as in them lies, captivate their understandings to mistake, falsehood, and error”—LOCKE.

To be returned to R. Inglis

CONSTRUCTION OF THE RAILWAY.

THERE is in the popular mind a tendency to sanctify all the objectionable features in any person or thing that is acknowledged a success; and it extends to the happy prediction of the ignorant, even when the circumstances which chiefly brought about the success, had no place in their profound calculations! But if the popular mind is thus infatuated with success, it has a still greater tendency to curse persons and things which, by any means whatever, fail to result in so desirable a conclusion.

It is remarkable, that persons not particularly noted for leading a virtuous life themselves, should delight in measuring their neighbours by a moral standard; but the unlucky speculator, who has perhaps ruined himself by some unfortunate scheme, owing to some error in his calculations, finds that he is not condemned so much for his want of skill, as for the immorality of the project. It is an unusual case if the want of success does not bring from the vulgar a charge of "swindle," "designing knavery," &c. No better example of this tendency can be given than the present attitude of the popular mind, towards the Launceston and Western Railway and its promoters.

Notwithstanding that this undertaking had its origin in a popular movement,* and was eventually carried by strength of popular agitation, the same false voice, now that it appears to be unsuccessful, cries down those who suffer most from its present want of success as an undertaking, as schemers and swindlers! Such agitators are like Mark Twain's ancestors—they rush to the fray, shouting and whooping at the rear of the army; and they go out braying and hooting at the front, when the tide of battle appears to be against them.

* That this feeling was not a local one, may be gathered from the following comments by the *H. Town Mercury*, Aug. 28, 1865:—"In all these places the yearning is for something to be done, without any unmeaning fastidiousness as to whether it be in the North or the South. So greatly in fact does this opinion preponderate that if Hobart Town were polled to-morrow, any man might safely take a long odds that three-fourths of the citizens at the very least, would vote for the Launceston and Western Railway, and would laugh any man in the face that pretended to talk to them about it as a local, and not as a great national undertaking."

In 1860-62, apart from the ordinary considerations which decide men to undertake any project, there was nothing improbable in the idea, that a Railway formed in the North West district of Tasmania—the garden of the North, as it is termed—would be of immense advantage to the producer.

There was every reason to fear that other colonies, with superior facilities—*railways and proximity to market*—would ultimately obtain an exclusive monopoly of the market for our surplus produce; and so, shutting Tasmania within herself, annihilate our chief trades and industries.

The question was thus raised among thoughtful men—whether 100,000 souls could possibly exist in Tasmania, in any degree of comfort, if our surplus products were thus excluded from a *paying market*?

Now this was a question of the greatest significance. Competition was already beginning to effect that evil depression, which has since been so hurtful to the colony; and they looked about for a possible remedy. Transit of bulky produce to a distant market being an important item in the cost of production; and speedy access to market, being of the greatest importance to those who would wish to avail themselves of the advantage, which a temporary brisk demand may give to the seller; it was of the utmost importance that the former should if possible be reduced, and that some means should be devised to remedy the evil of distance from market.

What was more reasonable, therefore, than that a railway, which promised to effect these desiderata, should be advocated by all who foresaw the coming danger?

No undertaking of any degree of magnitude can be projected, without some degree of risk, and were it not for those who wisely venture, most people would soon be glad to drop into that place where grumblers cease from troubling. Now the charge made against those who promoted the Launceston and Western Railway is, that they made an unwise venture; that they had no reasonable grounds for expecting that the project would be of any advantage to the country. It is as easy for gloomy people to make evil forebodings of every venture, as it is for others to appreciate the result, *when it has arrived*; but it is not so easy to reckon or to foresee all the influences to which a project may in the future be subjected. The question therefore is—*were the promoters justified in the years 1860-62, in expecting that a Railway would be*

advantageous to the country? I think that I shall be able to prove that they had reasonable grounds for such an expectation, and that the risk would be principally confined to those who embarked their capital in the undertaking as such.

In the first place, all thoughtful men in 1860-62, had their attention drawn to a very grave question indeed, so far as the future of Tasmania was concerned. They were not called to increase the prosperity of our fair country so much, as to devise the means to prevent the probable ruin of its commerce, and the depopulation of its occupied lands. The products of other countries, owing to the proximity to market, *i.e.* to a large population of non-agriculturists, were from year to year brought to market more cheaply, and in increasing quantities, and thereby causing our producers to narrow their margin of profit. Capitalists being thus affected most seriously, sought for a remedy. Had demand for our special products been illimitable, they could possibly extend their operations, and by producing a greater surplus, realise as much profit from a large quantity as they had formerly obtained for a small one; but the demand *per se* was limited: the only thing therefore left them was, first to reduce the cost of transit and production, to create a market at home, or to move their capital to a more favorable country; but as reducing the profits of the laborer—the direct method for *producing cheaply*—would have an immediate effect of driving our best laborers, or our *flesh and blood* capitalists, to a better paying market for their labor, it would simply be an indirect way of causing money capital to do likewise.*

With regard to creating a home market, that was a possible remedy; but it would be a work of time, and it would depend on the yet unknown resources of the country, whether much could be depended upon it or not. The only immediate idea that seemed to help them out of the difficulty, was that by introducing machinery, in the shape of railroads, they might by this means lessen the cost of transit to market, and so increase the small margin of profit left them by favored competitors.

Far sighted and hopeful men saw, also, that had they railway facilities, it would be possible for them to prevent the land—now yielding less and less every year—from becoming ultimately altogether unproductive; and also rendering it

* McCulloch's Political Economy, pp. 202, 203; Murray's reprint.

possible for new industries to be carried on with a sufficient remuneration to those concerned, and a *certain benefit* to the country.

At any rate, those having interest in the colony's future, saw that by means of a railway they could in a measure stop the leak to the country's prosperity, if they could not wholly prevent it. It was not the question as it is now, of the Railway *per se* being a profitable speculation, but a work that was necessary *at any cost*, to those who did not care to abandon the sinking ship. Of course, at such a time, and in such a quandary, there were many other remedies suggested. Bunyan's economical mudraker genus, was in great abundance, and being stout of lung, it succeeded in exciting the lethargic mob into apprehension of coming danger. The individual of this genus, selfish as he always is, only looked to reducing the cost of his own expenditure, at the expense of others. Government taxed too much; other persons charged too much for the things which were necessary for his private consumption. He only saw in the future Railway, a gain to the grower of grain, at his expense, in the shape of a tax. The only thing which puzzled him was the loss of a steady demand for his own capital or labor; but that too, he laid at the door of Government taxation, and he was all the more embittered against the Railway, as a possible means of increasing that which he so much dreaded. A great many, however, saw an immediate benefit, arising from the necessary outlay of a large sum of foreign capital in the construction of a Railway, and being indifferent to future responsibility, or being of a hopeful disposition, they shouted for *present advantages*, which was dreamt of in extracting as much of the money outlaid during construction, as it was possible for them to do. It is this class chiefly who now rue the bargain they made, and coward-like grumble at those who risked most, for *deceiving them!* They might with equal justice, blame those who fought hardest against an enemy, as the chief cause of defeat. It will be my duty in this paper, however, to show that the Railway has in a great measure effected the chief object which the promoters had in view, and that too, by the sacrifice of their capital to the extent of £50,000. By their timely exertions, they have at least saved the country from becoming—at no distant period—the vast home of a few hundred shepherds, and a dozen wool-brokers. The outlay of foreign capital in the Railway con-

struction has in a great measure made up for the ebbing away of our energetic capitalists, who could not purchase a beautiful country, as the seat of their operations, at the expense of diminished and diminishing profits. It has also saved a great number of those who have become attached to the colony, from the very necessity of leaving it to maintain an existence elsewhere.

I do not say that the Railway has effected all that the promoters desired, but I maintain that it has done more good—or negatively speaking—it has prevented more evil, than they or their antagonists can now form an estimate of.

The foregoing considerations are of themselves quite sufficient to acquit the promoters, not only of blame of *results*, but to brand with ignominy, all who could obstruct with mere groanings of inanity, any project which promised a means of future salvation to the country.

Men who act, are always hampered by the blind obstructionist, who can neither act on an emergency, nor allow another to act for him: he is only aware of impending evil, when it is too late to provide a remedy.

Happily for the obstructionist and the country, the promoters saw too clearly the evil of inaction.

But, in addition to the foregoing, there were other considerations, which inclined the promoters of the Railway scheme to carry out their intentions. In 1860-62, and preceding years, the existing rates and quantities formed a reasonable basis for estimating that the Railway, in addition to being profitable to those interested in it as an undertaking, would also fulfil the primary object of its construction—the benefits arising from cheap and rapid transit.

Now I shall attempt to prove, even from actual results, that their estimate, as an estimate, was wonderfully accurate. That the extent of the depression that has marked later years, could have been seen by them, could not very reasonably be expected; but I think with all fairness, it was reasonable to suppose, from the existing data, that the probability in favor of the Railway being a profitable scheme, was a worthy risk. That it was an honest expectation and risk, on the part of the promoters, is measured unmistakably by the outlay of £50,000.

I do not mean to affirm, that all these gentlemen were wholly guided by unselfish motives; but I think from the amount of honest risk made by them of their capital, that

their motives were unselfish, and as pure as it is right to expect of the *best of men*.

Referring to the valuable statistical tables, prepared by Mr. Nowell, I find that in 1861, the value of the principal articles of home produce exported, amounted to £814,113—grain alone valued at £165,528. In 1870 the corresponding exports were £602,641 and £92,356 respectively. In the year ending March, 1872, there was a still greater decrease, amounting to 10⁶⁶ per cent. on grain alone. Take *e.g. grain*, the principal element of revenue to a Railway:

In 1861, it is represented as £165,528. The corresponding item in 1870, was £92,356, and as there was a decrease, as stated above, on this amount to the extent of 10⁶⁶ per cent., the amount for year ending March, 1872, would be represented as £82,511; that is, a decrease of nearly *fifty per cent.*

The following is compiled from the Statistics of the Colony for the periods named:—

1860.

	Wheat.	Barley.	Oats.	Potatoes.	Hay.	Total.
	TONS	TONS	TONS	TONS	TONS	TONS
Launceston	3058	263	1344	6204	1518	12387
Longford	7107	200	3029	1348	10500	28174
Morven	3484	407	1664	520	11390	17465
Westbury	8936	272	7995	1668	4978	23849
Deloraine						
	22,585	1142	14,032	9740	34,386	81,875

1871.

	Wheat.	Barley.	Oats.	Potatoes.	Hay.	Total.
	TONS	TONS	TONS	TONS	TONS	TONS
Launceston	868	63	723	2081	2424	6159
Longford	4650	115	912	570	4245	10492
Morven	2075	565	716	575	4824	8755
Westbury	3602	169	1799	2224	2902	10696
Deloraine	1657	98	2887	1477	725	6844
	12,852	1010	7037	6927	15,120	42,946

Now in the first year of the railway's existence, a saving of £22,000 has been effected in the cost of transit, as compared with current rates prior to the Railway. See following table:

42946
6129
36784

DESCRIPTION OF TRAFFIC.	Total miles carried.	Average rate per mile.			AMOUNT.
		AT CURRENT RATES PRIOR TO THE OPENING OF THE RAILWAY.			
		per head	per ton	per Pas.	
72,672 Passengers to and from all Stations	1,259,159	...	1.4d.	2.92d.	15,757 15 4
13,406 tons ordinary Goods to and from Launceston	378,277	3.5d.	...	10d.	15,761 10 10
2,520 tons intermediate Goods traffic, principally posts & rails and split timber.	75,600	1d.	...	11d.	3,465 0 0
10,900 head Live Stock, chiefly pigs in small lots	490,500	...	...	100 per cent. advnc.	256 0 0
Sundries, Mails, &c.	...	...	...	...	1,546 3 0
					36,786 9 2

TRAFFIC ON L. AND W. RAILWAY, YEAR ENDING 16TH FEB., 1872.

THE SAME QUANTITIES CALCULATED AT CURRENT RATES PRIOR TO THE OPENING OF THE RAILWAY.

That this reduction has been effected by the introduction of the Railway, there can be no reasonable doubt. The fact that in certain exceptional cases, there exists a slight competition, only proves that the Railway has forced other carriers down to competing prices. In either case, the advantage is the same to the producer—the creator of our wealth.

Viewing then the expectations of the promoters from actual results, what do we infer? why, that if the quantity upon which they based their estimate had been simply sustained, the saving in 1872 to the producer, by the immediate introduction of the Railway, would be £44,000.

I think these arguments fully justify the reasonableness of the promoters' expectation as to the advantages of a Railway. But, besides this, the intelligent will not confine themselves to the mere reduction of transit, as regards existing quantities. The wealth of a nation not only consists of its food, but of its numerous conveniences, and there can be no reasonable doubt, but that the Launceston and Western Railway has proved of vast advantage to the industry within its route, and of inestimable convenience to the majority of the travelling public.

With the view of realising the value of a railway to a community, let us take the opinion of those keen, go-ahead Victorians, to whom we are so much inclined to annex ourselves.

They, though conscious that their Railway has cost more than it ought, think that it is of inestimable value to them indirectly, as to fostering trade; and directly, as to convenience and cost of transit. Now if I can show that the Tasmanians pay much less interest on each mile of their Railway—notwithstanding that the Victorian Railways pay a percentage of interest beyond working expenses,—I shall in some measure be able to fix a monetary value upon the possession of each mile of railway, apart from its direct advantages.

VICTORIAN RAILWAYS.

	On miles open.	Yearly Inter.	Interest p mile open.
Yearly Interest	254	£ 523,000	£ 2059.05
Less Income		310,408	1222.07
			836.98

LAUNCESTON AND WESTERN RAILWAY.

	On miles open.	Yearly Inter.	Interest p mile open.
Yearly Interest	45	£ 24,000	£ 533.33
Bal. in favor of Tasmania			303.65
			836.98

Now, all things being equal, it is clear that if the Victorians consider the outlay of £836.⁹⁸ per mile per year, of less value to them, than the advantage which each mile of railway gives them, the Tasmanian has the value of that *advantage* plus £303.⁶⁵. Allowing that we assume the *advantage* only to be equivalent to the money expended (£836.⁹⁸) on interest, then it is clear that the advantage of the railway to Tasmania, above and beyond paying interest, is £303.⁶⁵ per mile; i.e. for 45 miles £13,664.²⁵ per year. Allow further, that we deduct 25 per cent. upon the assumption that the conditions are not equal, that still would leave a monetary advantage upon 45 miles, above and beyond interest, of £10,248 per annum.

Let us now tabulate the more tangible of the advantages, and the *disadvantages*, so that in the form of a ledger account, we may strike a balance in favor of either. I do not mean that I shall be able to state the value of each deduction to a fraction, but I assert that, as an estimate, they closely approximate the true results.

DISADVANTAGES.

- 1.—Yearly interest payable on original capital.
- 2.—Working expenses.

ADVANTAGES.

- 1.—Amount of benefit arising from original outlay.
- 2.—" " value of reduction in transit to producer.
- 3.—" " value of new industries being developed.
- 4.—" " rapid transit and convenience to producer.
- 5.—" " convenience to travelling public.

CREDIT.

	£	s.	d.	£	s.	d.
By original outlay	450,000	0	0			
Less money not spent in Tasmania, viz. :—						
Contractor's nett profit, 20 per cent., say	£40,000					
Engineers' ditto	4,000					
Amount of savings taken out of colony by navvies, artizans, &c., during construction, say—						
100 at £40	4,000					
300 " £20	6,000					
250 " £5	1,250					
	£11,250					
Less money brought into the colony by same, say—						
650 at £2	1,300					
	9,950					
Money spent in England, on rails, machinery, and plant, say	84,000					
Interest paid during construction	48,000					
	185,950	0	0			
	264,050	0	0			

Nett gain to the colony from the original outlay	264,050	0	0
By Revenue year ending 16th Feb., 1872	14,758	0	0
By Stores on hand	1,500	0	0
By reduction on cost of transit, to benefit of producer chiefly, for year ending 16th February, 1872	22,000	0	0
By value of new industries rendered possible, convenience to travelling public, and the advantage to producer from being enabled to time the market; 1st year, say	10,000	0	0
From this sum	£312,308	0	0
Deduct £36,000 paid out of public Treasury	£36,000		
Deduct working expenses for year ending 16th February, 1872	£13,253		
	49,253	0	0
Nett advantage to the country	£263,055	0	0
Nett loss to the promoters of the undertaking, as such	50,000	0	0

That is, the country has reaped a benefit of £263,055, while those who were chiefly instrumental in bringing this about, have reaped ingratitude, plus a loss of £50,000.

Allowing that every year was as unproductive as the first year of the railway's existence, the country would have to pay £24,000 for 130 years, ere the benefit of the original outlay would be fully exhausted, and this too without reckoning upon more than the mere reduction in transit.* At any rate the questions raised in this paper are sufficient to any reasonable person, to correct the false notions and the ungenerous sentiments thus fostered against a class of men, who in my estimation deserve far other treatment. If any man can coolly attribute the worst of motives to so large a body of respectable gentlemen, he must satisfy the public that he himself has remained untainted in so dangerous an atmosphere. The man who can make sweeping charges of this sort, must have some reason within himself to account for his low estimate of human nature.

As to the *modus operandi* of constructing the Railway, a calm observer can see that it is not the result of the promoters, but of the poisoning of different forces of opinion in

* Vide Table, p. 9.

the country. All that can be said of the promoters is, that knowing the necessity of a railway to the district, and having begun, with the idea of carrying it out, they preferred it upon the hard terms forced upon them, than not to have it at all.

To their credit be it spoken, the mode in which it was forced upon them, very considerably increased their individual risk, in proportion as it relieved the responsibility of the country at large—the only interest which had least to fear from its introduction.

I think the future will acknowledge this act of the promoters as something very like patriotism; whatever view local prejudices may take of their energetic efforts to forward the interests of the country.

DIRECTORS' MANAGEMENT.

This feeling of unjust antagonism has led many to assert that but for gross mismanagement the line would have paid. Now this would be a grave charge were it made by any one competent to judge; but I assert with some reason, that the management of the Launceston and Western Railway will not suffer in comparison with other colonial railways.

I do not state this as a mere matter of opinion, but from having taken into consideration all the data necessary to form a correct estimate. To a person long accustomed to railways and their proper management, or to one who has specially studied this subject, the remarks of certain critics on railway management are amusing in the extreme. Men who are not very remarkable for managing their own business properly, derive a great amount of satisfaction from dreaming how much better they could manage some other person's business.

To manage anything efficiently, requires skill and experience, which practically means a thorough knowledge of all the difficulties to be surmounted; and even a man of business actively engaged, cannot always, in a doubtful case, hit upon the proper solution of the difficulty. The man of action, may in such a position fail, but he does not thank the boorish critic for his after advice. The latter may, *from results*, conceitedly exclaim "failure!" meaning thereby, that had he, the critic, been endowed with the control of the business, he would have managed otherwise, and successfully. But this critic has first to prove that he even has knowledge that a difficulty exists. If he is unconscious of this, he is but an

ignorant braggart. It is one thing to know a success; it is quite a different thing to prepare for its achievement.

To criticise unfavorably in connection with railway or other management only requires a person to be possessed of a mixture of common place conceit, with a spark of ill-nature. To criticise justly, a person must not only be possessed of special knowledge, but he must take into consideration all circumstances which affect the management, favorably or unfavorably. If you press an ignorant economist to inform you why the Launceston and Western Railway is extravagantly managed, you will quickly discover that he has no *standard of economy at all*. He cannot tell you what the average cost of a pound of steam should be, although he could easily venture an opinion if it were named to him—"that he thought it *too much*." In fact "*too much*," is ever the cuckoo cry of malicious inanity. There is a low sneaking conceit in declaimers of this kind. They display the worst feature of the egotist, without his genius or honesty. They "*'umbly*" wish people to infer that they are superior to the persons criticised, but are too cowardly to assert it boldly.

STANDARD OF WORKING EXPENSES.

With respect to the general public, however, it is necessary to state the chief items of expense in the working of a railway.

1st.—The railroad must be kept in repair, or life and property are endangered.

The expense on this item, depends chiefly on its length, and the nature of the earth surface which it traverses.

2.—The staff depends upon the number of stations open, and upon the extent of the traffic. One man could attend to thirty trains a day; but it may be necessary to have one man at a given place, although he may have only two trains to attend to; that is, there is a minimum expense which *must* be provided for, no matter how meagre the traffic may be.

3.—In comparing the respective departments of one railway with that of another, the following considerations are necessary to be observed.

- 1.—The average cost of labor.
- 2.—Average cost of stores.
- 3.—Length of railway.
- 4.—Gauge of railway.
- 5.—Extent of traffic, as indicated by the number of train miles, &c.
- 6.—Gradients and nature of earthworks.

4.—It is necessary to watch the sources of traffic, and to successfully out- rival competitors. At first it may be advantageous to foster traffic at a slight loss, if it promises at a future time to be a great source of profit; but experience and intelligent observation are necessary to decide in complicated matters. The trader who makes use of the railway as a means of transit, is in many cases an insatiable being; he persistently demands more than it would be wise to concede. Many of these band together at a *present loss*, to force down a very reasonable rate: but a suicidal policy of this kind always fails, because no trader can indulge in such extravagance for any length of time; and the good manager who sees that the loss, consequent upon a further reduction of rates already at a minimum, would not be sufficiently repaid by the probable extension of traffic, wisely resists the unreasonable demands. This *resistance* may, to the trader's view, be mismanagement; but those who have to study other interests in addition to that of the trader, must be judged from another point of view.

The shopkeeper who out- rivalled competitors by under- selling his goods, would be a good manager, if the additional custom at a lower margin of profit, brought him a fair return within a given time; but if he have reduced his profit to a shakey margin, without considering whether it was sufficient for the possible outlay in the conduct of his business, then failure would pronounce him, unquestionably, a bad manager, notwithstanding the fact that during the time he had been in business he had considerably increased its operations.

While I have enumerated various considerations to be taken into account in the management of railways, I only draw attention to the vapoury comments of those, whose lofty minds are formed beyond such petty details as are shewn by the following table:—

Cause.	Involving to the Farmer & others	Involving to the Railway.	Involving generally.
1. Bad season	Less produce. " reason for travelling. " means to travel or consume.	Less traffic and less travelling, either for business or pleasure, forced competition, sml. recpts.	Serious difficulties.

2.—Good season. The exact reverse of the preceding.

That the farmer under such circumstances is as helpless as the railway manager, need not be urged; but he may be reminded that the *cost of production* is not less on account of the diminished yield. He may understand by this, that there is a minimum in the cost of a railway undertaking, and that a bad season may bring down receipts below the necessary expenditure, while on the other hand the traffic might be increased twenty fold, without materially increasing the cost.

That the rates are reasonable, are proved by the fact that they are considerably less than any other colonial railway, and that, as compared with former rates, £22,000 has been saved on transit to the district, in the first year of the railway's existence. See pages 8, 9.

That the railway was managed at a minimum expenditure, is reasonable to suppose from a comparison with cost of similar undertakings, when the primary elements of expense, *stores and wages*, are nearly equal. The number of miles which a train runs in a given time, is frequently taken as a factor to arrive at a fair comparison; but this factor tells unfavorably against a small undertaking, or against a railway whose trains do but rarely carry a full load. *E.g.*, the staff at Launceston costs per year, say £520: suppose there were traffic only for four trains per day, each running 45 miles, that would give 53,310 miles per year; the staff at Launceston would by this factor, or *per train mile*, cost 2³d; but if there were sufficient traffic to run 8 trains per day, the same staff would be sufficient, and the train miles being then increased to 106,620, the cost per train mile would only be 1¹⁄2d. But suppose a comparison be made, notwithstanding the disadvantage, the following table shows the large reduction of 1s per train mile, as compared with Victorian Government Railways; 1s 2d, as compared with New South Wales Railways; and 6d as compared with Hobson's Bay Railway Company.

Railway.	Train Miles.	Length Rail.	Cost working per Train mile.
Launceston and Western .	42,496	45 miles	3s. 4d.
Victorian	1,158,827	254 "	4s. 4 ¹ / ₂ d.
New South Wales	901,139	.....	4s. 6 ¹ / ₂ d.
Hobson's Bay	190,102	17 ¹ / ₂ "	3s. 10 ¹ / ₂ d.
United States (American) .	2,963,484	.....	4s. 0 ¹ / ₂ d.

But if this factor shews an advantage as to the economy with which the Launceston and Western Railway has been worked, *the factor per mile of railway open* shews still more clearly the extent of that economy. I leave the following table to demonstrate, whether in comparison with other railway management the Launceston and Western Railway has failed in respect of economy.

L. AND W. RAILWAY HALF-YEARLY EXPENDITURE AS COMPARED WITH OTHER RAILWAYS.

Railway.	Miles-open.	Expenditure per mile open for half-year.	
Launceston & W.	45	158.17	} avcr. say 595.9
Hobson's Bay	17½	2101.7	
Victorian	254	498.7	
Average English		627.49	
Ditto American		661.51	

That is, the cost of expenditure for the last half year upon the Launceston and Western Railway—reckoned on the basis of *number of miles open for traffic*—is only ¼th of the cost of the average on Victorian, English, and American railways—and as compared with the Hobson's Bay Railway, it is only one 13th of the cost.

That there may be no doubt as to the inference to be drawn from these figures, I submit a comparison in the following statement, of the 10 *smallest stations* of the Victorians, with *all the 13 stations* of the Launceston and Western Railway, and also a table comparing the cost of the respective managements.

STATIONS.

Victorian Railway, from Report 1869, Tables 14 and 17.				L. and W. Railway, 1872.			
STATIONS.	Pass.	Tons handld	Wgs	STATIONS.	Inwd. Pass.	Tons handld	Wgs
Diggers' Rest	574	712	1017	Hagley	2628	308	nil
Harcourt	1124	497	81	St L., B., Gle. Ok.	*13000	100	nil
Moorabool	278	424	128	Bishopsbourne	4145	566	nil
Rochester	2568	1744	148	Evandale	3446	1276	203½
Taradale	5616	795	159	Perth	3163	1308	218
Lethbridge	1925	881	151	Exton	3351	1405	70
Kyneton	17706	16971	1289	Launceston	26685	13,900	521
Kangaroo Fl.	2866	6700	516	Westbury	4420	1651	218
Runnymede	4072½	6053	635	Longford	6802	6579	464
Sunbury	5667	9603	606	Deloraine	5032	5581	269
Totals	42,396½	44,380	3814	Totals	72,672	32,674	1990

* St. Leonards, Breadalbane, Glenore, Oaks.

MANAGEMENT.

VICTORIAN RAILWAYS.	L. AND W. RAILWAY.
Head offices management, viz., accountant, secretary, stores, store depot, exclus. of maintenance. £15,061	Corresponding cost . . . £1,338

That is, the Launceston and Western Railway conducts the business of 13 stations, about 50 per cent more cheaply than the 10 smallest stations of the Victorian Railways, while the management of the Victorian Railways is £15,061 to £1,358, *i.e.*, nearly twelve times the cost of the management of the Launceston and Western Railway. I think that I have sufficiently demonstrated to the "*intelligent few*" that on the score of economy the Directorate have nothing to fear: on the contrary, the results redound greatly to their credit. As to the development of traffic within the district, the fact that all established carriers have had to give way to the more cheap and rapid transit by railway, is the best indication that can be given of their regard for this object.

Notwithstanding that many districts are excluded from the full advantages of railway transit, by reason of distance, it is surprising how much of this traffic finds its way to the several stations. Although there has been a great falling off in passenger traffic in 1872, as compared with 1871, owing to the bad season, nevertheless it is very evident that traffic is being developed along the district, by the fact that there is a marked increase in tonnage.

	1871. Passengers.	Tons Goods.	1872. Pass.	Tons Goods.
March	6121	2318	6277	2571
April	9061	2296	6804	2759
May	6801	1596	4494	2005
June	4216	1402	3954	1791
Total	26,199	7612	21,529	9726

Wherein then have the Directors of the L. and W. Railway failed in good management? Is it in the want of due regard for the public safety? No! for although the line was open for traffic by a staff altogether new to railway service, there has not been a single accident during their administration. Is it on the score of exorbitant charges? No! for it has

been demonstrated that transit has been reduced in many cases 60 per cent. Is it on the question of economy? Comparison with other railways proves that in this particular, they deserve the greatest credit.

As travellers and traders generally admit that their convenience has been closely studied, I may assert with some degree of reason, that the Directors of the Launceston and Western Railway, however difficult may have been the task assigned to them in this new enterprise, *have only failed where it was utterly impossible for them to succeed.** In matters within their control and power, they have failed in nothing.

CRITO.

LAUNCESTON, July, 1872.

* Extract from *Cornwall Chronicle*, June 26, 1872.

"Every interest has declined and we have had 'retrenchment and ruin' to our heart's content. No wonder is it that people cannot afford to ride on the railway, or that the goods traffic should not approach the estimate; the only surprise to our mind is that the railway has done so well." * * * "Can it be wondered that the railway estimates of 1860 have not been realized? The disheartening picture could be extended through every page of our statistics. We might show how our shipping trade has gradually dwindled down, how even our wool produce has decreased, and our flocks have been reduced from 370,000 sheep in 1860 to 246,000 in 1870. In 1860 Mr. Doyne found us exporting £73,726 worth of timber, in 1870 we sent away only £37,267 worth. In 1860 we exported £314,723 worth of grain and flour, in 1870 only £85,693 worth. The total value of our imports in 1860 was £1,068,411, in 1870 the total value was only £792,916. In 1860 our exports were valued at £962,170, in 1870 the value was only £648,709. In 1860 the coin in the banks represented £280,503, in 1870 it only amounted to £185,755."