
RAILWAY COMMUNICATION.

Ordered by the Council to be printed, 20th February, 1855.

CHAS. HOTHAM,
Lieutenant Governor.

Message No. 45.

Believing that the time has arrived when every effort should be made to develop the resources of this Colony, the Lieutenant Governor again invites the attention of the Council to the consideration of a system by which Railways might generally be undertaken.

The Lieutenant Governor would recommend—

- 1st. That no scheme should be entertained which does not provide for the eventual liquidation of the loan.
- 2nd. That no greater extent of lines should be undertaken than will hold out a prospect of becoming remunerative, and defraying an interest guaranteed by the State.
- 3rd. That lines should be determined upon, with reference as much to the probable future wants of the Colony as to its immediate requirements.

The Lieutenant Governor has already submitted for the consideration of the Council the mode through which the capital might eventually be paid off: he proposed to reserve the land on each side of the Railway, and by increasing the width of the reserves as they recede from the sites of the larger townships, an ample fund might be raised to pay off the borrowed capital in twenty-one years. He would suggest that the same rule should be followed in more distant parts of the Colony; for, although lines of Railway might not be immediately required in those parts, yet they should be marked out, and the land adjoining retained, as a fund for their construction.

Having thus dealt with the capital, the Lieutenant Governor is desirous of alluding to the manner in which he considers the interest should be defrayed until the period when the Railway would become self-supporting.

It is needless to say, that unless some immediate means of paying interest are devised it will be difficult to effect a loan, except at an exorbitant rate, and therefore it becomes a subject for consideration, whether the General Revenue should not be charged with the amount, and if so, to what extent it may be depended upon.

The Lieutenant Governor does not think it necessary to enter minutely into this portion of the plan; but he would suggest that a sum of £200,000 might be made a charge upon the vote for internal communication; and if the Council should deem it consistent with prudence, in consideration of the immense benefit which the community would derive, to raise by taxation another £100,000, a fund would be secured, for the payment of the guaranteed interest, equal to £300,000 per annum; and to that extent alone the Lieutenant Governor believes it would be advisable to charge the annual general revenue for interest.

At the same time it must be borne in mind that, as the railways progress and become remunerative, so a portion of this money would become released, and available for the construction of other lines, or the extension of those which might be in operation.

With a view of early attaining the advantages of railway transport, the Lieutenant Governor would suggest that single lines should in the first instance be constructed, and that upon the completion of each section or line, tenders for its lease for a term of years should be invited. Finally, he recommends, that the loans required for the purpose should be contracted in London, by public tender, dating from a period not earlier than the 1st of January, 1856, and that the leading firms employed in railway enterprise should be invited to tender for the works.

*Government Offices,
Melbourne, 20th February, 1855.*