

1914.

VICTORIA.

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# REPORT

FROM

THE PARLIAMENTARY STANDING COMMITTEE  
ON RAILWAYS

ON THE

TOLMIE DISTRICT CONNECTING RAILWAY;

TOGETHER WITH

APPENDIX, MINUTES OF EVIDENCE, AND PLAN.

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*Ordered by the Legislative Assembly to be printed, 29th July, 1914.*

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By Authority:

ALBERT J. MULLETT, GOVERNMENT PRINTER, MELBOURNE.



# REPORT.

THE PARLIAMENTARY STANDING COMMITTEE ON RAILWAYS, to which the Legislative Assembly referred the question of connecting the Tolmie District, including the lands in or near the Parishes of Toombullup, Cambatong, Dueran, Dueran East, Whitfield, Whitfield South, and Toombullup North with the existing railway system by means of a railway, has the honour to report as follows :—

## DESCRIPTION OF DISTRICT.

1. The Tolmie District is heavily-timbered, broken country, forming part of the Wombat Ranges, at an altitude of from 2,000 to 3,000 feet above sea-level. It lies between the head waters of Broken River and King River in a triangle formed by Mansfield, which is the terminus of the railway ascending the valley of the Upper Goulburn River; Whitfield, which is at the end of the narrow-gauge railway running from Wangaratta southward up the valley of the King River; and Tatong, which is the terminus of the recently-completed railway proceeding from Benalla southward up the valley of Broken River and thence eastward to Holland's Creek, a tributary of that river. Tatong is 17 miles by road from Benalla. Numerous streams have their rise in this high-lying country, which has an annual rainfall averaging 40 inches. In the winter there are frequent falls of snow, which remain on the ground for several successive days. Most of the water-courses flow northward, the principal ones being Boggy Creek, which enters the King River near Moyhu, Fifteen Mile Creek, Middle Creek, and Ryan's Creek. Holland's Creek rises close to the small township of Tolmie, and flows westward and thence northward on the south and west sides of the Parish of Toombullup, and runs into the Broken River close to Benalla. A considerable area of the country falls sharply into these creeks, especially near their sources. These steep slopes even if cleared could not be cultivated. Between the several streams, however, are broad, timbered ridges, locally called the tablelands, capped with patches of rich basaltic soil. Portions of these fertile lands have been cleared, and yields of potatoes averaging from 5 to 6 tons to the acre have been harvested, occasional crops have given a return of from 8 to 10 tons, while yields of oats up to 60 bushels to the acre were not uncommon. These volcanic cappings are generally resting on a sandstone formation, which cropped out on the descending slopes, and which in turn gives way in some portions of the area to coarse granite. The soil of the sandstone formation does not, of course, equal the basaltic land, varying in character from a light loam to dark and somewhat friable clay. Nevertheless, good crops of oats, barley, and rye have been grown in that lighter soil, which is regarded locally as second class land. The granitic and lower country on the hillsides was classified as third class. The tablelands between the several creeks have a north and south direction, joining on the latter side a ridge running from the Toombullup country south-east past Mahaikah, which is 3 miles north-east of Tolmie, and on towards Wattle Range, in the Parish of Cambatong, near the source of the western branch of the King River.

2. Tolmie township is about 13 miles by road from Mansfield, 20 from Whitfield, and 22 from Tatong. There are no made roads—only bush tracks to the latter places, except when within 2 or 3 miles of Whitfield and Tatong, where roads have been formed. Roads have been made part of the way to Mansfield, to which town most of the produce grown in the district is carted, at a cost varying from 20s. to 30s. per ton, according to the season of the year and the state of the roads. It is a down grade to Mansfield. Nevertheless, such a high cost for cartage is a handicap to profitable farming. The settlers around Tolmie have always wanted to send their produce to the North-Eastern District of Victoria and Eastern Riverina, as higher prices for potatoes are obtainable there than can be secured in Melbourne. It is the same with the supplies of timber cut in the Tolmie District, better markets being found in towns on both sides

of the Upper Murray River than in Melbourne. But the cost of cartage to Whitfield is prohibitive, a steep grade being encountered after leaving Mahaikah and approaching Gilmore's. From there the track for 10 miles along the tableland is rough in parts, while the long descent of 1,200 feet or so into the valley of the King River to reach Whitfield railway station is also mostly over a rough narrow road. Potatoes have been carted from the Toombullup tableland on the west side of the Tolmie District into Benalla, a distance of about 30 miles, the cost of cartage being from 30s. to 35s. per ton. When this charge was met there was little left for the grower unless the market happened to be an exceptionally high one. However, the settlers on the Toombullup tableland will now be able to cart their produce to the recently-opened railway at Tatong at a reduced cost. That station is too far from Tolmie to be of much service to the settlers near that township and around Mahaikah. Moreover, there is an ascending grade in the road from Tolmie to Toombullup, which restricts the load that can be hauled by that route to Tatong station. A good road from Tolmie to Mansfield, such as the Country Roads Board intends making, will largely lessen the cost of cartage to that station. But the railway route from Mansfield, *viâ* Tallarook and Seymour, to Benalla or Wangarratta would not give the Tolmie settlers such a command of the North-Eastern and Riverina markets as a direct line by way of Mahaikah and Whitfield.

### DECREASE IN POPULATION.

3. Twenty years or so ago there were upwards of 100 families settled in the Tolmie District, including the Toombullup tableland, with a population of about 700, counting in miners and saw-mill employés. To-day there is not half that number. The production of the district has also decreased. This retrogression, except in the case of the shallow mining, which has given out, is largely attributable to better transport facilities not being provided. Few of the original selectors have any interest in the place, their properties having in some instances fallen into the hands of mortgagees and speculators, several of whom still retain possession of the land. Some of the settlers have gone elsewhere to earn a livelihood. They, however, hold their right to the land which they selected years ago, and have expressed their readiness to return to the Tolmie District and resume farming operations there if the railway is extended to Mahaikah or thereabouts. Many of the selections, after being fenced and improved, were abandoned, and the land reverted to the Crown, much of it still remaining in the hands of the State.

### HISTORY OF PROPOSED RAILWAY.

4. In 1886 the Tolmie District was thrown open for selection, and was eagerly applied for. The holdings ranged in area from 150 to 700 acres. Most of the blocks, however, were from 200 to 300 acres. This rugged country was formerly the headquarters of the notorious Kelly gang and other outlaws. The destruction of that gang was not accomplished till after the Government had been put to much expense. It was therefore decided, when making the Tolmie land available for selection 28 years ago, that it was to be peopled by respectable farmers from other districts, who had no sympathy with lawless gangs. Each applicant for land had his application reported on by the police before it was granted by the Lands Department. This fact, together with the presence a few years later of a party of engineers from the Railway Department surveying the district so as to find a suitable route for a railway, no doubt led the settlers to believe that they were to be favoured by the Government, and have railway facilities provided. Several of the residents informed the Committee that a definite promise was given by those in authority that roads and a railway would be constructed through the district, but the Committee was unable to obtain any official confirmation of the statements, though the residents had a firm belief that such a promise was made. It was ascertained by the Committee that the late Honorable J. H. Graves, who represented the district in the Legislative Assembly for many years, and took a keen interest in the settlement of the Tolmie country, had stated when giving evidence on the 13th November, 1895, that no absolute promise had been given, though the presence of the Government surveyors caused the settlers to naturally conclude that roads and railways would be provided. When the Committee was recently at Whitfield it was informed that when the Honorable H. R. Williams visited Tolmie some years ago as Minister of Railways his secretary, who was present, said, "he had seen in the Minister's office a few days before the Government document which had promised road and railway

communication with the Tolmie District." Mr. J. R. Paterson, who was Secretary to the Minister, has since informed the Committee that he had not seen such a document, and never made the statement quoted.

5. A 2ft. 6in. railway from Wangaratta to Whitfield, 30 miles in length, was authorized by Parliament in 1897, on the recommendation of the Parliamentary Standing Committee on Railways. The fact that the railway was made a narrow-gauge one, although traversing easy country from Wangaratta to Edi, and that the Committee at that time said—"When the line is extended through to Mansfield, as it must be at some future time, it will traverse very rough and broken country, where the cost of a broad-gauge railway would be enormous," caused the settlers on the Tolmie tableland to assume that this railway would before many years be extended into their territory. In 1901 the Committee inquired into the question of railway communication with Tolmie, and recommended the extension of the Whitfield line to Mahaikah, a distance of 19 miles, at an estimated cost of £65,520, or £3,426 per mile, exclusive of land and rolling-stock. That estimate was based on a 7s. rate of wage for labourers. The ruling grade was to be 1 in 25, and the sharpest curve 2 chains radius. At that time the Railways Commissioner reported that this extension would result in a loss of £2,651 during the first year of operation, but the Committee considered that the deficiency would not be more than £900. A Bill authorizing the construction of the extension was passed by the Legislative Assembly towards the close of 1901. It, however, failed to pass the Legislative Council.

#### OTHER INQUIRIES.

6. In 1905 the question of railway connexion with Tolmie by means of a narrow-gauge line was again inquired into by the Parliamentary Standing Committee on Railways. At that time the extension of the 2ft. 6in. railway from Whitfield to Mahaikah was estimated to cost £71,158, or £3,713 per mile. Mr. Kernot, Chief Engineer for Railway Construction, explained that the reason for the increase in the estimates was chiefly due to no second-hand serviceable rails being obtainable, and to a slight increase in the cost per yard for excavation in cuttings. The Railways Commissioners in 1905 estimated that this extension would show a loss of £2,984 in the first year of operation if it terminated at Mahaikah, and £2,185 if it ended at McDonald's Gap, 4½ miles nearer Whitfield. The Committee on that occasion reported that it was compelled to withhold its recommendation for the construction of the railway until such time as the Government brought forward, and Parliament approved, of a scheme which would, for the first few years at least, relieve the settlers in such outlying rugged localities as Tolmie of the obligation of making good the whole or the greater part of the annual deficit resulting from the building and working of the railway, it being considered impossible for the settlers to bear a loading or railway tax upon their land averaging about £15 per annum for each land-holder. At the same time, the Committee expressed the view that there was no hope of a railway towards Tolmie paying until closer settlement, with its attendant increase in the production of the district, had been secured. During 1906 the question of constructing a railway up the valley of Boggy Creek, a tributary of the King River, towards Mahaikah was again inquired into by the Committee. It reported in February, 1907, against the proposal, as such a line would, for the greater part of its length, run parallel with the narrow-gauge railway to Whitfield, and, owing to its proximity to that line, would have such a restricted gathering ground for traffic that it was improbable it would ever become a payable undertaking. In 1908 a further inquiry was made by the Committee under the provisions of the *Tolmie Railway Act 1907*. That Act directed the Committee to investigate and report as to the best route to be adopted for a line (or lines) of railway to encourage settlement on the lands in the Parishes of Toombullup, Cambatong, Dueran, Dueran East, Whitfield, Whitfield South, and Toombullup North. The Committee, in compliance with the obligation placed on it by that Act to select the best route to serve the parishes named, reported that the extension of the narrow-gauge line from Whitfield to Mahaikah would best accomplish that object. This railway was then estimated to cost £85,000, with a grade of 1 in 30. In making its Report, the Committee again drew attention to the need of an effective closer settlement scheme preceding the building of the line if the estimated loss of £2,500 a year was to be substantially reduced. No action was taken under the provisions of the *Tolmie Railway Act 1907* to secure the passing of the necessary resolution in both Houses of Parliament permitting the construction of the railway from Whitfield to Mahaikah to be proceeded with.

### INCREASED COST OF PROPOSED RAILWAY.

7. In accordance, however, with the requirements of the *Tolmie Railway Act* 1907, a permanent survey was made during 1912-13 of the suggested 2ft. 6in. extension from Whitfield, *via* Glenmore and McDonald's Gap, to Mahaikah. The question of railway connexion with the Tolmie District having been once more referred to the Committee for inquiry, Mr. Kernot, in March, 1914, furnished an estimate of the cost of the extension based on that permanent survey. He stated that the survey and detailed information then obtained had shown the country to be more difficult than was revealed by the flying surveys on which former estimates had been made. In the climb of 8 miles, with a continuous grade of 1 in 30 from Glenmore in the valley of the Upper King River to McDonald's Gap on the tableland near Gilmore's, much harder rock than had been anticipated would be encountered. The extensive sideling cuttings on that steep hillside would, consequently, be more expensive than had been thought. It had now been ascertained that the line from Whitfield to Mahaikah would be 20 miles in length, and, allowing for sharp curves of 2 chains radius and 1 in 30 grades, it would cost £148,138, exclusive of land and rolling-stock, instead of £85,000, as estimated in 1908. Details of the recent estimate are printed in the Appendix to this Report. In addition to the rock being harder and more difficult to work than was expected, the rates of wages and prices of rails and other materials have advanced since 1908. Owing to the steepness of the hillside, with its irregular face, a good deal of money would have to be spent in making temporary tracks to get along the line with men, plant, and material. The fact that the rock is not bedded added to the cost. Trestling would be necessary in places. He said he had walked over the roughest portion of the permanent survey to verify the information which had been prepared, and he could make no reduction in the cost. The estimate of £65,520 made in 1901 was for a line with a grade of 1 in 25. He had, however, adopted a 1 in 30 grade, that being the steepest on any of the lines—broad or narrow gauge—operated by the Railways Commissioners. Great precautions, such as special brakes and so on, would have to be taken with a 1 in 25 grade, and he did not believe, owing to the small loads which could be hauled over that grade, that such loads would be payable unless extra rates were charged.

### OTHER ROUTES.

8. Mr. Kernot further stated that he had examined an alternative route nearer Whitfield ascending to the tableland by way of Hannan's Gap; but the inspection indicated it would be a more costly line than that permanently surveyed. The difficulty with Fifteen Mile Creek as a route was that the hillsides ascending from that stream towards its source were so steep that the railway there would be almost inaccessible. He was asked whether, instead of carrying the Whitfield line on to the tableland, it could be terminated half way up the hill below McDonald's Gap. The answer was that a terminus there would be impracticable, the country being too steep to make a station, and also for convenient access to be got either from the valley below or the tableland above. To extend the Tatong broad-gauge line up Holland's Creek to Tolmie, or to construct a railway from Mansfield to Tolmie, would be very costly.

### ESTIMATES AND EXPENDITURE ON CONSTRUCTION.

9. Attached to the Twenty-fourth General Report of the Committee was a list of sixteen railways, of a total length of 372 miles, opened for traffic between 1st January, 1909, and 24th March, 1914, and the capital expenditure on them. This showed that, after allowing for savings made by using serviceable second-hand rails which had become available, and the postponement of terminal works, because of the likelihood of some of the lines being extended, the estimates of cost furnished by Mr. Kernot were, on the whole, fairly reliable.

### TIMBER.

10. In 1911 Mr. D. Ingle, District Forester at Healesville, was sent to report on the timbered areas which would be tapped by a railway from Whitfield to Mahaikah. His report referred to the difficulty of hauling timber up some of the steep hillsides to the railway, and also to the destruction of timber around Tolmie by ringbarking and fires. He estimated, however, that there would be within a haulage distance of 4 miles

of McDonald's Gap station (from the Parish of Cambatong), 3 miles of Mahaikah, 1 mile of King's Spur, and  $1\frac{1}{2}$  miles of Tresidder's Corner, Boggy Creek, 25,000,000 super. feet of sawn timber from 7,200 acres available for transport over the line. Later on, Mr. W. J. Code, Chief Inspector of Forests, visited the district to report on the probable output of timber, as the residents were dissatisfied with Mr. Ingle's estimate. Mr. Code put the total quantity of sawn timber likely to be obtained from 13,000 acres down at 111,500,000 super. feet. In view of this difference the Committee recently asked Mr. Mackay, Conservator of Forests, to visit the district and make an estimate of the probable output of sawn timber. He did so, and stated that Mr. Code had included in his estimate 3,000 acres near Fifteen Mile Creek, 1,000 acres bordering on Holland's Creek, and 1,500 acres at South-eastern Toombullup which Mr. Ingle had not dealt with as being likely to be tapped by the Mahaikah railway. Moreover, Mr. Code, in reporting on the areas both officers inspected, allowed for a higher estimated yield. Mr. Mackay further said that, after spending four days inspecting the areas in dispute, he had concluded that Mr. Code's estimate was a very fair one. The preponderating timbers were messmate and peppermint, the latter being large trees with a straight barrel, and yielded good timber for building purposes. There was also a fair quantity of blue gum and spotted gum. The most extensive forest area was on Cambatong Range, embracing about 5,000 acres, which would yield about 10,000 or 12,000 super. feet to the acre fit for the saw. This timber could be got out by a tramway down Evans' Creek and the eastern branch of the King River to a siding near Glenmore on the proposed Mahaikah railway, and by another tramway down the western branch of that river to either McDonald's Gap station or to Glenmore. Next to Cambatong in importance was the timber area on the upper waters of Holland's Creek in the neighbourhood of Tolmie township. A great deal of this timber was young, and could stand with advantage for another five to ten years. The area of good timber there wholly accessible to the proposed Mahaikah railway was about 3,000 acres, which should yield easily 10,000 super. feet to the acre. The bulk of the Middle Creek timber could go northward by a tramway along the main Toombullup-road, and thence down Tiger Hill to Tatong; while that eastward of that creek could go by a tramway across Round Camp area to Mahaikah. The greater part of the timber between Ryan's Creek on the west and Fifteen Mile Creek on the east had been ringbarked. There is, he further said, a considerable quantity of virgin timber in the central and western parts of Toombullup, including the valley of Ryan's Creek, which could all be reached by tramways leading to Tatong. That was the best outlet.

11. Two years ago Mr. Mackay gave evidence that the Benalla to Tatong railway which has recently been opened "will be the means of providing for some years to come all the timber likely to be required by the North-Eastern towns and Eastern Riverina." He was asked if he still held that opinion. He replied, "Yes, if a tramway is extended from the neighbourhood of Hill and McPherson's mill across to Ryan's Creek and Middle Creek, where the largest body of green timber accessible to Tatong is situated, and if, as seems probable, a graded road is made up Holland's Creek from Dodd's-bridge a large quantity of timber can be taken down that creek a distance of 10 or 12 miles to Tatong." Mr. Mackay stated, in answer to a question, that if it were for the timber alone there was no necessity to extend the Whitfield railway to Mahaikah. But, if that extension were made for settlement purposes, he estimated that from 2,000,000 to 2,500,000 super. feet, or between 6,000 and 7,000 tons of sawn hardwood, would be despatched annually over it, as supplies would be nearer to stations on that line than those at Ryan's Creek and up Holland's Creek were to Tatong. Unless, he added, there is a revival of mining at Chiltern and Rutherglen, he saw no prospect of mining timber being sent out of the district.

12. The railway under construction from Wagga to Tumberumba would, Mr. Mackay said, tap large quantities of ash and woollybutt timber, and must greatly impair the market in Eastern Riverina for Victorian hardwoods, owing to lesser railage to Wagga, Junee, and other towns. Mr. J. S. Parry, Inspector of Forests for the Tumberumba District, was communicated with by the Committee. He stated that the timber supply there was one of the best in New South Wales, and that "there are now a number of applications for sawmill sites in the vicinity of Tumberumba. Several of the applicants are Victorians, and there is no doubt that, on completion of the Wagga-Tumberumba railway, a number of them will erect up-to-date mills and cut large quantities of timber." The Victorian Railways Commissioners informed the Committee

that the following would be the railway rates, including transfer and junction charges, for the carriage of timber from Tumberumba, Tatong, and Mahaikah to Albury and Wagga :—

From—	To Albury.		To Wagga.	
	Miles.	Rate per ton.	Miles.	Rate per ton.
		£ s. d.		£ s. d.
Tumberumba .. .. .	154½	0 11 9	76½	0 7 3
Tatong .. .. .	84	0 9 4	162	0 16 8
Mahaikah .. .. .	91½	0 10 5	169½	0 17 9

### CLOSER SETTLEMENT.

13. The Committee has always held the view that if a railway were constructed into the Tolmie District it must be accompanied by closer settlement, so as to bring freight to the line and lessen the loss on the railway. As already stated, a large area of this country has been abandoned, and has fallen back into the hands of the Crown. But these allotments are scattered all over the tablelands. The State has no compact area of rich basaltic land in this district of sufficient acreage to warrant it entering upon a closer settlement proposition. In 1908 the Committee reported that, to make any closer settlement undertaking successful, it would be necessary for the Government to purchase a sufficient area of the volcanic and other good lands in the hands of private owners, and then, by combining them with the Crown lands, recast the existing subdivision of the area so as to make it fit in with the route of the railway and with various roads which would have to be made in connexion with the new boundaries. It was considered that 50 or 60 acres of the rich soil, combined with 100 or so acres of the poorer land, would be ample for a settler and his family to make a living off. As an inducement to extend the railway to Mahaikah, some of the land-owners offered to relinquish part of their holdings. But on these areas being inspected they were found to be almost useless for settlement purposes, being either too steep for cultivation or comprising the inferior portions of the allotments.

14. In 1910 Mr. E. W. Sampson, Valuer for the Lands Department, visited the Tolmie District to ascertain what area of the lands held privately were suitable for closer settlement, and, if possible, to get the allotments under offer at a reasonable price. He set aside the offers of land in the Parish of Whitfield, as he considered such holdings were within cartage distance of Whitfield station, and would not be served by the proposed extension to Mahaikah. Out of 9,119 acres inspected by him in the Parishes of Whitfield South, Dueran East, and Toombullup, 4,869 were suitable for cultivation. Included in the 9,119 acres were eighteen allotments held by absentees and fifteen by residents. Some of these lands were placed under offer at prices ranging from 5s. to £6 per acre. Twenty-two residents who were working their lands exclusive of the above areas desired to retain possession of 5,415 acres, of which Mr. Sampson considered 2,000 were good land. Of 3,941 acres of Crown lands in the Parishes of Whitfield South, Dueran East, and Toombullup which he inspected, 640 acres were of good quality. He added, "Of the 3,762 acres either not placed under offer or offered at too high a price, 1,882 acres should be acquired, and in the event of railway construction being determined on it may be found necessary to compel the owners, in some cases, to place their blocks under offer at reasonable prices consistent with what others have done." The price, he said, should be the value without any enhancement because of the line. Out of 4,335 acres offered for sale, he recommended the purchase of 3,252, of which 2,307 were classified as first class land, and 945 as second class, mostly unimproved. Later on in 1910 Mr. T. Hastie and Mr. F. E. Lee, members of the Lands Purchase and Management Board, visited Tolmie District. They reported that the Crown lands and forfeited allotments, scattered throughout the localities in which the owners had offered to sell their holdings or parts thereof, were of generally inferior quality. Any closer settlement scheme they considered depended entirely on the Board being able to secure

all the land available at a reasonable value. At the prices asked for the best land (averaging £4 14s. 6d. per acre) they could not recommend the Board to purchase. Before a successful settlement scheme could be established, it was essential that all land, whether privately owned, forfeited blocks, or Crown lands, lying approximately within a distance of 4 miles to the north and west and 2 miles to the south and east of Mahaikah reserve, should come under the control of the Board, at £3 per acre for basaltic land and £1 or less for other qualities of soil. They, however, concluded their report with these remarks—"Taking all the circumstances into consideration, we do not think that the Tolmie lands are a suitable proposition for compulsory resumption by the Board, and unless the local land-owners can see their way to sell at what we consider a value which, after 'loading' (for roads), will permit the new tenants to make a livelihood, we think no scheme of closer settlement is possible."

15. A few months later the Lands Purchase and Management Board was again asked by the Government to consider the question of establishing closer settlement in the Tolmie District. Its final reply was—"The Board is of opinion, as indicated in the report of two of its members, who made a careful inspection of the land concerned, that there is no prospect of establishing a successful closer settlement district along the proposed railway from Whitfield to Tolmie. The good land is limited in area, the dairying season is too short, and the price asked by the land-owners is altogether excessive. Purchasers under closer settlement conditions, apart from the 'loading' which would be entailed, would be unable to make a livelihood."

#### RAILWAY EXPENSES AND REVENUE.

16. The Committee, however, did not take such an unfavorable view of the future of the Tolmie District for closer settlement as the Lands Purchase and Management Board. It had seen splendid crops of good clean potatoes grown on those fertile tablelands, and had undoubted evidence as to the large yield of oats, barley, and rye which had been obtained there. It is true that this high-lying country is rather cold for dairying. Nevertheless, that industry is successfully carried on in other countries where snow lies on the ground for a longer period than at Tolmie. The Committee wrote to the Railways Commissioners asking them to assume that 100 farmers and their families were settled on the Tolmie tablelands, or a population of 500. To that had to be added another 100 comprising sawmill employes, storekeeper, blacksmith, school teacher, and railway hands and their families. It was also assumed that Mr. Mackay's estimate of 7,000 tons of sawn timber being sent out of the district annually would be realized, and that in addition there would be 6,500 tons of potatoes, oats, and other agricultural produce, 300 tons of cream and other farm produce, and 200 tons of wattle bark, hides, &c., sent yearly by rail out of the district. In order that the proposed line might receive the utmost credit for the new traffic it brought to existing railways the Committee asked the Commissioners when preparing the estimates of revenue to assume that all the timber and agricultural produce would be carried by rail as far as Albury. This was done. The following were the estimates of annual charges and revenue computed on the above basis, allowing for a train service similar to that run on the Wangaratta-Whitfield line during the summer:—

#### WHITFIELD TO MAHAIKAH.

##### *Annual Charges.*

Interest at 4 per cent. per annum on £151,283, being cost (£148,138) of constructing 20 miles of 2ft. 6in. railway from Whitfield to Mahaikah, at a wage rate of 9s. per day for labourers, with £3,145 added for rolling-stock	..	..	..	..	..	£6,051	6	4
Traffic expenses	..	..	..	..	..	255	1	11
Maintenance charges	..	..	..	..	..	2,080	0	0
Locomotive expenses, including repairs and renewals of rolling-stock	..	..	..	..	..	1,588	16	10
General charges	..	..	..	..	..	94	0	9
Total annual charges	..	..	..	..	..	£10,069	5	10

			<i>Revenue.</i>					
			On New Line.		On Other Lines from New Traffic from New Line.			
Passengers	..	..	£275	11 1	..	£22	10 0	
Parcels	..	..	85	0 0	..	..		
Mails	..	..	150	0 0	..	..		
Class goods	..	..	154	11 8	..	165	6 8	
Manures	..	..	2	18 4	..	..		
Live stock	..	..	20	0 0	..	..		
Timber	..	..	350	0 0	..	863	6 8	
Grain, chaff, and potatoes	..	..	541	13 4	..	888	6 8	
Wattle bark	..	..	7	1 8	..	11	13 4	
All other traffic	..	..	20	0 0	..	..		
			<hr/>		<hr/>		<hr/>	
			£1,606	16 1	£1,951	3 4	£3,557	19 5
Estimated loss first year of operation			..	..	..	..	£6,511	6 5

Comparing the estimates of annual charges in the foregoing Table with those submitted by the Railway Department in 1905, it was stated that the large increase in the cost of construction caused the increase in the interest charges. The addition in the maintenance expenses was due to the advance in wages paid to line-repairers and to experience of more recent years, showing that the upkeep of narrow-gauge railways with steep grades in districts with a high rainfall (40 inches per annum) is much more costly than was found when those lines were opened ten years or so ago. The increase in locomotive expenses is accounted for partly by the increase in wages and partly by the additional traffic assumed by the Committee compared with that estimated by the Traffic Officers in 1905. The difference in the passenger receipts is due to the abolition of local fares and a slightly lower estimate of population, owing to the Tatong railway serving portion of the district.

#### VIEWES OF RAILWAYS COMMISSIONERS.

17. In forwarding the foregoing figures the Railways Commissioners stated that the Committee had taken too optimistic a view of the outwards traffic from the Tolmie tablelands, at any rate during the first year of operation of the railway. Mr. C. H. Barber, Traffic Officer, put the outwards traffic in timber and potatoes down at £1,100 less than the figures computed on the Committee's basis, which would increase the loss to £7,611. But in order that no injustice might be done the district the Committee thought it would be better to look forward a few years and estimate a traffic which assumed the tablelands being populated and developed to an extent that might reasonably be expected five or ten years after the opening of the railway.

#### A CHANGED SITUATION.

18. Since the Committee last reported on the question of railway extension to Tolmie the situation has been changed. The alluvial mines at Chiltern and Rutherglen have nearly all ceased operations, causing almost a complete falling off in the demand for mining timber from this district; the Parliament of New South Wales has authorized the construction of a railway from Wagga to the forest lands around Tumberumba, which is being built, and must seriously affect the markets in Eastern Riverina for Victorian hardwoods because of the lesser haulage over the railways; the line from Benalla to Tatong, 18 miles, has been completed, serving the Parish of Toombullup North and part of the Parish of Toombullup; and the Country Roads Board has decided to make a main road leading from Tatong Station up the valley of Holland's Creek towards Tolmie, and another from Mansfield to Tolmie. In its Report it said—"With regard to the route (of the main road) from Tolmie to Whitfield its construction will depend upon the Report of the Railways Standing Committee which has investigated the proposal to extend the narrow-gauge railway from Whitfield." Moreover, nearly the whole of the Parish of Cambatong has been permanently reserved for forestry purposes, while the lands in the Parish of Whitfield are already served by the railway at Whitfield. This, therefore, confines the settlement area to be benefited by a railway to Mahaikah or Tolmie to the four parishes of Whitfield South, Toombullup, Dueran, and Dueran East. The total area contained in them tributary to a railway terminating at Mahaikah may be set down at about 65,000 acres.

19. The Committee in its Report of 1908 said—"A classification of the land made in 1905 by the Surveyor-General showed that out of about 70,000 acres which would be benefited by a railway from Whitfield to Tolmie there were 16,000 acres of exceptionally good soil, and 31,000 acres of very fair land, suitable for cultivation, the remainder being mostly inferior, and of little use except for grazing. About 32,000 acres were in the hands of persons who had either acquired the freehold of the land or had the right under their lease or licence to obtain the fee-simple. The remaining lands were in the possession of the Crown, there being then about 32,000 acres available for settlement, the balance being small timber reserves. Of the 32,000 acres of Crown lands available in 1905 for settlement, 3,000 acres were reported to contain good soil, while 13,000 acres were considered fair land, suitable for cultivation, and the remainder inferior." Since then several additional holdings have reverted to the Crown, increasing the area in possession of the Government. Mr. Mackay, Conservator of Forests, has urged that some of the forfeited lands in the Parish of Toombullup falling into the Holland's Creek and on the steep slopes at the heads of other streams on which young timber is growing should be reserved for forestry purposes. If this is done, and the Committee thinks it should be, it will curtail the area available for settlement.

#### DECISION OF COMMITTEE.

20. The high capital expenditure involved in constructing a railway from Whitfield to Mahaikah (£148,000 for 20 miles), or from Tatong to Tolmie, to give the desired access to the northern markets; the comparatively small area of first and second class lands to be served by such an expensive line—the cost of construction equalling about 45s. per acre compared with 5s. in the Mallee and northern plains of Victoria, or an annual interest charge of about 1s. 9d. per acre as against 2½d.; the restraining influence which the doubts expressed by the Lands Purchase and Management Board as to the suitability of the Tolmie tablelands for closer settlement will have on applications for allotments there; and the heavy loss estimated by the Railways Commissioners, even on an assumed traffic much in excess of their expectations, all indicate that the proposed railway would be a hopeless financial undertaking. The markets for Victorian hardwoods in Riverina must be considerably affected on the completion of the railway from Wagga to Tumberumba, which will make supplies of timber available by a less rail haulage than from Mahaikah or Tolmie. Only by a revival on a large scale of alluvial mining at Chiltern or Rutherglen, causing an extensive demand for mining timber, of which there is no indication at present, or by an unexpected increase in the use of kiln-dried Victorian hardwoods taking the place of imported softwoods, would sufficient freightage be obtained to make the Tolmie railway a paying one.

21. Because of the unpromising financial outlook the Committee cannot recommend the construction of a railway to the Tolmie tablelands even under the provisions of the *Developmental Railways Act 1912*. That measure contemplates a gradual development of a district bringing each year an increasing freightage to the line and thus steadily reducing the deficiency until, at the end of twenty years, the railway becomes self-sustaining, earning enough revenue to pay the working and maintenance expenses and annual interest charges. In the opinion of the Committee there is no such prospect ahead of a railway to Mahaikah or Tolmie which will cost the sum estimated by Mr. Kernot, Chief Engineer for Railway Construction.

#### DIVISIONS.

22. The following extract from the minutes of the proceedings of the Committee shows the divisions that took place during the consideration of this question:—

FRIDAY, 24TH JULY, 1914.

The Committee proceeded to further consider the evidence received regarding the question of railway connexion with Tolmie District.

Mr. Barnes moved, That the following paragraph be added to the Report:—

"22. If a satisfactory contract can be obtained to construct and equip the Whitfield narrow-gauge extension to Mahaikah, 20 miles, in the manner provided for in the Appendix to this Report, at a sum less than £100,000, thus saving about £2,000 a year in interest, the objection of the Committee to the building of this extension as a developmental railway would then be largely removed. It is useless, however, postponing expenditure on fencing and station equipment, &c., as experience has shown that wherever this has been done the residents soon after the opening of the railway demand that these additions be made."

Debate ensued.

Mr. Melville (Vice-Chairman) moved, as an amendment, That after the figures "£100,000," the following words be inserted :—"including equipment for electric traction, by which steep grades can be operated."

Question—That the words proposed to be inserted be so inserted—put.

The Committee divided.

Ayes, 1.

The Vice-Chairman.

Noes, 4.

Mr. Barnes  
Mr. J. W. Billson  
Mr. Hicks  
Mr. Warde.

And so it passed in the negative.

Question—That the paragraph be added to the Report—put.

The Committee divided.

Ayes, 2.

The Vice-Chairman  
Mr. Barnes.

Noes, 3.

Mr. J. W. Billson  
Mr. Hicks  
Mr. Warde.

And so it passed in the negative.

E. H. CAMERON,  
Chairman.

Railways Standing Committee Room,  
State Parliament House,  
Melbourne, 28th July, 1914.

[*Minutes of Evidence are not printed.*]

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## APPENDIX.

APPROXIMATE ESTIMATE OF COST OF PROPOSED WHITFIELD TO MAHAIKAH RAILWAY.  
(Twenty miles in length; 2ft. 6in. gauge; ruling gradient, 1 in 30; sharpest curve, 2 chains radius;  
in a country district; for light traffic; permanent survey.)

Based on a rate of 9s. per day for labourers.

Description of Work.	Quantity.	Rate.	Cost.	Total Cost.
Preliminary expenses and surveys (not including past expenditure) .. ..	..	..	£ ..	£ 1,000
Land transfer expenses .. ..	..	..	..	120
Clearing and grubbing .. ..	20 miles	£130 per mile	..	2,600
Fencing (part only) .. ..	17 "	£40 "	680	
Cattle pits, gates, notice boards, &c. ..	..	..	266	
				946
Earthwork in cuttings, 10 feet formation width; for main line .. ..	278,800 c. yds.	4s. per c. yd.	55,760	
Earthwork in side cuttings, back cuttings, ditches, and creek diversions; for main line	71,550 "	1s. 6d. "	5,366	
Pitched slopes and dry rubble walls (labour only) .. ..	450 "	7s. 6d. "	168	
Earthwork in table and mitre drains ..	2,010 l. chs.	6s. per l. ch.	603	
Earthwork in foundations to bridges, culverts, &c. .. ..	2,330 c. yds.	4s. per c. yd.	466	
Earthwork in widening out for stations and road approaches .. ..	13,100 "	2s. "	1,310	
				63,673
Road diversions, temporary and access roads	..	..	..	3,200
Bridges .. ..	2,973 l. ft.	£3 10s. per l. ft.	10,406	
C. C. retaining walls .. ..	1,550 c. yds.	£3 10s. per c. yd.	5,425	
Timber culverts, including ironwork ..	9,840 c. ft.	3s. per c. ft.	1,476	
Brick, stone, and concrete culverts ..	..	..	1,940	
				19,247
Metalling and gravelling roads, station grounds, and platforms .. ..	1,800 c. yds.	6s. per c. yd.	540	
Ballast, 8 inches thick .. ..	22,930 "	6s. 6d. "	7,452	
				7,992
Sleepers, 5ft. 6in. by 8 in. by 4 in. ..	45,650	1s. 9d. each	..	3,994
Permanent way material—				
Main line and sidings, new 50-lb. steel rails	18 miles	£850 per mile	15,300	
Main line, new 60-lb. steel rails .. ..	2.7 "	£1,000 "	2,700	
Points and crossings .. ..	..	..	300	
Railway freight .. ..	..	..	956	
Laying permanent way .. ..	..	..	2,520	
Check railing—materials, freight, fitting, and fixing .. ..	230 l. chs.	£5 per l. ch.	1,150	
				22,926
Terminal station; buildings, platforms, cranes, &c. .. ..	..	..	800	
Roadside stations; buildings, platforms, &c.	2	..	500	
Residences for employés .. ..	8	..	2,825	
				4,125
Additions to junction station, including signals and interlocking .. ..	Nil	..	..	
Engine sheds, &c.—remove from Whitfield ..	..	..	..	250
Water supplies .. ..	3	..	..	1,500
Stock trucking yards .. ..	1	..	..	300
Signals and safety appliances .. ..	Nil	..	..	
Telegraph .. ..	20 miles	£30 per mile	..	600
Engineering, supervision, and general expenses .. ..	..	..	..	8,611
				141,084
Provision—5 per cent. for unforeseen contingencies .. ..	..	..	..	7,054
Total .. ..	..	..	..	148,138

£7,407 per mile, exclusive of land and rolling-stock.

If serviceable second-hand rails become available the cost will be reduced by about £200 per mile.

3rd March, 1914.

MAURICE E. KERNOT,  
Chief Engineer for Railway Construction.