

SUMMARY.

As this may be the last statement sent to the present Canadian Administration on behalf of the investors it will be convenient to summarise the facts in regard to our position. To do so it is not necessary to refer further to the history of the enterprise, as this has been fully set out in the correspondence. I shall therefore only briefly notice the cause and extent of our default, a few facts relating thereto, and the reasons given by the Sub-Committee for rejecting our claims.

1. We have expended on the Railway about £800,000 and it will require about £300,000 more to complete it ready for traffic. The Railway is nearly two-thirds finished. The Government, in a communication to the Company in 1892, recognised the excellent way in which the work had so far been carried out. Independent testimony to this effect has also been received from engineers entirely unconnected with the enterprise.

2. The originating cause of the Company's difficulties was being compelled, by Sub-section 4 of the General Railway Act, passed by the Canadian Parliament in 1888 to postpone the issue of Debentures when these would all have been subscribed for (see page 27). This prevented us obtaining the capital soon enough to complete the Railway within the time fixed by the Contract

3. We were ready with fresh capital in June, 1894, to resume the construction and complete the Railway, and were refused the necessary time to do so. If it had been granted the Railway would have been finished and at work about three years ago.

4. There is hardly a public work of any magnitude which has been completed within the contract time. Extensions of time to complete such works are given as a matter of course. The Canadian Government has in innumerable cases granted extensions of time even when no money whatever had been expended on the work, and has in no case refused further time in like circumstances to those of the Chignecto Railway.

In my letter of 13th January (see page 13) I show how recent contracts made with the London County Council, the Egyptian Government and the Admiralty for the construction of public works similar to the Chignecto Railway have been undertaken and dealt with, and how fairly and equitably these Authorities treat Contractors.

5. Penalties although inserted in Contracts are rarely exacted and then only to meet actual loss caused by delay. *There has been no loss or even prejudice to any person or interest in Canada through the non-completion of the Chignecto Railway.* Nevertheless, the penalty exacted from us is practically the forfeiture of the whole amount expended, as the value of the machinery and works in their unfinished state is nominal.

6. Our investors cannot morally be held responsible for not completing the Railway by the Contract date. The default was not theirs but that of the Contractor and was entirely caused by the Canadian Parliament passing Sub-section 4 of the General Railway Act of 1888.

7. No one in this country sought the venture. It was promoted by the Canadian Government and Parliament and the Acts were amended and re-amended