

build the branch should be carried out, most assuredly such would have been the case; but BELIEVING THAT SUCH A CONDITION WOULD HAVE HAD THE EFFECT OF DELAYING AN IMMEDIATE SETTLEMENT WITH THE ENGLISH BONDHOLDERS, I WITHDREW THE APPLICATION WHICH WAS IN THE HANDS OF THE GOVERNMENT AT THE TIME." Thus, on Mr. Morrison's own statement, there is no escape from the conclusion, either that the claim for the branch was then abandoned in order *to secure the passage of the bill, the raising of the new capital, and the restoration of the road; OR, the claim was omitted from the act with the deliberate object of misleading the bondholders to make new investments for the suppressed purpose of the branch.*

Whilst the directors reject the latter inference, as unworthy of the writer of the letter, they cannot refrain from observing that if a compulsory construction of the branch would have been fatal (as it undoubtedly would) to the objects of the bill, it would illustrate a most grave breach of faith now to enforce such a condition upon those who, relying upon the plain interpretation of the act, have invested £250,000 sterling under the security it affords.

Thus, the act made no provision whatever for the construction of the branch, and inasmuch as no claim for compensation for its non-construction was made, or proved within the period allotted by the law, the directors, under advice of counsel, subsequently declined to entertain the question, in regard to which they had no legal power, and no funds which could legally be so applied.

In consequence of such refusal, appeal was made during the session of 1860, for such an amendment to the act of 1859, as would enforce the payment of the claim; but the bill was subsequently withdrawn under an agreement to refer the dispute to the arbitration of Mr. Thomas Galt, Q. C. (See Appendix A.)

Of the reference to that gentleman, and of his award, no mention is made in the pamphlet recently circulated by Mr. Morrison; the directors however think it only necessary to state that the effect of that award was to declare that "it would be contrary to the provisions of the legislature, and

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