

CONSTRUCTION OF AGREEMENT AND STATUTE.

Jamaica Railway Co. v. The Attorney-General of Jamaica, (1893) A.C. 127, was a suit by the Attorney-General of Jamaica, on behalf of the Government of Jamaica and other holders of bonds of the defendant railway company, complaining of certain items as being improperly charged against the income of the railway to the prejudice of second mortgage bondholders. The rights of the parties to some extent turned on the construction placed on the agreement made between the government and the railway company in reference to such bonds, and certain statutes of the Legislature of Jamaica passed to carry such agreement into effect. By the agreement the bonds in question were to be issued with the interest (non-cumulative) dependent on the *yearly* earnings; but by the statute passed to give effect to the agreement, the bonds were treated as *half-yearly* bonds, with interest contingent on *half-yearly* profits. The bonds were, however, issued in the terms of the agreement, and not of the statute; and then by a certificate of the local government the bonds were erroneously certified to be according to the statute. The Judicial Committee of the Privy Council determined that the agreement and the statute must be read together, and that, so doing, they were not necessarily inconsistent with each other, and that the intention was that the account should be taken at the end of each year, and not upon the footing of their being a rest at the end of every half year, and they therefore varied the judgment of the court below, which granted the account on the footing of half-yearly rests. Another question presented for adjudication on the appeal was as to the extent to which purchases of stores could be deducted from the profits, and whether or not the defendants were entitled to debit against income, so far as the bondholders were concerned, the expenses incurred in drawing up, engrossing, and issuing the bonds. Their lordships had no difficulty in deciding that the charges for issuing the bonds were not admissible as against the bondholders; and though as to the stores they were unable to determine exactly what ought to be allowed, they were of opinion that such expenditure must depend on what should be found to be fair and reasonable in the interest of all concerned; and that while the company would not be justified in charging an unreasonable expenditure for stores against the income, they were not restricted to charging for only such stores as were actually consumed during each year.