

## ARBITRATION.

It was with deep regret I read the paragraph in which the Sub-Committee refuse—if the Company is to be denied reinstatement—to refer to arbitration the amount to be paid to us as compensation for the loss of our subsidy. The Sub-Committee decline the proposal on the ground that they are of opinion there is nothing in the transaction which would form a proper subject for reference to arbitration. This is avoiding and not meeting the question. In suggesting arbitration, we did so in hope that the Sub-Committee would see in it, as we do, a way to bring this unfortunate business to a close. We know that whatever arrangement is come to must receive the approval of Parliament, and for this reason we are not anxious to press our views in regard to amount. We prefer that this should be left to the arbitrament of disinterested parties, in order that we might have an opportunity of furnishing Parliament with evidence of the extent of our loss and of the amount of compensation to which we consider we are reasonably entitled. Of the fairness of leaving this point to be settled by arbitration there can be no question. If our moral claim is considered to be slight then the award will be correspondingly small, but whatever the amount might be, we would accept it in satisfaction of our demands.

It cannot be said we have no moral claim on the Government. This has been already recognised in the Order in Council of 22nd May, 1896, by the Conservative Government of that day, in which reference was made to the previous Order of 9th July, 1892. The three last paragraphs are conclusive on this point.

"The Minister observes that under the provisions of the last paragraph of the Order in Council first above cited, the Company, before the 1st of July, 1894, secured all the capital necessary to fully furnish and equip the Railway, Docks, and other Works of the Company in all respects in accordance with the requirements of the contract above mentioned, and is now ready and desirous to proceed at once to the completion of the said Railway, Docks, and other Works, provided an extension of time within which to complete the same for the purpose of the Contract entered into with the Department of Railways and Canals on the 4th of March, 1886, be granted to them; such extension not to exceed three years from the 1st of October next.

"The Minister further states that it appears to him that the delay which has occurred since the passage of the Order in Council above cited, has been owing to circumstances entirely beyond the control of the Company who are bona fide desirous of completing their undertaking.

"The Minister, therefore, recommends that at the next Session of Parliament the Government submit the legislation necessary to extend, for the period mentioned above the time within which to complete the said Railway and appurtenances according to the said Contract."

But as the Sub-Committee do not follow the action as above recited of the previous Government and recommend Parliament to reinstate the Company in possession of its subsidy, a claim for compensation arises and the Sub-Committee's refusal to recognise this and refer to arbitration the sum to be paid in settlement of it will undoubtedly increase the already intense feeling in the minds of our investors that they are unfairly treated.