

The Original Aims and Objects of the Institute

THE aims and objects of the Institute were set out in Vol. 1, February, 1916, No. 2 of the Journal. Pages 2 and 3 (part) are replicated below.

THE ORIGINAL AIMS AND OBJECTS OF THE INSTITUTE.

The Institute of Arbitrators was founded in London on March 1, 1915, at the instance of members of those professions whose services are usually invoked for the purpose of acting as Arbitrators in commercial matters, in references under partnership agreements, building and other trade contracts, with a view to their corporate association, both for their own benefit and in the interest of the general public.

The objects of the Institute, as set out in its constitution, are as follows:—

- (1) To support and protect the character, status and interests of the profession of Arbitrator generally.
- (2) To afford means of communication between professional Arbitrators on matters affecting their various interests.
- (3) To arrange periodical meetings for the reading of papers and the discussion of matters connected with the duties and responsibilities of Arbitrators.
- (4) To promote a study of the law and practice relating to arbitration and awards.
- (5) To consider, originate and support improvements in the laws relating to arbitration generally.
- (6) To provide means for testing the qualifications of candidates for admission to the professional membership of the Institute by examination in theory and practice.
- (7) To form a library for the use of members, and to provide a suitable hall and rooms for the holding of arbitrations.
- (8) To establish branches of the Institute in important centres of the United Kingdom, British Colonies and Dependencies.
- (9) To promote and encourage the practice of the settlement of disputes by arbitration, and for that purpose to contribute literary articles to magazines and other periodicals.

- (10) To promote, or join with any other body in promoting, any Act of Parliament, or for procuring the grant of a Royal Charter with a view to the attainment of any of the above objects.

The Institute is open for the enrolment of members possessing the necessary training and experience in the various professions of Consulting, Civil, Mechanical, Electrical, and other Engineers, Architects, Surveyors, Accountants, and other similar professional bodies.

Members will be entitled to be described as "Fellows" or "Associates" (as the case may be) of the Institute of Arbitrators, and may make use of the following abbreviations thereof, namely:—"F.I.Ar." and "A.I.Ar." respectively.

The Council has power, until admission thereto is prescribed by examination, to admit members to the degree of Fellows or Associates.

The income and property of the Institute will be applied solely towards the promotion of the objects of the Institute, and no portion will be applicable to the payment of dividends or bonus among the members of the Institute.

The liability of members is strictly limited to the amount of their annual subscription.

The Members of the Council have been selected with a view to rendering the Council thoroughly representative of the various professions to which the Institute is intended to appeal.

Arbitration.

The aim of the Institute may be most concisely expressed as "To raise the status of Arbitrator to the dignity of a distinct and recognised position as one of the learned professions." The objects set out in the constitution, may be regarded as the means to be employed to attain that end. The successful achievement of that aim can only be realised by concerted action, by the association of members in the interchange of views, the dissemination of valuable information, and a closer study of those principles and conditions which have to be taken in consideration when dealing with difficult questions arising in the

solution of differences and disputes, both in commercial and other relations.

The settlement of matters by means of Arbitration has received a considerable support from the public, but it has been found that the cost of arbitration has frequently been unnecessarily high, and the economy, looked for by parties in their avoidance of proceedings in the Courts in favour of a less fettered procedure in arbitration, and which the public has been led to expect, has not been realised. Hitherto, there has been no special training in the discharge of those quasi-judicial functions which an arbitrator is called upon to exercise, and, although an expert of the highest integrity and experience has been called in to decide a matter in that sphere in which he had, through his profession, acquired a considerable knowledge and experience, difficulties in the construction of written contracts and other documents, the application of the rules of law and equity to the consideration of the matters in reference and other difficulties of a more or less technical character have arisen. Even in comparatively simple cases these difficulties have to be met by the invocation throughout of legal and other professional assistance, resulting ultimately in the statement of a case for the opinion of the Court.

With these contingencies in view, the parties in difference have each selected his own arbitrator, and thereupon a third arbitrator or umpire has become a necessity, and the parties have been represented by their respective legal advisers, and frequently counsel have been briefed on each side; technicalities have been assiduously raised, and what might have been a more or less friendly reference by partners on a dissolution of the partnership has been elevated to all the importance of a trial in the High Court, embellished by the technical experience and forensic eloquence of the legal profession.

These results have arisen in great part by a lack of special training and knowledge on the part of the arbitrator selected. It is now abundantly recognised that, beyond the most complete knowledge and experience in the particular profession which is most nearly related to the subject matter of the reference, special knowledge, training and experience, together with an

acquaintance with the laws of evidence, the rules for the construction of written documents, the principles of law and equity, and some degree of judicial capacity, are equally important.

The Institute has, therefore, for one of its main objects, the acquisition by its individual members of these higher faculties; and by means of a closer study of these subjects, and the dissemination among its members, from time to time, of information thereon, the Institute hopes to realise its principal aim, and, by means of study and examinations, to qualify its members better to deal with the widely varying subjects for arbitration in a manner both satisfactory to themselves and to the fullest approval of the general public.

The study of these principles, and the acquisition of those other qualities so necessary in those who are called upon to adjudicate for others must render the members of an Institute as this more valuable and in greater request by the public than arbitrators chosen solely for their knowledge and skill in their own particular professions.

The tendency of all commercial matters is in the direction of complexity, and consequently a large proportion of the matters now coming within the purview of an arbitrator are of a mixed character, having one main and several side issues. Membership of the Institute will be a guarantee of integrity, the parties in difference will have a recognised centre for the selection of a thoroughly experienced and independent arbitrator known personally to neither of the parties and free from all possible bias or personal interest. In most ordinary cases, from such an independent body, a single arbitrator may with the fullest confidence be readily selected, thus obviating the expense of a second arbitrator and an umpire in addition. And, in the event of the points in difference involving side issues apart from the main sphere of the dispute, the advice and professional assistance of another member or of other members of the Institute may readily be secured by the arbitrator with a resulting economy in favour of the parties to the reference.