

sation, when ascertained, to be paid into the "*military* chest to the public credit"; and thereupon an order of the Board of Ordnance was sent to the Company, transmitting a copy of the above letter, and approving of the proceedings of the Ordnance Department in Montreal, under which the Company had taken possession.

By an Act of the late Province of Canada (19 Vic., ch. 45), the Ordnance lands were transferred to and vested in Her Majesty for the benefit of the Province, subject, however, to all sales or agreements entered into, and specifically, and in words, reserving the rights of the Company in regard to these lands.

In 1859 the Railway, in consequence of the financial embarrassments of the Company, became unsafe for travel, and was so reported to be by the Government Engineer, and, in consequence, an Act was passed (22 Vic., ch. 89,) whereby the Company, its property and franchises, were vested in the Crown, for certain purposes therein set out; and by Section 2 of this Act the Governor in Council was authorized, upon certain terms, to transfer the same back to the Company, or to the bondholders, or both; and on the 12th May, 1859, an Order in Council was passed, transferring back to the Company its property and franchises, upon certain conditions as to providing money and otherwise for putting the road in proper condition.

This Order in Council was confirmed in the following year by Statute 23 Vic., ch. 105, and the Company claim that under it they have and hold a statutory title to this property. The Company, as will be seen, have been in continuous possession since 1851 up to the present time.

After the Company had taken possession, the Provincial Government granted a license of occupation to the City of the