

The mortgage was in form a conveyance in trust by the railway company to the Toronto General Trusts Company (as it was then called), and the trustees were authorized and required, in case of default for 3 months in the payment of any interest, upon the request of 75 per cent. of the holders of such bonds, to take possession and operate the railway while such default continued. And upon default in payment of the principal of such bonds, upon a like request by 75 per cent. of the bond-holders, the trustees were directed to take proceedings to enforce payment of all bonds issued under the provisions of the said mortgage and the interest unpaid thereon, as speedily as possible. And the said mortgage contained a covenant by the railway company to pay the principal and interest of the said bonds, when and as the same became due, according to the tenor and effect thereof. The bonds were, on their face, made payable to "The Toronto General Trusts Company or the bearer hereof," and the coupons for interest were, on their face, payable simply to bearer.

Default having taken place in the payment of the principal and also of interest, the trustees commenced foreclosure proceedings, under which, by a judgment of the High Court dated 23rd March, 1903, it was referred to the said Master, among other matters, to inquire and report who are the holders of the bonds of the said railway and of any interest coupons issued with the said bonds, and what is due to each in respect thereof.

And upon this reference the Master found and certified, in what may be called an interim report, that the defendant Ritchie had appeared before him and claimed to be the holder of a large number of bonds with coupons attached, and also a large number of detached coupons, all of which detached coupons had matured more than 6 years prior to the institution of the action, and that, objection having been taken by counsel for the present appellants to the right of the said Ritchie to prove upon the said detached coupons, and also upon all attached coupons which matured more than 6 years prior to the date of the action, and further to the right to charge the lands and undertaking of the defendant railway company with more than 6 years' arrears of interest, he had proceeded to consider the said matter and found that none of the coupons, whether attached or detached, were barred by the Statute of Limitations, and that they are all entitled to the same rank as the principal payable by the bonds. . . .

I agree generally with the views expressed by the Chancellor, which are quite sufficient for the disposal of the case,