except with the ratepayers' assent, it seems to follow that the rule must equally apply to a bonus below as above $20,000.

The power to pledge the credit of the county to the extent of $20,000, without the electors' assent must, we think, be certainly confined to lawful purposes, and not to a grant to a railway company, which can only be done with such assent.

The case may be shortly summed up thus:

By-laws to raise money for all lawful purposes beyond the ordinary expenditure, and not payable within the year, must be submitted to ratepayers, except that counties may raise on credit money not exceeding $20,000 in any one year without such submission.

But *all* aid to railways must be with the assent of the ratepayers; therefore *no* money can be given without such assent without reference to the amount.

Gwynne, J.—If it had not been for the earnest manner in which Mr. Burton, for whose opinion I entertain the greatest respect, pressed his view upon us, I should have thought the point to be free from doubt. The whole force of his argument was that the additional sub-section, added by 34 Vic. ch. 30 to sec. 349 of the Municipal Institutions Act of 1866, must be read after the proviso at the end of the 4th sub-section of section 349; from which he drew the conclusion that the additional sub-section was not subject to the proviso. Now there is nothing in the language or structure of the sub-section enacted by 34 Vic. ch. 30, which requires that it should be so placed as contended for. The words of the 34 Vic. are, "The following sub-section is added to section 349" of 29-30 Vic. ch. 51, "For granting bonuses to any railway, &c." Now the 349th section, to which this new sub-section is added, is as follows: "The council of every township, county, city, town and incorporated village may pass by-laws." Then follow four sub-sections stating the respective purposes, all beginning with the word, "For," and stating the purpose. Now the additional sub-section enacted by 34 Vic., will read as well, whether placed before the first sub-section or between it and any of the others, as after the 4th; but assuming that, having regard to the time of its being passed being subsequent to the enacting of the original section, it should be inserted and read after the fourth, then its proper place appears to be before the proviso, thus keeping all the powers together. If it be read after the proviso, then the purpose declared in the new sub-section would seem to be unnaturally and ungrammatically separated from the words at the commencement of the 349th section, so as to require their mental repetition before the words "For granting bonuses, &c'," to make the latter enactment sensible.

But, correctly speaking, the words at the end of the 349th section, commencing, "But no Municipal Corporation shall," &c., are no more part of the fourth sub-section of the 349th section of the Act of 1866 than of any other of the sections. Their true character is that of a proviso to limit a qualification upon,—or exception from,—the whole section. They are not a *part of*, but a qualification *upon*, the section. When then the Act 34 Vic. declares that "the following sub-section shall be added to section 349," the subsection so added becomes *part* of the section, subject to all *its* incidents; it is inseparably annexed to a section which is subject to a proviso, and being so annexed, must be subject to the proviso, to which its principal, and that of which it is a part, is subject. The by-law, therefore, here passed, for granting a bonus to a railway, must, to be operative, receive the assent of the electors in the manner required by the Municipal Institutions Act of 1866.

Galt, J., concurred.

Rule absolute to quash by-law, with costs.

CHANCERY CHAMBERS.

(*Reported for the* Canada Law Journal *by* T. Langton, M.A., *Student-at-Law.*)

Gunn v. Adams.

Assignment for the benefit of creditors—Composition deed—Time within which creditors may come in under the deed—Effect of creditors neglecting to sign within the prescribed time—Accession by assent and acquiescence—Statute of Limitations—Practice.

Where a debtor made an assignment to trustees for the benefit of his creditors, providing by the terms of the instrument that the benefits conferred by it should be confined to those creditors who should execute it within one year, or notify the trustees in writing of their assent to it; and where one creditor had been aware of the terms of the deed, and had neglected to sign it, but had notified one of the trustees of his assent; and where another creditor had not been aware of the deed, but had taken no proceedings hostile to it, and had given his assent to it when it came to his knowledge; and where another, though aware of the deed and its provisions, had neither executed it nor notified the trustees of his assent to it, but had never acted contrary or taken proceedings hostile to it.

Held, that they were entitled to come in and prove their claims equally with those creditors who had executed the deed in accordance with its terms, although they had allowed more than ten years to elapse.

Objection being made to the application being made by petition in Chambers, and not by a separate suit.

Held, that it was properly made in Chambers by petition in the original suit.

The Statute of Limitations being urged against the admission of the claims.

Held, that the relation of *trustee* and *cestui que trust* had been established between the assignees and the creditors who had acquiesced in the deed, as well as those who had actually executed it, and that therefore the statute was inoperative. There was also the additional reason in two cases that the statute had never begun to run owing to the creditors' right of action having arisen after the debtor had absconded.

[Chancery Chambers, April 16th., 1872.—*Mr. Taylor.*]

This suit was brought for the purpose of carrying into execution, under the decree of the Court, the trusts of a deed of composition and discharge and an assignment made in Nov., 1859, by one Pomeroy of all his estate and effects to the defendants, the trustees, for the benefit of his creditors generally. A decree was pronounced in June, 1871, referring it to the Master to inquire who were the creditors of Pomeroy, whose debts were provided for by the deed, and directing a division of what remained, after payment of costs, rateably among the creditors of Pomeroy, who should have become parties to the deed within one year from its date or in writing notified the trustees of their intention to become parties. Shortly after making this deed Pomeroy absconded.

Two of the creditors, whose claims had been rejected by the Master in consequence of their