

which the Railway passes may be provided for protecting and making available the property included in their charge; and, assuming that there is an evident prospect of the revenue of the Company proving insufficient to pay the interest becoming due on their bonds, and that judgments to large amounts have been obtained against the Company in Upper Canada, we consider that an application to the Court of Chancery in Upper Canada for a Receiver, and an Injunction to restrain the judgment creditors from issuing execution, would be successful."

This opinion, in effect, amounts to this: that the First Preferential Bondholders are in the position of First Mortgagees on all the property of the Company, including the rolling stock, and that, consequently, no judgment against the Company can be enforced, except subject to the Preference Bondholders' prior claims.

This view of the construction of the Acts has been confirmed by the opinion of eminent Counsel both in Upper and Lower Canada.

No contrary opinion of English or Canadian Counsel has been produced; and we have reason to assume, from what has passed, that none has been obtained which can justify the claim of the Judgment Creditors to "the power of seizure of the rolling stock."

In accordance with the opinion of Counsel, proceedings have been commenced in Canada to have the rights of the Preference Bondholders settled and determined, and also to protect the property by the appointment of a Receiver in case of attack by Judgment Creditors, and those proceedings are now going on.

Although the interest on the First Preference Bonds, which became due on the 1st January, 1861, was not met, the Directors, in their recent Report, dated 29th. December, 1860, stated