

count of the work done, etc., etc., and November 4th, 1907, made a bill of sale of what had been done (I use popular language) to the navigation company—then November 27th, 1907, they made another bill of sale to the said company and went into liquidation, January, 1908. The steamer was not finished and the navigation company wished to get possession of it—so they applied to the Court, and March 3rd, 1909, the following order was made by the C. J. C. P.

1. It is ordered that the petitioners do give security in the sum of \$40,000 by a bond of themselves and the Inland Navigation Company, to pay whatever amount (if any) it may be found that the liquidator of the Canadian Shipbuilding Company, Limited, now had a lien for, and for any damages which the liquidator may suffer by reason of the above-named petitioners taking possession of the said material, such amount to be promptly determined by the Referee in the winding-up proceedings.

2. It is further ordered that upon the completion and delivery of such security, the said petitioners shall be at liberty to take possession of the ship (if any) and the material purchased and intended to be used for constructing the same, covered by the said bill of sale as are now in the possession of the said liquidator.

3. And it is further ordered that the parties hereto keep a true account of everything received by the said petitioners as possession is taken.

4. And it is further ordered that save as herein expressly provided for, the rights and liabilities of the Hamilton & Fort William Navigation Company, and of the Canadian Shipbuilding Company and its liquidator to stand in the same position as they do now stand.

5. And it is further ordered that the costs of this application be disposed of by the said Referee in the winding-up proceedings.

The navigation company took possession of the unfinished ship, etc.—and the Referee proceeded with the reference as directed.

The liquidator claimed the ownership of the work basing this claim upon the proposition that the bills of sale were invalid as against him.

The Referee found against him and he now appeals.

The first matter to be considered is whether it was open to the Referee to consider this point at all—I think that his conclusion that he could is entirely justified. There is