

✓ *agents the power of seizure of the rolling stock of the road, but this measure has been adopted for the general benefit of all present creditors, to guard against hostile prosecution of individual claims, and for the protection of the Company's interests."*

Among *present* creditors, the London Board, on being appealed to, stated they did not include the Preference Bondholders. The above announcement was the first intimation by the Directors that any legal proceedings had been taken against the Company.

In order to ascertain whether the Judgment Creditors really possessed the "*power*" which the Directors asserted in their Report, a case was laid before eminent Equity Counsel (Sir Hugh Cairns, Q.C., Mr. Amphlett, Q.C., and Mr. Westlake), accompanied by all the Canadian Acts relating to the Company, to advise thereon, and also as to the rights and remedies of the First Preference Bondholders, and the following is a copy of their opinion :—

- "1. We are of opinion that by the terms of their Bonds and of the Canadian Statutes, the First Preferential Bondholders of the Grand Trunk Railway Company of Canada possess an hypothec, mortgage, charge or lien, of the same nature, covering the same kinds of property, and ranking in the same order of priority, with that which the Province had previous to the Act of 1856, st. 19 and 20 Vic., cap. 111 ; and that such charge extends to the rolling stock and plant of the Company as well as to the road and works, and is a first charge thereon.
- "2. We are of opinion that the said First Preferential Bondholders are entitled, in case of any danger to their security, to have Receivers appointed, or such other means employed as by the laws of the respective jurisdictions through