respect of the constructed portion of the railway, or to other assets of the Company. Section 17 is designed to meet the case of the purchase by the Crown, under sections 114–120 of the Act of 1881, of the railway after it had been fully constructed, and the possible event of moneys being outstanding upon debentures issued by the Company, and therefore charged by the statute upon the railway, but not then due. In such cases the Crown must have taken the railway subject to the charge, and it was to provide for this possibility that section 17 was enacted.

These considerations, apart from authority, in my opinion, effectually dispose of the contention of the debenture-holders.

The decided cases, however, lead to the same conclusion, for it is clearly recognised in Redfield *v.* The Corporation of Wickham (13 App. Cas. 467), and Grey *v.* The Manitoba and North-western Railway Company of Canada (1897, App. Cas. 254), that even where there is statutory authority for the mortgage of a railway, and for a sale by the mortgagees, a statutory railway undertaking cannot be disintegrated and sold by piecemeal sales at the instance of judgment creditors or encumbrancers. It is true that the last of these cases established that under certain Canadian legislation a section of a railway might be sold as a separate integer, but this was under legislation which expressly recognised the validity of such a sale. An attempt was made in the argument on the part of the debenture-holders in the present case to bring it within the principle of the Canadian case, because, as has already been observed, the line was, for certain purposes, divided into sections.

I have already said that in my opinion there is nothing in the Acts or in the contract to justify treating any one of these sections, or any number of them less than the whole, as a separate integer, and that it appears to me to be clear that the division of the line into sections was solely for the special purposes mentioned in the contract. An examination of the plans put in evidence gives irresistible proof that it could not have been the intention of the parties to the contract, or of the Legislature, that each section should be treated as a separate integer. In the seventy-five miles of railway constructed by the Company there are comprised some fourteen separate sections. To bring the case within the principle of Grey *v.* The Manitoba and North-western Railway Company of Canada, the contention of the debenture-holders must go the length of claiming that there is statutory authority for the sale of each of these sections separately, which appears to me to be absurd.

I am therefore of opinion that the case for the debenture-holders has entirely failed.

I think, therefore, that the motion on behalf of the Crown should be allowed, and that the order for sale should be varied by excluding the railway, and everything which comes within the meaning of that word, as defined by clause 2 of the Act of 1881, No. 37.

I agree that the summons on behalf of the Receiver should be dismissed, and that the Crown should have the costs of both applications, to be paid by the Receiver.