3. Pressure not necessary to validate payments made in the ordinary course of business.—"It has never been suggested that a payment in the ordinary course of trade, the honouring bills of exchange presented at their maturity, or the payment of debts which had become due inthe usual and customary manner, or payments, or payments made in fulfilment of a contract or engagement to pay in a particular manner or at a particular time, were open to any objection on the ground of their being voluntary, even although they were made without any express demand by the creditor —unless, indeed, the creditor had at the time notice of an act of bankruptcy committed by the debtor." (*a*) [This principle is to some extent embodied in the Ontario Assignments Act of 1897, sec. 3 (1).]

Payments of debts by a trader as they become due, for the purpose of keeping himself in good credit for the time, are sustained as valid, because they are not made "in favour of certain creditors as against others, but in the hope that if he can keep his business going, something may turn up to extricate him from his embarassments." (*b*)

4. Materiality of inquiry, whether arrangement assailed originated with debtor or creditor.—In considering whether the act of the debtor was voluntary, it is important to ascertain from which party the proposition for the arrangement alleged to be fraudulent originated. (*a*)

The existence of that disposition on the part of the insolvent to favour the debtor which must be established in order to validate a transfer on the eve of bankruptcy, is generally shewn by the fact that the step or proposal towards the disposal of the property in favour of the creditor proceeds from the insolvent debtor. (*b*)

In *Ex parte Griffith* (*c*), the evidence shewed that Griffith, a

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(*a*) *Ex parte Blackburn* (1871) L.R. 12 Eq. 358, per Bacon, C.J.B. S.P., *Alderson* v. *Temple* (1768) 4 Burr. 2235. *Davidson* v. *McInnes* (1875) 22 Grant, Ch. 217: *Ex parte London, &c., Co.* (1873) L.R. 16 Eq. 391.

(*b*) *Tomkins* v. *Saffery* (1877) 3 A.C. 213, per Lord Blackburn (p. 235).

(*a*) *Crosby* v. *Crouch* (1809) 11 East 256; *Mogg* v. *Baker* (1838) 4 M. & W. 439.

(*b*) *Johnson* v. *Fesenmeyer* (1858) 25 Beav. 88. *Strachan* v. *Barton*, (1856) 11 Ex. ch. 647, per Alderson, B. (p. 657). Cf. also *Mogg* v. *Baker* (1838) 4 M. & W. 439. Where a debtor, two days before one of his bills falls due, goes to the drawer, and informs him that he is insolvent, and the drawer thereupon declares that he must pay the bill, and that if the debtor would do this, he, the creditor, would be security to the other creditors for so much as the estate would produce, a verdict finding that the payment was fraudulent will not be set aside. *Singleton* v. *Butler* (1806) 2 B. & P. 282.

(*c*) (1883) 23 Ch. D. (C. A.) 69.