to the person who was to supply the document, in the event of his dismissal for breach of trust, which was, of course, anticipated. Not satisfied with involving Mr. Wiman in their snares, the individual employed to entrap him, contrived to meet him at the railway station when he was about to proceed to Canada, and to acquaint him that another $100 would be required before the delivery of the document. This led to an order to the Western Union Company's officers to accept delivery of the document and to pay the extra $100, all which was carried out, and thus the officials referred to were in some measure implicated. The pretension of Mr. Wiman is that the contract is a most disadvantageous one for the Mutual Union Telegraph Company, but, under existing circumstances, Mr. Wiman will hardly be deemed a disinterested adviser of that Company. At all events the general public in Canada and the United States, and more especially the press, will look with perfect complacency on any efforts that may be made to secure competition in the business. Those who have to furnish the capital will probably be able to take care of their own interests without Mr. Wiman's assistance.

FRAUDULENT PREFERENCES OF INSOLVENT DEBTORS.

In the absence of the restrictions of bankrupt or insolvent legislation, debtors when unable to meet their engagements are often led, if pressed for payment, to seek the friendly shelter of an indulgent creditor, to whom they can give a prior lien over other creditors by way of mortgage or attachment, or by suffering or confessing a judgment. Of course, if the debt can be shown to be a mere cover to hinder other creditors from being paid, it may then be adjudged fraudulent and void as against such creditors; the fraud, however, must be proved like any other fact, for at common law fraud is never presumed.

It is also a great convenience for a trader with a small capital to be enabled to obtain the credit he needs by giving a mortgage on his personal property to secure the payment of the goods he purchases, or, as may be done in the Province of Ontario, by giving a mortgage to secure future advances to be made in goods. To the prudent creditor who has thus extended a line of credit to a doubtful debtor, the surety which he receives by the pledge of the property becomes a guaranty for the payment upon which he relies, and which cannot be impaired or diminished by the subsequent insolvency of the debtor if there be no insolvent legislation otherwise providing. A creditor thus secured may obtain the payment in full of his debt out of the property of his debtor, even though exhausting the assets so completely as to leave but little for the other creditors. In such a case the law makes the loss fall upon the creditor who would appear to have been less vigilant; for it is a well settled legal maxim, that the laws aid those who are vigilant, not those who are negligent (*vigilantibus et non dormientibus subveniunt.*) Much may be urged in a commercial community to show that the principle of this maxim should be fully carried out; but, for the reason that the same transactions and legal remedies used to secure just debts may also be employed for fraudulent purposes, and for cheating confiding creditors, legislators have interfered, and sought by statutory enactments to aid and protect the mass of creditors and, enable them to get paid proportionately out of the assets of the insolvent by prohibiting and establishing a presumption of fraud against certain transactions of the debtor which would in effect result in giving a preference to one creditor over the others.

By the rule of the Civil (Roman) law which prevails in the Province of Quebec, the property of the debtor is a common pledge for all his creditors, and is to be distributed among them equally, subject to a few fixed legal preferences. The inherent defect of this system is, that the debtor having always the power of disposing of his goods, and of contracting new debts in the ordinary course of business, may multiply indefinitely the number of his creditors, the new debts having a guarantee equal to the old ones. So that, at the time of the distribution of the assets of the insolvent, the mass of his debts may be so much greater in amount than the value of his goods that the dividend to each creditor may amount to only a paltry percentage of his claim. In this way the prudent creditor who only gave the debtor credit because his entire indebtedness was small in amount, is, in spite of all his caution, placed on a par with the imprudent creditor who supplied him with goods after he had become hopelessly involved in debt.

In the other Provinces (when not in conflict with insolvent legislation) a creditor or seller may take the security of a chattel mortgage or conditional bill of sale for payment of the debt without any delivery of the goods, which may still remain in the possession of the mortgagor or seller. The secrecy of these transactions (notwithstanding that their registration is required by law) opens a door to fraud, by enabling debtors to keep up the appearance of being the absolute owners of a large amount of property, while in fact the holders of such mortgages or bills of sale, nevertheless, have the power of taking instant possession of the property of such persons to the exclusion of the rest of their creditors.

If the possession of the goods covered by a mortgage were delivered to the mortgagee at the time of the mortgage, this would amount to an actual *pledge* of the goods to the mortgagee, and his specific lien on the goods, and the right of their retention for the payment of his debt, would be kept alive (so long as he had possession) against the whole world without registration of his mortgage. It is only by giving up the possession of the goods to the pledgor that the lien of the pledgee is extinguished, and the pledge becomes a dead-pledge or *mort-gage.*

It is in such cases that statutory enactments have been passed which keep the lien of the *mortgage* alive by requiring its registration or filing, and constituting such registration a sufficient notice to all the world of a valid subsisting mortgage, notwithstanding that the goods are still retained by the mortgagor, and the possession never delivered to the mortgagee. It may therefore be taken as a general rule of English commercial law, that if either the mortgagee or buyer of goods suffer the mortgagor or seller to retain possession of the property, he must register or file his mortgage or bill of sale to preserve his lien upon the property against subsequent creditors of the mortgagor or seller. This is required by the statute laws of the Provinces of Ontario, New Brunswick, Nova Scotia and Prince Edward Island. For lack of procurin information in this particular, a careless creditor may find himself forestalled by other creditors, and suffer a final loss which might have been avoided by a little foresight and trouble.

In the city of New York the regular publication (of late years) of the registration of chattel mortgages, as well as of conveyances and mortgages of real estate, has in a great measure removed the evil resulting from the secrecy of such transactions, and been of great advantage to the merchants of that city.

It is a general rule of English commercial law, that a mortgage made to cover goods which were not owned by the mortgagor, or were not in existence at the time of the execution of the mortgage, is void to that extent as against the creditors of the mortgagor, and the law in the Province of Ontario, which is not in