the Canadian Finance Minister has made a notable discovery that had escaped the financiers of Great Britain and the United States. The intention is to give one class of the creditors of an insolvent estate a preference over another class. Such preferences are generally held to be fraudulent, and are certainly indefensible, but it is doubtful whether the advocates of this new proposition are themselves aware of the consequences which would result from it. Let us suppose, by way of illustration, that an alarm should be created as to the condition of a bank, and that the result were to be a run. Banks under such circumstances are, as a rule, unwilling to succumb, and would pay their creditors as long as in their power, being always hopeful that the run would cease. The timid depositors would rush in to secure themselves, if possible, while those who had confidence in the bank would not only be unwilling to join in the run, but might, as under similar circumstances has been frequently done in England, evince their confidence by giving substantial aid. We put the question fearlessly to every man possessed of a particle of honor, whether it would be just that the creators of the panic should be rewarded by obtaining notes which would be a preferential lien on the assets of the bank, while the depositors who manifested their confidence should be victimized. The scheme is so utterly indefensible that we have had some difficulty in imagining a motive. The only one that appears at all probable is that the Minister of Finance hopes to induce the principal banks to abandon their right of issue, and thus leave the field open for an increased issue of Dominion notes. Most unquestionably the tendency of the government measure will be to drive depositors in banks to the Loan Societies, where, even if not so safe, they would, at all events, have the satisfaction of knowing that no other creditors would be preferred to them in case of difficulty. The justification of the new proposition is that note holders have suffered loss, though to a very trifling extent, if the aggregate amount of notes in circulation be compared with the amount of notes on which losses have been sustained. It is impossible to prevent losses by insolvency, but it will be found that the losses by bank notes are trifling in comparison with those arising from other causes. The proposal of the Finance Minister is a remarkable illustration of the old adage—"the remedy is worse than the disease." Because some comparatively trifling losses have occurred to note holders, owing to a few insolvencies during a long period of years, the chartered banks are to be compelled to give a preference to the least important class of their customers, and to be exposed to the continuous runs which, on every stock exchange rumor, timid depositors will feel themselves bound to make, and for making which they could hardly be blamed under the circumstances. The measure is indefensible, and without precedent, and yet it has found defenders in some quarters where sounder views might have been looked for. Among practical business men there is, as far as we can gather, but one opinion, and that is not favorable to the proposition of the Finance Minister.

DISPUTED GUARANTEE CLAIMS.

When disputes arise in business matters, and resort is had to the arbitrament of the law, propriety exacts that the parties to the controversy, pending a decision, should not attempt to gain their ends by *ex parte* statements and newspaper trial. The rule is often broken, we are aware, but its observance is yet so general that departures from it constitute exceptions only. In criminal cases, where the liberty and possibly the life of the accused is at stake, the highest class newspapers refuse to review the evidence as it appears, much less try the case on incomplete evidence, lest public opinion should be created to the prejudice of justice. The issue involved is certainly far more grave in a criminal than in a civil case, but it will hardly be denied that the same principle of propriety holds good.

The Dominion Type Founding Company has a suit against the Canada Guarantee Company as to the merits of which we have no knowledge; nor should we enter upon that matter in any case, being debarred therefrom both by disinclination and by the rule above laid down. The "Dominion Printer," published by the Dominion Type Founding Co., apparently does not recognize this rule, for an article in the April number is devoted to an attack upon the Canada Guarantee Co., founded upon the case in dispute and now before the courts, the object of the attack being confessedly to frustrate the passage of a bill in the interests of the Guarantee Company under consideration in Parliament, as also to prejudice the Company in public opinion. Until the courts render a final decision, it is clear that both parties to the contest are entitled to an absolute suspension of judgment so far as this particular case is concerned; and there we leave it.

But it is pertinent to inquire in this connection, "what is the record of the Guarantee Company?" Briefly it is this: Up to the date of last report, December 31st, 1879, the ratio of claims paid to claims made since the commencement of business was 92 per cent., the claims in suit 4 per cent, and the claims in abeyance 4 per cent. The amount of these claims under investigation or in dispute was $31,522.17 The total amount of claims paid by the Company was $105,000. These figures and statements of fact are taken from the sworn report of the Company and are, of course, undisputed. A more significant circumstance than any of the foregoing to our minds lies in the fact that, while the total number of claims contested in court during the eight years of the existence of the Company is seven, the only two which have been finally disposed of have resulted in decisions in favor of the Company. That is, so far as the records of the courts of law are concerned, the Company cannot yet be said to have contested a single just claim.

The legislation which the Guarantee Company sought, (and has since obtained) was to convert the double remote liability at present attaching to shareholders into an immediate or primary liability, and by this means to actually double the subscribed as well as the paid-up capital. In any case the particular law suit to which reference has been made, had nothing to do with the legislation proposed. The record of the Company both in the courts and by its own sworn statements appears to be an entirely creditable one. In a previous article on the subject, at the time of a somewhat similar attack on the Company in the "Dominion Printer," after quoting the decision of the judge in one of the disputed cases, we said: "We have made this "*verbatim* extract from the Judge's deci- "sion in order to set forth, authoritative- "ly as it were, the tendency to aggression "to which any Guarantee Company, by "reason of its character, is peculiarly lia- "ble, and which almost invariably results "on the part of the insured from a disre- "gard of the terms of the *contract*, "which is as binding upon one side as on "the *other*; and *no one* can equitably at- "tach any blame to the Company for re- "fusing to pay a claim arising under a "contract which, although originally well "understood, was not properly fulfilled; "or where, as in the case of fire or marine "insurance, the risk has been increased "without the knowledge of the Company." Referring to the position taken at the outset of this article we may add that the Dominion Printer itself approves of awaiting the vindication sure to be brought about by time from unjust attacks, for in another part of the same April number, in commenting upon the course of a competitor