

quality tested. Being encouraged by the result, he made arrangements with a competent mining engineer who in June last explored the locality and reported very favorably, being of the opinion, further, that this coal lead is a continuation of one struck on the Missouri River, near Bismark, Dakota, where it is used on the engines of the Northern Pacific Railway, and may be found to crop out again at some point farther north. The property has been surveyed and so located, we understand, as to secure it to Mr. Sutherland and his coadjutors by deposit in the Dominion Land office as far as can be done, pending the extension of official surveys to that point. The intention is to get out forty tons per week of the coal and at once to build flat boats for the spring floods. A steamer to tow these will probably be experimented on as well, later.

These energetic measures have had the effect of attracting additional attention to the Souris River district, which is described as an admirable agricultural country. The 130 miles between La Roche Perce and Turtle Mountain is expected to fill up very considerably during the coming year. Active steps are being taken, we learn, in the exploration of the territory around Lake of the Woods, the character of the rock leading explorers to expect to find silver. There are now six silver claims filed in the land office at Winnipeg, relating to this district, three of which are situated on islands in the Lake of the Woods.

SURETY'S LIABILITY.

The law very properly sets many guards about the liability of sureties, devised with the purpose of ensuring the utmost good faith on the part of the person to be benefitted by the suretyship. Not only is it necessary that no change should be introduced into the contract with the principal, that from its nature is calculated to increase the risk which the surety runs, but no material change of any nature must be made without the surety's consent even though it may be argued that the particular change lessened rather than increased that risk. The reason for this rule is that the surety himself must be allowed to judge of the circumstances under which he will undertake a responsibility for another, and it is not for any third person to say that such and such changes are beneficial to the surety.

An instructive illustration of this doctrine is found in the suit of the *Canada Agricultural Insurance Co. vs. Watt et al*, now pending in the Court of Common Pleas for Ontario. This suit is brought against the defendants on a bond made by them to the plaintiffs, guaranteeing the faithful performance of his duties by one of the Company's agents. In answer to this action one of the defendants pleaded [that when he executed the bond as surety, Watt was the agent of the Company under an agreement whereby his remuneration was by a fixed salary, and that afterwards, and before any breach of the bond had been committed, the plaintiffs, without the knowledge or consent of the defendant changed the contract with the agent,

making his remuneration by commission instead of by fixed salary.

In reply to this the Company pleaded that the remuneration of the agent whether by salary or commission formed no part of and was not contemplated in the contract of suretyship. Further that the change was in no way prejudicial to the interests of the surety, nor did it impose any greater liability upon him, and that the change did not include any change of the duties and obligations of the agent.

The defendant, contending that this was no answer to the ground taken by him, demurred and the point of law thus raised was argued before Mr. Justice Cameron who decided in the defendants' favor. We fancy it will surprise many public companies, as well as others, to learn that the liability of the sureties for their employees may be lost by a change of this sort. Such, however, would seem to be the law, and in the event of such changes being made care should be taken to provide expressly in the original contract with the sureties that the employer shall have the option to make such changes in the mode of remuneration as may be agreed upon between himself and the employee, or else the sureties' consent to the change should be obtained in each case.

PRIORITY AMONG CREDITORS.

A point of vital interest has been raised for legal decision in the insolvency case of George Green of Wingham. It appears that Mr. Green failed in the summer of 1878, when Mr. Thomas Wavell of Hamilton was appointed assignee. After the estate was partly wound up Mr. Green made an offer to pay the balance of his liabilities in full without interest, the last note being secured by one Abram Bolland, who has since gone to the United States. As a further security it was suggested that Mr. Green's real estate should be mortgaged to a trustee for the creditors. This offer being satisfactory to a majority of the principal creditors a deed was prepared providing for payment and security as above mentioned, which was executed by the required proportion in number and value of the then creditors.

No meeting to consider the deed was ever called nor was any application ever made to the Court for its confirmation. The assignee however, acting under the instructions of the creditors and the Solicitor for the estate handed up the assets to the insolvent who recommenced his business as before. The contemplated mortgage to a trustee was never given nor was any formal reconveyance to the insolvent ever executed by the assignee. In the course of the subsequent trading new liabilities were incurred, the principal of which was to Messrs. Scott, Sutherland & Co., of this city their claim amounting to over fifteen hundred dollars.

In April last Mr. Green again fell behind in his payments and a writ of attachment was issued against him, Mr. Boustead of this city being by the creditors appointed assignee. Messrs. Scott, Sutherland & Co. now claim that they and the other subsequent creditors must

be paid in full before anything is given to the old creditors. The assignee and inspectors declining to accede to this position a petition was presented to the county Judge at Goderich to enforce such preferential payment. This application was dismissed by the Judge, and now the matter is being carried to the Court of Appeal. The applicants contend that their position is supported by a number of precedents both here and in England. The ground upon which those decisions rest appears to be that as a matter of equity creditors who, having a lien upon assets, allow their debtor to deal with them as if he were the owner, should stand aside until all those who have dealt with him as the owner are paid. No doubt the whole subject will be fully ventilated by the Court of Appeal.

MONTREAL HARBOUR COMMISSION.

We are indebted to the chairman of the Montreal Board of Harbour Commissioners, for a synopsis of proceedings at the last monthly meeting of the Board, present: Messrs. Andrew Robertson, chairman, Rolland, Murphy, Bulmer, Hudon, Gould, Rivard (Mayor of the city). It is gratifying to find that the revenue of the trust again shows an increase for the month; that from Ocean vessels being \$26,000 this, against \$14,000 for last year an increase of \$12,000, or 46.15 per cent. The local traffic still shows a reduction, being this year \$6,781 against \$7,530 last year, total gain for the month thus being \$11,251 and for the year \$45,885. The total revenue to 30th November amounts to \$257,012—with the exception of 1874 the largest year the Trust has ever known. That year was the largest in tonnage which had previously come into the port, the vessels numbering 731, their tonnage, 423,423 tons, showing their average size to have been 579 tons. The present year, showing a diminution in the number of 119. But there is an increase of tonnage to 506,969 tons, twenty per cent. or 83,546 tons more than in 1874; and the average size of the vessels has increased to 827 tons or by 43 per cent.

"The most important feature during the month" says the chairman in his speech, "has been the opening of the south half cut of the Cap la Roche channel. This, the labour of years, is one step forward in the great work now being carried on. The difficulties encountered have been very great, and it would be unsafe after past experience to name any definite time for its completion. Every effort will however be made to have the work regularly pushed forward till the channel is deepened and widened to its full extent. The engineer reports as follows: "At Cap la Roche, the north half breadth of the channel was completed on the 12th November to afford a draft of 19½ feet at low water, as already stated in a special report of the 13th ult. This depth being increased from two to six feet according to the tide. This channel now gives at least two feet more than old channel at all states of the tide. On the 14th I took down Branch Pilots Raymond and Louis Belisle, and also the superintendent of Pilots, giving them the use of our steamer and sounding scow; and on the 17th November, Pilot Raymond took the S. S. "Polynesian" drawing 19 feet 9 inches, downwards by it, she being the first large vessel to pass through"