so far as it is necessary for a court to consider them, nearly always begin with a direct demand made by the creditor, independently of any antecedent action on the debtor's part. A more difficult question presents itself where the debtor has commenced negotiations with the creditor contemplating future financial transactions which the creditor would be naturally unwilling to enter into without a settlement of his existing claims. Will the mere fact that a proposition by which means are provided for the liquidation of the debt, as a part of the arrangement by which the creditor is to render financial assistance to the debtor, "originated in the mind of the creditor" validate the payments made in pursuance of the arrangement? This question has been answered in the affirmative in *Whitney* v. *Toby*, sup., where, so far as the report shews, the creditor had not directly demanded payment or put any stronger compulsion on the debtor than was implied in the fact that he refused to make any further advances unless the existing debt was provided for. The decision seems to be of very questionable authority, and it is submitted that the cases referred to above strongly point to the conclusion that a creditor ought not to be allowed to obtain a preference in this way, even by a demand.

5. Formal schemes contravening policy of bankruptcy law not validated by pressure—A formal scheme for the distribution of the assets of a debtor, who is on the eve of bankruptcy, otherwise than according to the provisions of the bankruptcy law, is not validated by any amount of importunity or coercion. Hence the fact that a Stock Exchange has framed a rule binding its members, in the event of their becoming defaulters, to prefer their Stock Exchange creditors to all others, will not enable the official assignee of that body to retain, as against the assignee in bankruptcy, a sum of money paid over by an insolvent broker in compliance with that rule. (*a*)

6. That pressure after an act of bankruptcy has been committed, is ineffectual, follows from the general principle under which the title of the trustee or assignee relates back to the time of such an

(*a*) *Ex parte Saffery* (1877) 4 Ch. D. (C.A.) 555; S.C. sub. nom. *Tomkins* v. *Saffery*, 3 A.C. 213.