

6. The Inspectors should be salaried officers, the Inspectors in Bankruptcy, assembled in conference, being of opinion that it would relieve them from all suspicion of being actuated by interested motives in the recovery of any fees due under the Act. As the proposed regulations provide a sufficient machinery by which the Government could always be informed as to whether the Inspectors are discharging their duty or otherwise, the argument which might be possibly advanced, that, being simply in the receipt of his salary, the Inspector might be lax in the discharge of his duties, would, under such circumstances, fall to the ground.

7. It may also be urged that, if a fixed salary were named, the fees in some of the Provinces might not cover the Inspector's salary; but the Inspectors are confident that, if the fees from all the Provinces were placed to a common fund, there would not only be sufficient to discharge the cost of inspection, but a considerable balance to the credit of the fund. Even if this were not the case it is suggested that the administration of a law should never depend on the amount of fees incidentally derived from its administration, when the provisions of the Act, properly carried into effect, will result in benefiting the public.

8. The Inspectors in Bankruptcy are of opinion that the cost of their departments throughout the Colony will be under five thousand pounds (£5,000) per annum; and, judging from past experience, after allowing a liberal reduction on account of the altered circumstances of the Colony, they feel justified in stating that the amount of fees payable in any one year, would far exceed the cost of inspection as provided by the Act.

9. It is suggested that the Government should request their Honors the Judges to cause every Registrar to pay into the Colonial Treasury any funds he may have in hand to the credit of the Insolvent Estates Fund. These payments might be made either monthly or quarterly, and any costs or charges properly chargeable against the Insolvent Estates Fund might be paid by the Sub-Treasurer upon an order of any Judge as provided for by section 40 of "The Debtors and Creditors Act, 1862."

10. It is suggested, that whenever the opinion of the Government shall be requested by an Inspector upon any point of practice as to the manner of discharging his duties, a copy of such opinion, when given, should be forwarded to each of the Inspectors.

Sub-Enclosure to Enclosure in No. 8.

I.—*Registrars.*

1. It shall be the duty of every Registrar to forward notices to every sequestrator or trustee appointed by the Court, informing him of his appointment, and requiring from him an intimation as to whether he will accept the office or decline it; and should any such trustee or sequestrator refuse or neglect to accept the office within a reasonable period, it shall be the duty of the Registrar to report the same to the Supreme Court.

2. Every Registrar shall, immediately after the filing of a petition and schedule, furnish to the Inspector in Bankruptcy a copy of the same.

3. Every Registrar shall, at the termination of every six months, furnish upon oath to the Supreme Court a statement of his receipts and disbursements out of the Insolvent Estate Fund.

II.—*Inspectors.*

4. Every Inspector shall keep a book of register as well as a book that shall show a statement of all receipts and expenditure relating to the several estates under administration, which books shall be open during office hours for the inspection of any creditor who has proved his debt, and shall be in the form prescribed in Schedule ., hereunto annexed.

5. When any Inspector shall issue a summons for the attendance of any sequestrator, trustee, receiver, attorney, solicitor, agent, auctioneer, or other person employed in the management or winding up of a sequestrated estate, it shall be in the form prescribed by Schedule ., hereunto annexed.

6. Before payment of costs, charges, or expenses, by any sequestrator or trustee, an account of them, shall be submitted for approval to the Inspector, who may certify to the same.

7. Every Inspector shall, at the expiration of each calendar month, forward to the Colonial Treasurer or the Sub-Treasurer of his district, a statement showing the amount of fees payable upon the assets realized each month, in respect of the estates under his inspection, such statement to be in the form prescribed in Schedule .

III.—*Sequestrators, Trustees, &c.*

8. Every interim sequestrator, sequestrator, or trustee, shall, immediately after the date of his appointment as sequestrator or trustee of any estate, place himself in communication with the Inspector, who shall thereupon furnish him with a copy of the rules by which he shall be guided in the administration of the estate.

9. Every sequestrator or trustee shall at the expiration of each calendar month furnish to the Inspector a detailed account of receipts and expenditure in any estate which he may hold in trust, together with a statement of the balance then in the Bank belonging to such estate, with such other information as may be likely to affect the position of the estate.

10. Before any sequestrator or trustee shall sell an insolvent estate, he shall first communicate with the Inspector, and obtain his sanction thereto.

11. Every sequestrator or trustee before commencing an action at law with reference to matters having relation to any estate held in trust by him, shall first communicate his intention so to do to the Inspector, and obtain his sanction thereto.

12. Every sequestrator or trustee shall, on or before the fifth day after the expiration of every calendar month, pay into the proper funds the fees payable during the preceding month under section thirty-nine of "The Debtors and Creditors Act, 1862," and section twenty-eight of "The Debtors and Creditors Act Amendment Act, 1865."

13. In the event of any extraordinary meeting of the creditors in any estate being called by the sequestrator or trustee, it shall be the duty of such sequestrator or trustee to notify the same to the Inspector, stating the date and place of meeting.