

claim shall make an order for the payment of the same And the Colonial Treasurer or Sub-Treasurer for the time being shall upon receipt of the said order pay the amount ordered to be paid therein accordingly And it shall be lawful for the said Court or Judge before making any order thereon to require the said Inspector to report upon the said claim Provided always that nothing herein contained shall be construed to relieve the said trustee or trustees from any liability in respect of any act deed default matter or thing made done omitted committed or suffered by him or them in the administration of the said estate at any time before the filing of the said account and certificate.

As to failure to
file final account.

30. If after the expiration of one calendar month next succeeding the day named as aforesaid for the filing of the said account and certificate with the said Inspector and payment of moneys as last aforesaid the trustee or trustees shall neglect or fail to file the said account and certificate and pay the said moneys and no just cause being shown for such neglect or failure the said trustee or trustees shall be charged and chargeable in addition to such moneys so remaining undistributed and unpaid as aforesaid with legal interest on such moneys from the day hereinbefore specified for the payment thereof until the filing of the said account and certificate and payment as aforesaid and such further sum by way of interest thereon not exceeding the sum of twenty pounds per cent. per annum as the said Inspector shall think fit And further if after the expiration of the said one calendar month the trustee or trustees shall upon being required thereto by the Inspector in writing still neglect or fail to file such account and certificate and pay the said moneys as aforesaid the said trustee or trustees shall be deemed to be a fraudulent trustee and shall be liable to be dealt with accordingly.

Inspector to
report before final
order granted.

31. Before the Supreme Court shall make its final order discharging any debtor and his estate from his debts liabilities and engagements the Inspector in Bankruptcy as aforesaid shall make his report touching the conduct of the said debtor during the period of his bankruptcy and also the gross amount realized out of the estate of the said debtor and the said Inspector shall also report to the said Court whether it appears that the said debtor has been bankrupt during any time within three years next preceding his said bankruptcy And upon taking the said report into consideration it shall be lawful for the said Court in its discretion to grant suspend or refuse the said final order.

False answers
before Inspector
to be perjury.

32. Every person lawfully summoned and examined upon oath before or by any Inspector in Bankruptcy who shall at such examination wilfully make any false answer to any lawful question put by or before the said Inspector such person shall be deemed guilty of perjury and on conviction thereof shall suffer any punishment provided by law for such crime.

As to offences of
removing
embezzling &c.
any property
under attachment.

33. If any person shall dispose of remove retain conceal embezzle or receive any moveable property moneys or securities for money belonging to any debtor's estate which has or have been attached by virtue of any order for the sequestration thereof knowing the same to have been so attached and with intent to defeat the said attachment or shall hinder or obstruct the messenger or other person authorized to make the same such person shall on conviction thereof suffer imprisonment with or without hard labour for any period not exceeding three years.

As to offence of
knowingly
receiving any
fraudulent
alienations &c.
from debtor.

34. If any person shall receive or accept any alienation transfer gift surrender delivery mortgage or pledge made by any debtor of any part of his estate moneys or securities for money effects or credits with intent to defraud the creditors of the debtor knowing at the time the same to be fraudulently made such person shall on conviction thereof suffer imprisonment with or without hard labour for any period not exceeding three years.

This Act not to
repeal former
Acts.

35. Nothing in this Act contained shall be taken to repeal the said recited Acts or any part thereof save so far as the said Acts or either of them may be inconsistent with or repugnant to this Act.

No. 24.

Copy of a Letter from Mr. G. BRODIE to the Hon. E. W. STAFFORD.

(No. 69.)

Office of Inspector in Bankruptcy, Otago,

SIR,—

Victoria Chambers, Manse Street, Dunedin, 6th June, 1866.

Referring to my letter accompanying the proposed Bill for amending the laws of Debtor and Creditor, of number and date as per margin, (No. 58, 28th May, 1866) I have the honor to enter more fully into the defects which appear to me to exist in the present law, and the provisions which I propose to adopt to remedy those defects.

I desire particularly to point out that in framing the proposed Bill, I have studiously endeavored to preserve the principle of the present law, namely, the management and winding up of insolvent estates under the direction of the creditors. And whilst doing so, I have endeavored to provide a simple and inexpensive mode by which the debtor and the trustees shall be subject to control.

Since writing my letter above referred to, Mr. Justice Richmond has, in his address to the Grand Jury on the 1st instant, expressed his opinions relative to this subject (see report *Otago Daily Times* of 2nd instant), and stated that "official assignees" being necessary, the Court had adopted the course of appointing to the administration of estates some other person than a creditor. Mr. Justice Richmond, in referring to the Scotch law, alluded to the necessity that has there been found to exist for the appointment of an "official interim factor" to take control until the administration, as ordered by the creditors, has been organized.

It is in precisely this direction that the provisions of the proposed Bill seek to amend the present law by empowering the Inspector to do all things necessary to the preservation of the estate, until the trustee or assignee shall have been elected by creditors and confirmed by the Court, and filling that hiatus in the management of estates which is left by the practical operation of the present law between the time of presenting the petition and the appointment of trustees.

I have to submit that the present method adopted by the Court of appointing official assignees to the administration of estates, in no way remedies the defects sought to be amended by the proposed Bill, for it is during the period which elapsed before the appointment of an assignee, whether he be a creditor or a person appointed by the Court, that the mischievous action of the present law is felt.