Query 8.—The checks supposed by my previous answer would give a reasonable degree of security to the vigilant. Additional expense and difficulty are always occasioned by additional precautions against fraud. It would never do to require orders of Court for every payment. The Judges cannot be expected, and would be wholly unable, effectually to supervise the operations of the assignees.

Query 9.—It will have been collected from my previous answers that I consider that more stringent provision is needed for the punishment of fraudulent debtors, and to prevent relief under the law of insolvency from being granted to persons whose conduct does not entitle them to it. One reason for the appointment of official assignees is to provide for the investigation of cases of this kind. It should be made a part of the duty of the official assignee to report on the conduct of the Bankrupt after investigating his affairs. It should also be the duty of this officer, with the sanction of the Accountant in Bankruptcy, to institute prosecutions in cases of supposed fraud, amounting by law to a misdemeanour. It is inexpedient that the Judges should direct prosecutions.—(See further as to provision for this purpose my answer to Query 11.)

Query 10.—Arrangements with creditors out of Court should be allowed as at present. But to save the great length of those deeds, and to preclude the innumerable doubts which are raised as to the reasonableness and validity of their claims, it would be well to enact that certain common provisions should be implied in every deed made under the provisions of the Act, subject however to such express modifications as the parties thought fit to adopt, if they are inclined to run the risks which attend originality in such matters. The provision would be similar to that of the Conveyancing Ordinance (J.10) respecting covenants for title, and other common clauses. Two classes of deeds, at least, would have to be provided for—those containing a cession of the estate, and mere composition deeds without a cession. In the former class the common clauses should be a fully expressed trust for conversion and division of the proceeds—a release of the Debtor—a proviso saving remedies against co-Debtors and Sureties. The division under these deeds should be according to the principles of the Court of Bankruptcy. In saying this, I assume that the new law will make full provision for the mode of division in Bankruptcy, as it is most objectionable that it should be left in each case (as at present under section 10) to the discretion of the Judge.

A similar power of staying proceedings in Court to that now given by section 20 of the present Act (corresponding with section 187 of the English Bankruptcy Act of 1861) should be given to the majority of the Creditors. But the stay of proceedings should be upon a resolution of a meeting of Creditors, as under the English and Scotch law;—(see 19 and 20 Vic., c. 79, section 35; 24 and 25 Vic., c. 134, section 185.) The insolvent should not be allowed to hawk a deed about amongst his creditors; he should deal publicly with them as a body.

Query 11.—The law should provide for a prompt adjudication of Bankruptcy, to be followed, as soon as possible, by possession being taken of the estate by the Official or other Provisional Assignee.

Proceedings should be commenced, as at present, by Debtor's or Creditor's Petition. I see little use in requiring the concurrence of a creditor in a debtor's petition. It encourages the manufacture of debts for the purpose. In this district, it is significant that in almost every case the concurring creditor's debt is for money lent. I prefer the English law on this head, which allows a Debtor to petition for adjudication against himself.—(See sec. 86 of Act of 1861.)

In the case of a Debtor's petition, adjudication should be immediate on presentation of the petition, which should be declared an Act of Bankruptcy. In England, the filing of a Debtor's petition is equivalent to adjudication.—(See sec. 87 of the Act of 1861.)

In the case of a Creditor's petition, verified as at present by affidavit, of the Act of Bankruptcy on which it is grounded, and of the petitioning creditor's debt, the adjudication should be immediate; but a short day should be given to the debtor to set it aside, and provision should perhaps be made for summarily ordering satisfaction to be made to the debtor for the fraudulent or malicious presentation of a petition.

The present list of Acts of Bankruptcy, contained in sec. 6 of the Act, is defective. In the case of an absconding debtor, the section requires that the petition shall be presented *within fourteen days* after the debtor has absented himself from his usual place of business in such manner as reasonably to imply the intention to defeat or delay creditors. Now it commonly happens, that this reasonable implication only arises after the lapse of the prescribed period. On this head I recommend that the English law be followed as closely as possible.

Notice of adjudication should be published when the time for shewing cause has expired, or sooner, if the Debtor consents. By the same order as adjudication is made, the *first* ordinary meeting of Creditors should be convened, the time being so fixed as to leave a sufficient interval for Creditors to file their affidavits of debt. The purpose of this meeting should be the election of Assignees, the preliminary investigation of the affairs and conduct of the insolvent.

It shall be the duty of the Provisional Assignee to attend this meeting, the books of the insolvent having been previously handed over to him on oath. The insolvent should also be bound to attend the meeting, and should be compelled to give information as to his affairs to the Provisional Assignee, both before the meeting, and also to answer his reasonable questions at the meeting.

If a proper president could be provided for this first ordinary meeting, so as to ensure the exercise of judicial discretion and the observance of judicial decorum, there is perhaps no official reason why the Bankrupt's first examination on oath should not be taken at it.*

But there will be difficulty about giving the meeting the desired semi-judicial character; I therefore recommend that the insolvent's first examination should be fixed for the first sitting (in insolvency) of the Supreme Court, held at a short interval after the first ordinary meeting of Creditors: as the insolvent's ultimate discharge may depend on the judgment of the Supreme Court, it is the more desirable that all the solemn examinations of the insolvent should be taken before it,—at least before some regularly constructed Court.

* In Scotland the Sheriff's Clerk or his Deputy attends the meeting for the election of Trustee; and two or more Creditors, by previous notice, may call on the Sheriff to attend and preside.—(19 and 20 Vic., c. 79, sec. 68.)