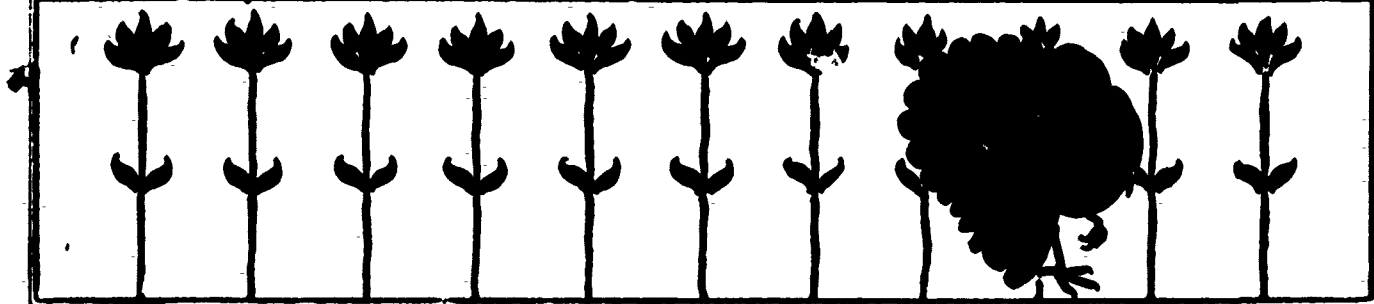


THE DRY GOODS REVIEW

IN THE INTERESTS OF THE DRY GOODS, MILLINERY, CLOTHING AND HAT TRADE



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THE NOVA SCOTIA INSOLVENCY BILL.

THE following is a complete copy of the Insolvency Act passed at the last session of the Legislature of Nova Scotia. THE DRY GOODS REVIEW is indebted to the Attorney-General, Hon. J. W. Longley, for a copy of the Act, which, according to a foot note made by that gentleman, goes into force July 1, next. The Act is styled "An Act respecting Assignments for the benefit of Creditors":

1. In case any person, being at the time in insolvent circumstances, or unable to pay his debts in full, or knowing himself to be on the eve of insolvency, voluntarily or by collusion with a creditor or creditors, gives a confession of judgment, cognovit actionem, or warrant of attorney to confess judgment to defeat or delay his creditors wholly or in part, or with intent thereby to give one or more of the creditors of such person a preference over his other creditors, or over any one or more of such creditors, every such confession, cognovit actionem or warrant of attorney to confess judgment, shall be deemed and taken to be null and void as against the creditors of the party giving the same, and shall be invalid and ineffectual to support any judgment or writ of execution.

2. (1) Subject to the provisions of the third section of this Act, every gift, conveyance, assignment or transfer, delivery over or payment of goods, chattels or effects, or of bills, bonds, notes or securities, or of shares, dividends, premiums, or bonus in any bank, company or corporation, or of any other property, real or personal, made by a person at a time when he is in insolvent circumstances, or unable to pay his debts in full, or knows that he is on the eve of insolvency, with intent to defeat, hinder, delay or prejudice his creditors, or any one or more of them, shall, as against the creditor or creditors injured, delayed or prejudiced, be utterly void.

(2) Subject also to the said provisions of the third section of this Act, every gift, conveyance, assignment or transfer, delivery over or payment of goods, chattels or effects, or of bills, bonds, notes or securities, or of shares, dividends, premiums, or bonus in any bank, company or corporation, or of any other property, real or personal, made by a person at a time when he is in insolvent circumstances, or is unable to pay his debts in full, or knows that he is on the eve of insolvency, to or for a creditor with intent to give such creditor an unjust preference over his other creditors, or over any one or more of them, shall, as against the creditor or creditors injured, delayed, prejudiced or postponed, be utterly void.

(3) Subject to the provisions of Section 3, aforesaid, if such transaction with or for a creditor has the effect of giving that

creditor a preference over the other creditors of the debtor, or over any one or more of them, it shall in and with respect to any action or proceeding which, within sixty days thereafter, is brought, had or taken to impeach or set aside such transaction, be presumed to have been made with the intent aforesaid, and to be an unjust preference within the meaning hereof, whether the same be made voluntarily or under pressure.

(b) Subject to the provisions of Section 3, aforesaid, if such transaction with or for a creditor has the effect of giving that creditor a preference over the other creditors of a debtor, or over any one or more of them, it shall, if the debtor within sixty days after the transaction makes an assignment for the benefit of his creditors, be presumed to have been made with the intent aforesaid, and to be an unjust preference within the meaning hereof, whether the same be made voluntarily or under pressure.

(3) Where the word "creditor" in this section indicates the creditor to whom a preference is given over the other creditors of the debtor, the same shall be deemed to include any surety, and the indorser of any promissory note or bill of exchange, who would upon payment by him of the debt, promissory note or bill of exchange, in respect of which such suretyship was entered into or such indorsement given, become a creditor of the person giving the preference within the meaning of subsection (2) of this section.

3. Nothing in the preceding section shall apply to any assignment made to an official assignee appointed by the Governor-in-Council for the county in which the debtor resides or carries on business, within the Province of Nova Scotia (with the consent of the creditors as hereinafter provided) for the purpose of paying rateably and proportionately, and without preference or priority all the creditors of the debtor their just debts; nor to any bona fide sale or payment made in the ordinary course of trade or calling to innocent purchasers or parties; nor to any payment of money to a creditor, nor to any bona fide gift, conveyance, assignment, transfer or delivery over of any goods, securities or property of any kind, as above mentioned, which is made in consideration of any present actual bona fide payment in money, or by way of security for any present actual bona fide advance of money, or which is made in consideration of any present actual bona fide sale or delivery of goods or other property; provided that the money paid, or the goods or other property sold or delivered, bear a fair and reasonable relative value to the consideration therefor.

(a) In case of a valid sale of goods, securities or property, and payment or transfer of the consideration or part thereof by the pur-