

Two specific questions are propounded to me, viz :

1st. "What is the best plan for the realization, safe keeping, and administration of funds arising out of the Debtors and Creditors Act?" The only answer to such a question must involve lengthy details, which, I believe you could yourself suggest far better than I can do. But I am of opinion that that no system will prove effective which is not supplemented by one of official administration by an assignee with the aid of an official accountant. The estate once got in thus, its safe keeping until distribution can be effected as easily as that of any other estate under control of the Court, of which more presently.

2nd. "Are the powers of the Supreme Court already sufficient to provide for investment of moneys in the ways mentioned?" I should feel it absolutely necessary to undertake and order the investment of money belonging to any infant or lunatic in like manner as I have ordered the leasing of real property belonging to such persons and under the direction of the Court. But I should not venture to invest such money in securities resting beyond the jurisdiction of the Court. At the same time the Court could only feel reassured by any Statute which declared its powers and enlarged them if thought politic so to do. It only remains for me to bring to the notice of the Government my own experience of the difficulties of the Supreme Court in dealing with its accounts and the property to which they relate, and to suggest what appears to me requisite.

1. The first embarrassment arises from the inexcusable and persistent neglect by the executive government and the General Assembly towards the Supreme Court; and worse than neglect, the continued refusal to provide the Court with the means absolutely necessary to its functions. The first safe guard in the matter of accounts and the first provision required, is a proper staff of well paid officials. The Government undertake to know what officials are required, and to appoint and pay them; but I believe that ever since I have been in New Zealand, every Government has declined to know what staff was requisite, and when the information was forced upon them, they have merely turned their backs upon the Court and its officers.

The first requirement then is (say) for the present,—*two experienced clerks*, one of whom has had experience in keeping public accounts, and that one, if the Court is to continue to work the "Debtors and Creditors Act, 1862," should be a professional accountant. To this addition, must be added full authority to the Registrar to employ an additional clerk occasionally if he finds it necessary. But even thus, if these clerks are to be paid as meanly as the practice now is, they will be of no permanent service to the Court. They ought to be so paid, that they may be induced to continue to hold their offices as life appointments, and not remain in the Registrars office just till they have established a character, and acquired habits of business and then leave the office for other and more remunerative employment. It will soon become impossible for the Court to work its varied jurisdictions upon such a system.

2. The next step in the development of the practice of the Court I should think must be the opening of a system of bank accounts with some one of the leading banks. I say "system" because I suppose these accounts should be kept at the various seats of the Supreme Court upon one uniform plan, and that we should not have different plans at Auckland, Wellington, &c. respectively. Hitherto at Auckland the "Union Bank of Australia" has, in fact, been the depository of all moneys belonging to the Supreme Court, but those moneys have been operated upon by the Registrar, who has himself controlled them as between the Court and the Bank. Sometime back Mr. Outhwaite, with my assent, communicated with the Manager of that Bank on the subject, who consented to undertake the opening and keeping as many branches of account (in reason) as the practice of the Court might require. As to the method of keeping accounts in the Registrar's Office, of course, for the present, it must run more into detail than any banker's account would require to do, for no banker could be expected to act as an Accountant-General to the Court. But I am very desirous of consulting the wishes of the Government on this subject. I feel also that if moneys belonging to a lunatic (for example) should be lost through the failure of a bank in which they might be deposited by order of Court, the heir or next of kin might look to the Legislature for relief and reimbursement. If so, the Government ought to be consulted and say what Bank it would prefer. I should not remove moneys from the Union Bank of Australia elsewhere until the Government signify officially its wishes on the subject, but I shall feel it my duty to meet the wishes of the Government when they are officially expressed.

3. A system of Bank Accounts being once set on foot, probably some additional counter-checks may be applied to guard against any fraud in operating upon them. Moneys might be promptly paid in, lodgement notes receipted and filed, and all such precautions exacted in the Registrars Office as Dr. Knight might advise. In this, as in all the other parts of the Supreme Court practice, printed forms would become necessary, and the Registrar ought to have full authority of his own motion, or at the request of the Judge, to get the Government printers to print forms for summonses, rules, orders, &c., &c.

4. The Colonial Treasurer should at once pay into a Bank (to be approved by the Government) all monies which he now holds belonging to the Supreme Court to their respective accounts, e.g., "Official Administration Account," "Real Estate Administration Account," "Suitor's Fund Account," and should henceforth pay into their appropriate accounts all moneys which he may receive, immediately on his receipt thereof. These last mentioned Bank accounts shall be open to inspection, at all times, by, and the respective pass books rendered upon demand, to any Judge of the Supreme Court, or any person whom he may appoint; the Registrar or Deputy-Registrar of the Supreme Court of the District from which the monies were paid in,