

PAPER 6: COMPUTERISATION OF TRUST ACCOUNTS

by
M. CREAN and J.A.B. O'KEEFE

FORUM

PANEL

Dr Northey – Chairman
Dr Whalan
Graeme Barnard
J.A.B. O'Keefe

COMMENTATORS

P. Buddle
P. Doogue
L. Esterman
J. Fear
D. Hall
G. Hammond
F. McCarthy
I.A. Ramsay
D. Ross
M.P. Smith
R.L. Roundill

Dr Northey

There is now an opportunity for those on the floor to ask questions and/or make a contribution. I want to make a general request. It is our intention, as you know, to publish the proceedings of this Symposium. It is very important that we have an accurate text of what the commentators have said, and those who are contributing from the floor. Would those who have prepared comments let Mrs Churton have the texts. If those who are contributing from the floor would identify themselves, we will be able to incorporate their remarks also.

Mr Doogue

There is one thing this morning. I am always intrigued with this sort of session that the discussion is on a rather esoteric level. As a lawyer it comes down to cash, particularly in the land transfer area, in which I am concerned on occasions. Where does the cash come from? I would ask any of the panel members who would like, how all of the rather complex matters we have discussed today can be reduced to a practical level, so the law can derive some benefit from the use of this technology.

What does this all add up to? From whom does the initiative come to advance us any further, or is the Legal Research Foundation merely to be complimented on having a good look at something which it is quite incapable of moving the law towards in the near future?

Dr Northey

I can answer only part of this. So far as the privacy aspect is concerned, there is a small committee working in Auckland at the request of the Law Revision Commission and it has been asked to make an interim report next year.

As to the other issues that have been discussed, pressure from the profession might see the Justice Department consider computerisation of the Land Transfer Office more quickly; but from what we are told this morning it would appear that they are at least as far ahead in their thinking as we are.

Mr O'Keefe

I think perhaps the main object of this exercise today is to provide the first forum – some sort of sounding board to see what the profession might think about this. It is a feeler – a kite flying exercise. We thought we would serve up to you something to taste and test. I don't think this has happened before here – where we get together and talk as lawyers looking at it inside out – with some help from the computer people.

Dr Whalan

In a sense this happened in Sydney – I am trying to think back, was it August two years ago? – where Sydney University Law School got together a group of people of various interests and all local Sydney practitioners, and, as a result of that similar kind of thing to this, only much more extensive, nevertheless from that, a number of initiatives have come directly from the Australian Law Council. For example, they have a sub-committee on computers doing certain practical things. People have, at their instigation and in co-operation with the Computers General Committee, gone overseas to see if there are things we can do. I think there is somebody away at the moment still having a look. It was the initiative, the thrust, came partly from that meeting. (I can't remember if it was three years ago or two years ago) and the Law Council took it from there and has exercised a certain amount of influence. It is certainly having some practical results.

Mr O'Keefe

Yes, I think that was in answer to our brother practitioner's question: The Bar Association did it in Ohio. Mr Brosnohan knows about this. But where does the cash come from? All these exercises to be launched need money. Perhaps someone from this gathering today will go back to the Law Society and maybe a sub-committee may get into gear somewhere. It seems a thing that is too big for individual firms. Feasibility studies are necessary first.

Mr Doogue

It seems the ball has been served but who is going to catch it at the other end? Some of the commentators have done more than point up the magnitude of the sums involved and we have a perfect state of the application of these processes in only one place, Prince Edward Island. The peripheral uses of E.D.P. methods are known already in this country aren't they?

Mr O'Keefe

I think we have learned something, at least I have, from our friend from the Justice Department. He said that they had a look at microfilming, certain kinds of scanning and the full range of computer hardware, and were not really satisfied that computerisation is the answer. We are learning today that perhaps we could lower our sights a little to something better than the ordinary mechanised accounting at the level of the standard Burroughs and the National and so on, and just something a little better than that, but very much lower than the costly installing of full computerisation.

It seems for the ordinary one or two horse practices the expense of fully computerising the thing is just out of it in the meantime, but a lot can be said for better processing of data. Perhaps Mike Crean could help us on this. Is it that there is something of a lower key that might be open to our needs. Some simpler hardware?

(MR CREAN: Certainly it is coming.)

If the Law Society at Dominion level could sponsor a feasibility study, some law grants, analogous to the thing Mr Brosnohan mentioned from Ohio. They did it there. In fact I have been very interested in the work Mr Brosnohan started on the computer. It was the Bar Association there really got it going.

Mr Ladd

Perhaps I could reiterate Mr Doogue's question to Mr Barnard. We have heard a lot of very technical data about binary digits and all these sorts of things, but I am not so sure whether these really concern the solicitor, the practitioner himself.

Do you think you could outline to us briefly how this affects the solicitor. How he would have to modify his existing practice. What he would have to instal in his office and how this would change his day to day transations?

Mr Barnard

I perceive that as is legal practice you have asked six questions in one. Perhaps this leads us to the very point. Are we not trying to solve several problems with one answer in saying the computer will solve it all. Because I believe if we look at the subject matter of the day, there are, in fact, a number of distinct administrative and business problems.

One is the question relating to land. Basically, a Government controlled operation in which the legal profession have a distinct interplace. We have heard, for example, the Valuation Department have gone a long way to mechanising certain basic information relating to individual pieces of land, and it strikes me the sensible approach would be to hang the legal requirements on to existing Valuation Department requirements.

Then there is the other problem of using the legal tools of trade. That is, finding out what has happened before; the precedent; the search. This is a completely different technique in many respects to the one that relates to land. There are similarities, but it is quite different. It is quite possible that the same tool you have in your hand could well be the same answer but the system driving it would be different.

The next one I perceive is the accounting job. To say this is the same as the previous two is a joke. Everyone has to do their accounting and this is where Mike Crean's observations are very valid.

So I think it is important you try and isolate the problems you are trying to solve. It could well be that there is some common answer. It could be there is a computer as a terminal in the background, but please be clear to isolate the problems.

Mr Doogue

Perhaps I could ask Graeme Barnard. I may be mistaken, but I got the impression that the computer being a highly complicated machine for doing the processing of material, is it practical for a computer to keep statistical material over a long period of time? After all, if I want a title I say I want A17/6 and I get a photocopy of it. Now this is done fairly efficiently if a transfer goes through our transfer office. Once it has been checked, a typist types the memorial on and I get a photocopy of this. Now as I understand it, the problem in the Transfer Office is processing the documents and I don't think anyone really suggests the computer would do this. That is to say, discovering in one copy you haven't put in the date the tenure runs from, or you have put a line there.

Now I feel very unconvinced. I cannot see where a computer would be useful in a land transfer system because

Dr Whalan

I was going to make that point. Mr Mahon has asked me (and he has gone) if there was a reduction in the professional land law aspect of things and my answer was "No—a very clear No". The computer will look at all the doubtful points much better than we can; which is the point you have just made.

A computer gets sick occasionally — not very often — it doesn't drink much coffee, it will work overnight, it doesn't play golf or bowls and it doesn't take holidays, which all affect the individual's world. I cannot but say it is just at that point that perhaps the computer can be useful. Namely, picking up the very check points. It is much more efficient than any clerk would be. That is one of the things I wanted to say to reinforce that. I think that answers the question. That is its very strength.

Mr Esterman

Indeed, I had it in mind, the idea that perhaps in checking this nitty gritty part, a computer will actually break down the system because it will check it too perfectly. And in the area of land registration there are a lot of grey areas where you use rather critical judgment in deciding whether or not something will check, which you cannot programme into a computer.

Mr Barnard

I want to challenge that, because we can define a grey area. You can, in fact, build that into a computer. You can build in a degree of tolerance into a programme. Probably far more so than you would appreciate.

Perhaps more important. It does this kind of thing. Suppose we are feeding a programme with 5000 transactions in the course of the day. What it will weed out are the 57 that need personal attention, so at least you don't have to wade through the other 4½ thousand odd to find them. I am not saying for a moment that you can build in any real judgment, but you can build more sense into a programme that at first you believe you can.

Mr Esterman

You may not believe it, but legal documents do suffer from personal idiosyncracies.

although the girl is going to type the information to go on to the computer there is nothing on it. Now the girl types the information on the title.

Mr Barnard

Take one of the observations made during the course of the day, that the computer would be no good at checking out the accuracy of information. That is probably the most fallacious statement of the day. One of the things it is jolly good at is checking the details to see it is all there and it does it very cheaply. And it would be more economically feasible to use this sort of input device, and the lass who is driving it would be told in short order if anything was forgotten.

Dr Whalan Checking errors I would certainly back the computer against any clerk. We eliminate the small points and increase the opportunity for the professionalism of the Registry Office staff or ourselves, because we have this additional technical aid. You see that is the point — getting rid of the technical details. Perhaps we could then get back to the type of profession our grandfathers had, where they did have time to think. A super clerk is dealing with them and we are left to use our professional judgment. It is not at the moment going to decide a caveat or non caveat.

Mr Esterman It would be a question of writing the programme. It would depend on how long a programme you can write into a machine. The issue of a new title — you have bare skeletal instructions that cover 300 pages written in fairly sophisticated language, you could not feed into a computer as I understand it.

Mr Northey There was a question raised this morning about recording transactions to provide information needed for valuations. I don't think an answer was given to that — as to whether you would be able to find all the values for property. You asked that question. Did you get an answer?

Mr Doogue Others might be interested in the answer. I think it all comes down to a matter of what you provide for on the programme. If you put a programme into the machine that allows for all the old entries on the title to remain you will have them. If you don't allow for them, you won't have them.

Dr Whalan And at the present time what you pay \$25,000 a year for (in one city is it?) to store the old documents, and if the documents are kept we put 26.8 million bits of information on an inch width of laser strip, the length of a cricket pitch, well it will be a long time before we take \$25,000 a year of space.

Mr O'Keefe We are not that short of space! But I think the microfilm service is most realistic. Indeed, as an earthquake and war damage precaution the Land Transfer records have been microfilmed and are stored in a safe place in New Zealand. It does not take up much space. And I think microfilming is nearer to what the lawyer needs, both in the Land Registry Office and his own office.

Mr Esterman It is a question of minimisation. In Auckland we have close on ½ million documents and I think microfilm there would decrease the space by 90%

Dr Whalan Exactly. This is confirmed in unofficial talks with groups that have come back to New South Wales. They think the manifold system will be a combination of the two groups — partly a microfilm system and partly machine

language stuff. The two combined will probably make a workable system. I wouldn't say we can go entirely to the language thing. I think it will probably work out to be a compromise between the two.

Mr McCarthy

Have they thought of a land transfer title as being something like a journey. Is all this old mullock really necessary? The average practitioner purchasing a house or something for his client, he doesn't want to know that in 1952 someone else had it, and they owned the borer in those days. Can't something be done to simplify the thing? The short point I am making is, isn't the Land Transfer system at the moment defeating its inherent purpose? Couldn't we devise a system whereby computers could be used to tell us what is the present position of a title?

Dr Whalan

I am sure Mr Torrens made that point about a hundred years ago.

Mr Esterman

We have already been looking at a new type of title which will do this very thing. It is merely a question of rearranging the form. Dr Whalan, you will be familiar with the sort of title in New South Wales and Tasmania which is very different from the previous sort of title. The previous form was very similar to the one we have.

Mr Hammond

I think this business of what is to go on the title relates to the problem we have in practice today, one which one sees multiplying; one of the perennial complaints of conveyancers is they are being made the administrative scapegoats of almost every Government department. There is a plethora of restrictions such as town planning requirements, by-laws etc., and I don't think they are made by people who have any knowledge of the colossal amount of time and energy which is wasted in these peripheral matters, and I would certainly not want to see any system which would make any difficulty in that particular regard.

That brings me to the second point I wanted to mention. You can't talk about the type of thing that is being spoken about here today without having a regard for the structure of the legal practice which is being carried on.

For instance, I can well remember being in the United States in the legal department of the U.S. Field Service – 800 practitioners working in one building. In that set up it is practicable to have microfilm system in which all the letters go down a chute in microfilm and are fed into a computer. The largest legal practice in New Zealand, I would think, would be something like 16-17 partners, and until we develop the type of structure of legal practice in which you will find four or five firms in one building with a common data centre, a centralised library, but nevertheless

maintaining their separate identities, I think you will have the difficulty of capital cost on this one.

Also just on the question of costs. I didn't quite follow exactly what the cost of the computerisation of the Torrens System would be, but I would have thought the Justice Department, of all Departments, would be one of the few to keep its head above water. On my calculations we pay \$8 a dealing now, which on 1000 dealings a day in Auckland is \$8000 a day, or \$2.5 million just on dealings alone. In actual fact, I haven't seen the details from Mr Esterman, but I would be very very surprised indeed if the Land Transfer system did not pay its way. We don't pay for searches. Lord knows how many searches a year are done over the country. And I for one would be quite happy to pay 20 cents search fee if it was going to save my clerks spending an hour or two there.

I was surprised at the costs not being emphasised because, as I say, on a very simple analysis the Land Transfer Office in Auckland alone would be taking in \$8000 a day based on 300 working days a year, that is \$2.5 million a year.

I also wanted to mention just briefly this question of privacy, in which I have a particular interest, as some of you know. I was a bit dismayed to hear it raised in this particular context. I think in the context of computers it is something different again. Privacy in the proper sense of the word, as it was properly understood by Brandeis and those to whom it was largely a cultural norm, was something that went to individual human rights. I rather feel in the context of computers and technological advances, the law relating to confidence has rather more bearing on the matter. I am surprised to hear it raised again today. For instance, I would refer to some of the recent decisions of Mr Justice Megarry in some of the patent cases. His Honour has been quite prepared to enjoin a man's memory banks, that is information stored in a man's mind, when that information was never committed to paper at all. I would have thought that somebody would have explored in this context the application of this type of thing. I don't pretend to know all the answers. I have been researching a market problem for the last couple of years. But I feel in this particular area—a lot of these problems of trade secrets—computer information will be found; and for myself I would like to see a lot more work done in that particular area.

I think microfilm is very important in the average legal practice and one practical difficulty standing in the way at the moment, as most practitioners will know, is under the Evidence Act or the Regulations. It is possible to apply, I think, not to the Minister of Justice, but the Governor

General in Council, for an order that you may become an authorised person for the purposes of microfilming. In fact, some of the larger companies have done this. This would mean, of course, that once you were authorised you could wipe some of your existing deeds files and reduce those to a miniature form. But it is extremely difficult to get an order. And this would be one very practical piece of reform; to review the process by which you can get an order. The idea of getting an order, of course, is that you overcome the legal problem of producing a photocopy in Court instead of the original document. I think one way of putting an end to this difficult Act, and it is a difficult Act, is by tackling each of these problems individually. I would agree it is not one complete problem. Each little sequence must be tackled separately.

Dr Northey I wonder if we could take the evidence point first. Mr Smith, would you have a comment on the question that has been raised?

Mr Smith Not very clearly I am afraid Sir. I wasn't aware of any particular difficulty. It may create a problem of course. If the record is going to be microfilmed to be produced in evidence they might require there be a licensed person. If the record is simply going to be microfilmed, I can see no problem whatever, so I am afraid I cannot help you. What is really required is for Legislators to appreciate that microfilming is something that must come.

Dr Northey Now one question, going back a little, is the question of protection of confidence.

Dr Whalan No comment on the question Mr Hammond has raised. One question on confidence I was asked, and nobody else appears to have asked, is where people in a small office were sending stuff out to be done; the problems of the confidentiality of that material. If it went outside the body of those who were responsible for ensuring professional confidentiality, how are we going to overcome this one?

Dr Northey Is there anyone who can answer Mr Hammond's question concerning the use of a common computer data bank system?

Dr Whalan This is a big operation. He would have to send material out for processing and he gets his answers back but it goes outside his control and is handed to an independent contractor, who although subject to his own ethics is not subject to legal professional ethics, and we are responsible for our confidence. This conference is going outside the sphere of our responsibility. That is really it. It is not Grant Hammond's point at all. What is the Society doing in this regard?

Mr O'Keefe

I think confidentiality is implicit in this sort of contract. That is why I referred to it on p.7 of my Supplementary Notes – should there be a duty of confidentiality?

Mr Hammond

There are 150 cases cited on law of confidence. Of those, 130-140 proceed on the assumption that it is an implied term of the contract. I have no doubt in my own mind, and have spent a couple of years of my spare time trying to prove that there is such a thing as an equitable obligation of confidence, and I am quite satisfied that at least for the last 5-6 years the decision that have been handed down for negligence in this respect, that this is restrainable and even in the hands of an innocent recipient (someone who does not know that confidence has been breached) it can still be restrained. In fact, Mr Justice Megarry is prepared in reason to go so far as to declare the ultimate recipient of the information is a trustee.

Dr Northey

I assume in the case of computers that a duty to respect confidence would be imposed on the programmer and anybody else who handled the material. Do your researches suggest that an obligation to maintain confidence is imposed? I think your answer is "Yes".

Mr Hammond

What I am getting at more importantly, is that normally or generally speaking, where you have dealings with a computer firm you have a contractual relationship so that at that level you have no difficulty at all even if you do not have an express term in the contract, and most computer contracts have in fact an express term. You would not have much difficulty in expressing a condition of confidentiality as a term of the contract. The difficulty has arisen in two areas.

The first is the trader/trader situation where, for instance, I would for some reason or another make some information known to another company I am not having contractual relationships with, and enable them to use that information. The second is the relation which has gone beyond the contractual relation and information is passed into the hands of other persons; in seeking to restrain those persons from the use of this information. There have been a number of recent decisions on this. People have been quite prepared to go so far as to say that information which has been passed in good faith in its usual broad manner is still confidential. Whether it can be put quite that broadly could well be open to argument. I merely make the point. This is not an appropriate forum to go into what is asking at this stage to be developed into a legal doctrine where there could be considerable room for argument. This is only my own interpretation of the doctrine which is of obvious application to the type of problem we are talking about here.

Dr Northey

Are there any other points before we go on? I want to be sure that all questions asked have been discussed.

Dr Whalan

I felt there was one thing. There was talk about computer costs. Computers come in all sizes from too small to too big and in various price ranges from free to unaffordable. You can buy, rent or borrow. I have been threatening to steal one for some time. But I don't think a practitioner needs to feel he need necessarily buy one himself. The answer, I think, is to be in (a) time sharing, and (b) data bank computers. It should be possible for everyone to get access to a computer service to suit his needs.

Mr Roundill

I have been sitting here quietly all day listening with interest to what has been going on. I think there are two broad decisions on the subject matter. One is the Land Transfer Office and its records, and the other is the private practitioner and his records.

As to costs. Dealing first with the Land Transfer Office. I can only visualise the Land Transfer Office keeping records on a historical basis. I can't see them going into computerised records that will forecast land dealings or make decisions that are obviously human decisions, decisions of judgment. The computer is basically a mathematical decision maker. I cannot see the other type of decision being made. The costing if it was regarded on a national basis would be spread over the taxpayer.

I can see no necessity to hold a certificate of title. As a land owner my title is held by my mortgagee. I worked in the trust business for 14 years. I have seen lots of uses for certificates of title. One Dunedin solicitor used his for propping up his desk. I think certificates of title could be done away with. If I have Government stock I don't get a photograph of my bank notice. All I get is a certificate. I can get a certificate of title, but all I need is a certificate of holding. I think microfilming could be done on base documents. With modern features of planning we could even print a document. The whole thing could come straight out of the computer holding file, which might be a disc or a tape, straight on to the microfilm – untouched by human hand. If microfilming from a solicitor's point of view is a difficulty and he wants to search a title, he is still going to have queues of people at the microfilm unit.

The other one is the cost the the private practitioner. I would suggest he come to a bureau. I know of one very good bureau (and so does Mike Crean) who would be only too pleased to go into the question of quoting for a trust account system. I know of one in existence at the moment. And trying to spread the cost later on. This is a gamble computer centres are willing to take. If they can get enough

people to be interested it might cost them \$20,000 in the outlay, but if they can sell it to enough people at \$1000 a throw and do the processing for them, they are on a good wicket and they would do this.

And the question of confidence. I defy anybody who doesn't know anything about computers to read one of those cards. The information comes in in bits and pieces and is coded. The information is preceded by a code number. Unless you know what the code number is and the format is relating to and you are looking for it, it won't mean anything to you. The computer operator is concerned with getting the thing out of the way. He is concerned with going home. We work 24 hours a day, six days of the week. And those guys aren't going to sit around trying to find out computer information for Bill Smith from files they are possibly working on.

Mr O'Keefe This is true. The experience of Government Departments is the more you mechanise the less opportunity there is, the less feasible it is, for people to milk information. And the existing law provides suffiremedies.

Dr Whalan But if it happens? Where does the liability lie? That is what friends of mine worry about.

Mr O'Keefe Then it is unfortunate. There are always the hard cases for which there is often no remedy. This is the nature of life. But in most instances you can sheet it home.

Mr Hall One point I would like to go back to. The land transfer system. It seems this problem could be solved by putting the Register on a computer because it should no longer be necessary for the Land Transfer Office to be concerned with the administration of this fringe information. In the case of Town and Country Planning, for instance, this information would be prepared by Local Authorities who would be the ones in closest touch with this information. All that would be necessary for it to be related to the land transfer information would be a common system of coding up the index for each particular parcel of land; perhaps some 10 figure code number for each parcel of land. So long as this same system was used for land transfer, town and country planning or valuation, there won't be any trouble in computing one with the other.

Dr Northey It was mentioned this morning that the Valuation Department was assembling pretty well all a lawyer is likely to need and, if so, it will be unnecessary for the Land Transfer Office to do it.

Mr Hall All this computer information will be prepared by the Government Body most vitally interested in it and it will be this common basis which will be mainly acted on from one office to another.

- Mr Ramsay** I believe the Valuation Department in their certificates and what they are issuing from the computer are not including the certificate of title reference.
- Mr Norton** One of the biggest problems in the land transfer system is lost titles. Now in a computer system is it possible for the equivalent of a title to become irretrievable?
- Mr Barnard** Yes
- Mr Norton** What is the likelihood?
- Mr Barnard** Very small. Probably a lot smaller than where you rely on a system of cards of all ages using pieces of paper.
- Mr Smith** Once an equivalent title becomes irretrievable how do you then get it back into a system?
- Mr Barnard** I think it is fair to say those who have put any important file into a computer acquire in doing so a far more secure system than they ever had before. Let us take for an example a very simple thing; a debtors file. Most people who are operating the usual ledger card system use a ledger card. If they have a fire in the office they have lost the lot. With a computer system there are three sets of these files at least, not necessarily at the same stage of currency. But at least you will not lose all your information if you lose one or two of these three sets. Now the same sort of security would be taken for a file of the magnitude we are talking of today. The kind of thing a computer person fears is not the loss of a single certificate. That would be pretty hard to do. What is more worrying is that at a critical stage of processing you could lose two files at once, and this has happened in very rare circumstances. It is with fear and trepidation you settle down and get your machine to copy the one that is left. Because if in the course of copying you lose it you could well be in trouble.
- Mr Smith** If I may make my contribution to solve this problem, not only the case of losing one title, but losing the complete records of the Land Transfer Office. Just to reiterate very briefly. The idea is to obtain a microfilm output of all the titles and keep them regularly up to date, once a day if you like, or a weekly, monthly basis, and have these stored elsewhere, perhaps in a form of magnetic tape at another programme terminal, or even stored manually at some other end of the country.
- Mr O'Keefe** This has been going on in one way or another ever since the Hawke's Bay earthquake.
- Mr Smith** I understand they were updated in 1969 and they have been again updated.

Mr O'Keefe

And, of course, in answer to Mr Norton, once again too, the lawyer's answer to this is that if somebody plucked the certificate of title out of the Registry it would be relatively simple to reconstruct the title out of other information in the Registry; for example, if there were easements on the title you would get information from some other title. It would be very difficult to pluck a title right out of existence.

Mr Buddle

Can I just go back to the office, small or large. Certainly no office in Auckland is large enough to go into the computer world on its own, but there is also this we have got to take into account. It has been said by outsiders we are a terribly conservative profession. Some of the things that are available to us such as data banks could be very useful to us. I can remember last June I wrote to the Auckland District Law Society and said "Why can't we make use of credit services instead of cheques? Why can't we get money directly into our trust accounts and not have to send out a receipt after our banker has told us our client has paid us?" That was June 1970. So far there has not a committee of the N.Z. Law Society to look at this. All that has been said is that data banks are not ready to tell us what we want. No-one has told us what we do want. Would they please let the Auckland District Law Society know of this and then perhaps somebody from the Law Society could get alongside somebody from the Computer Society and produce the new accounting system we must have sooner or later.

Mr Fear

As representative of one of the larger machine companies situated in Auckland, from my own personal investigations I am satisfied there are practices in Auckland that can justify their own computer on the basis of volume of transactions. This is in relationship to the number of partners in practice and also the type of equipment available. Before long we will see firms in this city operating their own on-the-site system. To my mind the question of data banks is not feasible because the question of delays is not good enough. One week's delay is not good enough. Daily processing must be available if the advantages of data processing are to be taken full advantage of. My investigations have shown that as well as being able to balance those costs against alternate methods of handling trust account operations, there are considerable savings from many other areas within the firm. No mention has been made of investment measures, nominee company handling and other areas where there is considerable time and effort being spent at the moment.

- Mr McCarthy** I understand there are two legal firms in New Zealand now who are actually using computer or similar services. One of these is, I think, known to Mr O'Keefe. Perhaps he would tell us something of their experience.
- Mr O'Keefe** Mr Fear has something here. This sort of firm is very much involved in land development and this sort of thing. It is a money lending practice with an enormous number of dealings, almost a banking institution, and it is perfectly true and I agree with Mr Fear there, you do pick up initial and operational costs elsewhere when you computerise on even a straight-line digital system. They would have in their own office the input hardware and they would buy time. Is this the sort of thing you have in mind?
- Mr Fear** What may also come out of this is that firms should think seriously where they are in the same building or very close they could go into sharing equipment. 4-5 hours a day would be the maximum time needed for a medium sized firm to handle their requirements on a daily basis. This is very practicable to consider, this combining of a group of firms, that a jointly owned machine can certainly be of use.
- Mr O'Keefe** There are all sorts of legal pitfalls about this. Law firms are partnerships as a rule, or they are sole practitioner. If you meld in some venture of this kind and something goes wrong, how does the raspberry jam spread?
- Mr Ross** The Accountants had this very point put up to them at their Seminar and they are coping with it.
- Mr O'Keefe** Are they? This is good to hear.
- Dr Northey** Any other questions? No?
- Well, that being the case, I think, on your behalf, the members of the panel, particularly, and the commentators, and others who have contributed to our discussion. As a result we have much more insight into computer problems than we had before. Thank you gentlemen.