

chain. I may say the drains in that particular case were not a very expensive item, because they were close to the sewer. My object in giving this information is to lead up to what will be the cost of making the roads that are asked for by the trustees now. Quite recently an estate known as Smiley's Estate, and one of the borough properties, was cut up and leased. The borough had to make the roads, and the cost of making the roads, which were only 40 ft. wide, with kerbing only on one side, because the railway was on the other side, was £38 16s. per chain. I will come now to the roads asked for by the trustees. The total length of streets marked on the plan is 128 chains, and including footpaths and concrete kerbing complete, 225 chains. The Council I believe asked for the formation of the whole width of the streets, including claying the full width, gravelling 16 ft. wide in the middle, concrete kerbs, and footpaths gravelled. I estimate the cost of the 128 chains at £48 per chain, making a total of £6,144. That cost is rather heavy for the reason that the formation in places will be very considerable. There is a number of hillocks of considerable size, and they will have to be formed. That gives street-formation to the requirements of the Council, but then there are other items to be gone into, and the point is, who is to pay for them? There is water-reticulation, which is absolutely essential, and I estimate that will mean a cost of £1,900 for these streets. Then the drainage-reticulation—I do not mean the sewer—will amount to another £1,400. That is the most serious aspect of the whole question. A big portion of the estate is very low-lying, but it is not more low-lying than the portion on the opposite side of the Avenue, which the Council in years past dealt with effectively; but it means that a sewer will have to be taken right up from the river to the estate. It will mean at least a 36 in. sewer, and that is a very expensive matter, but it will practically drain the whole of the remaining portion of the estate. The cost of that main sewer I estimate at £9,000. It will go up Wilson Street to the estate. The point is: who is to bear the cost of draining the estate? The borough has dealt with the whole of its own property. That is the point that has to be settled. I may say the present borough sewer in Wilson Street is not nearly deep enough nor big enough to take the drainage of the estate. It was only built to take the water from the borough property, and it was never contemplated that it would have to carry the drainage of the Industrial School Estate.

8. Who is the engineer who laid off the Wilson Street sewer—because he is responsible for the levels?—I am not certain, but I think Mr. Gilmour did it himself.

9. So the Council did not consider the ultimate drainage of this part of the borough when it laid down the Wilson Street sewer?—No; the estate was not taken into consideration then. To continue, I may say these new streets will serve 189 quarter-acre sections as shown on this map. When the streets are made there is no question in my mind at all but that a large number of these sections will be readily taken up. They are in the town. There is still a fair demand, and, in fact, a good demand for town sections. It was only the other day that the local Borough Council put up some leasehold sections, in not much, if any, better position than these. These sections brought an average of £6 13s. per section, and there were more than double the number of applicants than sections.

10. Where were they?—In what is known as the Blue-gum Plantation, opposite Smiley's paddock, the same distance from the Post-office as these sections. In July, 1904, a sale by auction of Industrial School leases was held by Williams and Harper on behalf of the trustees. They offered eighteen sections, and they averaged at auction £6 13s. 3d. each per annum, making a total annual revenue from eighteen sections only of £101 18s. 6d. In fact, this was only a portion of a paddock that was held by Mr. Liffiton for many years as a grazing-paddock, for which I think he paid £16 or £20 per annum. I may say here that, to my mind, is an illustration of the way this estate has been dealt with. A most pessimistic view has always been taken of the capabilities of the sections for letting purposes if put on the market, and they have never attempted to deal with the land in the buoyant way that any ordinary business man would adopt. Now, the whole point is, what will the Council require in the making of these roads? I say if the Council's requirements will be met by the estate paying the cost of the street-formation and water and drainage reticulation—not the main drains—at a cost of £9,444—if the Council would be satisfied with that, and would bear the cost, or, at any rate, bear some considerable cost of the main sewer and water-reticulation, I should say it would be a very fair thing, because the borough in the immediate future would reap a very large rate-revenue from these leasehold sections. That is a question of policy, and it is outside my province now; but I think the Council might meet the trustees fairly and reasonably in this matter. If they did that I should say we should raise a loan of £10,000, in round figures, at 4½ per cent., with an additional 1 per cent. for sinking fund, at a cost of £550 per annum. That would leave a net credit balance of, say, £300 a year for the immediate benefit of the trustees, assuming always the Council was satisfied with the arrangement I have indicated. But should the Council insist on the whole of the work being borne by the trustees—namely, the main drain and sewerage and water-reticulation, and so on—it would mean that they would have to raise another £9,000 at 4½ per cent., with 1 per cent. sinking fund, making a total interest-charge of £1,045 per annum, and leaving a debit balance of £194 10s. Even supposing the trustees did the whole of this work themselves, I say it would be good business for the reason that, although they are making a slight annual loss the work would be the means of thoroughly settling a great portion of their estate and attracting people to it. And not only that, but the works I have indicated here would give access to a very large number of other sections which are not shown to be let, but which could be dealt with at a very small extra cost. So far as the administration in the past is concerned, I just wish to say that within the last two or three years there has been a material difference. The trustees have apparently been doing their best to make improvements and to induce settlement on the estate. As a matter of fact, it is only during the last three to five years this has taken place. Previous to that the estate as a property was simply a bugbear to the town. I may say the authority for raising a loan I have taken from the Loans to Local Bodies Act, section 4. Even supposing this Act did not give the necessary authority, I consider, myself, that if