

had any grievance against the Drainage Board should formulate the same in the shape of a claim for relief, and that the Drainage Board and any other parties who supported the Board should be supplied with a copy of such claim, and should then make a statement of defence, as in any ordinary action-at-law. This was done, and the statements of claim and defence will be found in the appendix to this report. I treated the claimants as plaintiffs, and the Drainage Board and Christchurch City Council as defendants and sub-defendants respectively.

STATEMENTS OF CLAIM AND DEFENCE.

These statements of claim and defence are voluminous, but they resolve themselves into five issues, which were argued before me, and which issues may be summarised as follows :—

Issue I.

The plaintiffs claim that certain lands in the drainage district known as “the Rural Areas” have, *inter alia*, been made to pay a sum of £37,533 12s. 11d. to the Drainage Board, and which money has been applied by the Board towards paying interest and sinking fund in respect to the portion of a loan of £200,000 which was spent by the Board in what is known as “the Sewage Area.” They ask that this money be returned to them, with interest amounting to £15,923, thus making a total money claim of £53,456 8s. 1d. (This amount was, however, afterwards reduced to £43,149 8s. 3d., as will appear later on.)

The Drainage Board admitted that it had collected about £32,000 more from the Rural Areas than they were equitably entitled to pay, but pleaded that it had no option but to collect the money, and that what it did was according to law and by direction of the Supreme Court. The Board stated, however, that it would submit to any finding the Commissioner might make in respect to this money, but pleaded that interest should not be allowed.

The City Council, within whose district the Sewage Area is situated, denied that any money was due by the Sewage Area to the Rural Areas, and contended that upon the true state of the accounts, and after crediting the Sewage Area with works done therein that benefited the Rural Areas, the latter should be debited with a sum of £14,245 2s. 7d. This amount was, however, afterwards increased to £45,820 1s. 5d. (See Exhibit 23A.) As, however, the City Council also admitted that the Rural Areas had paid £27,525 more than their own proper share of the rates, this counterclaim of £45,820 1s. 6d. must be held to be liable to be reduced by the sum of £27,525 aforesaid.

On this issue therefore there is a claim of £53,456 8s. 1d. by one party, a partial admission by another party of £32,000, and a denial by a third party of anything being due; and, in addition, a counterclaim for £45,820 1s. 5d.

Issue II.

The plaintiffs claim that the method of charging for cleaning rivers and streams in proportion to frontage as adopted by the Drainage Board is inequitable, and that the charge should be according to benefits received.

The Drainage Board said their method of charge was just and fair.

The City Council did not object to plaintiffs' contention.

Issue III.

The plaintiffs contended that the present method of electing the members of the Drainage Board should be amended with the view of giving the local bodies (whose districts are comprised in the drainage district) direct representation on the Board—*i.e.*, the local bodies should themselves nominate the members.

The Drainage Board opposed this contention.

The City Council supported plaintiffs to some extent.