

but it can be paid to the Drainage Board in trust to expend the same in the Rural Areas from whence it was derived.

The claim for interest was not pressed, and very little evidence was given in support of it. The fact, however, remains that the ratepayers in the Sewage Area have been relieved, at the expense of the Rural Areas, for a great many years from the payment of a very large sum of money, and this has been of considerable value to the ratepayers in the Sewage Area. The interest thus saved to the ratepayers in the Sewage Area (counting it at the rate of 4 per cent. only) is above £12,000, and this, together with the difference between the sum of £30,650 admitted by the Drainage Board and the sum of £27,525 admitted by the City Council (and which refers to uncollected rates), may well be set aside as fully compensating the Sewage Area for any benefit which may have accrued to the Rural Areas from the construction of sewage-works paid for by the sewage district.

On the facts therefore, as proved before me, I consider there is a very strong moral claim that the Sewage Area should be made to refund the actual money which was admitted by the City Council, and supported by the Drainage Board, as having been overpaid by the Rural Areas. This sum is £27,525, or, say, in round numbers, £27,500. If this amount were raised by loan it would require a rate to provide interest and sinking fund of so small an amount as to be hardly felt. The evidence of one of the professional accountants showed that if a loan were raised on the Sewage Area to cover the claim—

At 5 per cent. on a currency of 26 years the rate would be $\frac{1}{19}$ d. in the pound.

„ $4\frac{1}{2}$	„	35	„	$\frac{1}{21}$ d.	„
„ 4	„	41	„	$\frac{1}{24}$ d.	„

It will be seen from this that a property valued at £1,000 would be liable for about 4s. 5d. per year for twenty-six years, or about 4s. a year for thirty-five years, or about 3s. 6d. a year for forty-one years; and as the capital value of the Sewage Area increases these rates would become correspondingly less in the pound.

This amount of £27,500 should, in my opinion, be raised by the Drainage Board on loan, on the security of the Sewage Area, either in one lump sum or in such sums as the Board may from time to time think fit, and it should be used for such permanent works in the various rural districts as the Board may determine, in the exact proportions in which the money was originally paid by the ratepayers of such Rural Areas respectively; and this, based on the figures making up the total of £30, 649 19s. 8d. agreed to by the Drainage Board, would give approximately the following results, viz. :—

Rural Heathcote—				£	£
Heathcote	...	...	...	3,589	
Woolston	...	...	...	1,295	
				—	4,884
Rural Avon	...	...	...		2,901
„ Riccarton	...	...	...		7,353
„ Spreydon	...	...	...		1,783
„ New Brighton	...	...	...		939
Rural Christchurch—					
Richmond	...	...	...	235	
Linwood	...	...	...	1,986	
Sydenham	...	...	...	4,934	
St. Albans	...	...	...	2,485	
				—	9,640
Total	...	...	...		27,500

The answer therefore to the first issue is that the evidence shows that £27,500 is due by the Sewage Area to the Rural Areas. I should, however, point out that more than one third part of this money—viz., £9,640—is due to the Rural Areas in the City of Christchurch itself.