do with the fact that the Board and City Council admitted liability as already mentioned. In saying this I offer no opinion as to the correctness or otherwise of the charges made for the work by the accountants.

The City Council failed in its defence, and admitted the plaintiffs' moral claim to the extent of £27,525. It should therefore pay part of the costs, but it does not seem to me that they should pay the whole of such costs, because the

Council will not have to pay the £27,525.

The Drainage Board admitted the moral claim of the Rural Areas to a refund to the extent of £32,000; and, as representing the whole district, it is the duty of the Board to see that justice is done to all parts of such district, and as the Sewage Area is part of such district the Board ought, I think, to

pay part of the costs, and charge the same to the Sewage Area.

Under these circumstances, therefore, I hereby order that the Christchurch City Council and the Christchurch Drainage Board shall together pay in equal proportions towards the cost of the plaintiffs the amounts allowed by rules made on the 15th December, 1903, under "The Commissioners Act, 1903," which are ninety-six guineas counsels' fees, together with out-of-pocket expenses and witnesses' fees and expenses on the Supreme Court scale; provided, however, that the total costs shall not exceed £300.

I understand that the costs of the plaintiffs will amount to much more than is allowed under the Commissioners Act, and that the sum of £300, mentioned above, will not cover such costs. I have no power to order more, but, if it be considered desirable to give legislative effect to the recommendations herein contained, then provision ought perhaps be made that the amount of such costs, as the Registrar of the Supreme Court at Christchurch may consider to be necessary for the purpose of this inquiry, over and beyond the said sum of £300, should be paid by the Drainage Board and charged to general expenses.

I consider that the City Council and the Drainage Board should pay the expenses of the Commission in equal shares, if so ordered by Your Excellency.

Notes of evidence and exhibits at the inquiry are sent herewith.

I have, &c., W. S. Short,

S. Short, Commissioner.

Approximate Cost of Paper.—Preparation (not given); printing (1,400 copies), \$5 9s. 6d.

By Authority: John Mackay, Government Printer, Wellington.-1908.

Price 6d.]