

The difference (£9,956,332) represents amounts declined or referred back by the Board during the period.

The following table shows the movement of gross local-authority debt :—

£			£		
1915	..	24,538,721	1939	..	68,206,674
1920	..	30,187,942	1940	..	69,486,970
1925	..	53,353,466	1941	..	67,974,687
1930	..	71,207,539	1942	..	66,645,990
1931	..	72,686,036	1943	..	65,131,074
1932	..	72,402,282	1944	..	63,262,828
1933	..	72,476,056	1945	..	61,237,937
1934	..	71,969,387			

It will be noted that, although additional loan works are being undertaken continuously, the gross local-authority debt is now steadily declining, a fact largely attributable to the policy of the Board of requiring the repayment of loans within the estimated life of the assets to be acquired.

The domicile of local-authority debt has been as follows :—

31st March,	London.	Australia.	New Zealand.	Total.
	£	£	£	£
1931 .. ..	17,533,425	8,574,529	46,578,082	72,686,036
1935 .. ..	16,088,525	2,564,693	52,592,240	71,245,458
1940 .. ..	12,284,225	2,264,220	54,938,525	69,486,970
1941 .. ..	9,893,025	2,198,211	55,883,451	67,974,687
1942 .. ..	9,381,825	2,043,718	55,220,447	66,645,990
1943 .. ..	8,461,325	1,851,273	53,656,498	63,969,096
1944 .. ..	7,837,225	1,624,458	53,801,145	63,262,828
1945 .. ..	7,074,925	1,544,382	52,618,630	61,237,937

Local bodies have shared fully in the benefits from the general fall in interest-rates over the last few years. Furthermore, the improvement in the status of local-body securities since the Local Government Loans Board was established is reflected in the narrowing of the margin between the rates for these securities and the rates for Government securities. The conversion of local-authority loans effected in 1934-35 generally brought interest-rates for these securities down to  $4\frac{1}{4}$  per cent., but the current market rate is  $3\frac{1}{4}$  per cent., with some local authorities raising loans at an even lower rate. The present rate has probably never been equalled and the low interest charges have enabled substantially lower rates to be struck by local authorities.

The Board desires to acknowledge the valuable assistance it received from the comprehensive reports prepared for its information by the various Government Departments and to acknowledge also the ready co-operation of the local authorities concerned, which greatly facilitates the smooth administration of the legislation governing local-authority borrowing.

B. C. ASHWIN, Chairman.

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