WAR FUNDS ACT, 1915.

It may safely be said that the end of the war has brought increased responsibilities in conncction with the administration of this Act. The vast amount of work entailed in keeping careful check on the collecting operations of all Patriotic Societies, and on the expenditure of those whose spending activities ceased with the coming of peace, has been, of course, practically completed. On the other hand, new work of a very responsible nature has arisen. The lawful disposal of surplus funds of purely war-time societies, the general supervision of transfers of funds from one society to another, and the check on expenditure of those bodies whose functions will continue for some years, keep the War Funds Office fully occupied.

NATIONAL WAR MUSEUM.

Cabinet, in September, 1919, approved of the appointment of a War Museum Committee, consisting of Brigadier-General Richardson, Dr. J. A. Thomson, and myself. Four meetings of this Committee have been held. The work of the Committee is mainly to secure a proper distribution of the war trophies held for war-museum purposes by the Defence Department. This cannot be completed until the distribution of the trophies at the disposal of the Territorial units has been completed and the destination of those trophies is known.

Steps have been taken to obtain portraits in oils of holders of the Victoria Cross and of senior officers, and to bring together all war cinematograph films in the Dominion Museum, and an appeal has been issued for material privately held to be donated to the National War Museum.

LOCAL GOVERNMENT.

The year has been one of great activity on the part of the local bodies, and a good indication of the reawakening after the war is the large number of requests for amendment of various Acts. There is in the Department a great amount of material for new legislation which accumulated during the war. You have already approved the consolidation and amendment of both the Municipal Corporations and Counties Acts, the reintroduction of the Motor Bill of 1914, and the preparation of other important measures as opportunity occurs.

Counties .- Three new counties - Hauraki Plains, Inglewood, and Matakaoa -- were constituted by special Acts passed during the 1919 session of Parliament. Action was immediately taken to divide them into ridings, fix representation, and to make arrangements for first elections.

Alterations of boundaries of a number of counties have been made.

The question of local government in islands off the coast is beginning to be important. Whether or not these islands are at present within counties depends on whether the latter are defined as being bounded by the ocean or by the sea. You have approved of legislation on the subject.

Boroughs.—The biennial general elections of Mayors and Councillors were held in April last. Christchurch City Council reverted to the old method, and the only borough in which Council

clections were held under the system of proportional representation was Woolston Borough.

The boundaries of several boroughs were altered, and the City of Christchurch was divided

into wards. The Borough of Karori was amalgamated with the City of Wellington.

Town Districts.—The Town District of Kaikohe was constituted, and petitions were presented for constitution of town districts at Cobden and Plimmerton. The Town Districts of Papatoetoe and Manurewa were declared not to form part of Manukau County. The members of Matamata Town Board were increased in number. Arrangements were made for holding first elections of the Town Districts of Kaikohe and Papatoetoe.

Road Districts .- Mangere and Papatoetoe Road Districts were merged in Manukau County, and Geraldine, Mount Peel, and Temuka in Geraldine County. The number of road districts is being rapidly reduced.

Power is given by section 11 of the Reserves and other Lands Disposal and Public Bodies Empowering Act, 1919, to constitute a road district on Waiheke Island, and two petitions for

this purpose have recently been received.

Land Drainage and River Districts .- It is proposed to constitute drainage districts to be called Kimihia, Waipa, and Whakaronga.

The River Districts of Matau, Tokomairiro, and Mangawara were constituted, and certain

powers of a Drainage Board were conferred on the Matau River Board.

No action has yet been taken to bring into operation either the Orari and Waihi Rivers Act or the Rangitata Rivers Act, both of which were passed in 1918. The question has been held over pending the report of the New Zealand Rivers Commission set up by the Public Works Department.

The constitution of the Mangawara River District, the area of which comprises, incidentally,

several drainage districts, completes action begun several years ago.

While the trend of modern principles regarding river-protection favours entirely the constitution of big districts comprising the whole of the watershed of a river or rivers, there is, in general, no valid reason against small drainage districts, and there are a number of these with very few ratepayers. At the same time it is fair argument that drainage operations in these small districts should be carried out more efficiently, and with some considerable saving in administration, by County Councils acting under the powers given to them particularly by the Counties Act, and those given to all local authorities by the Land Drainage Act.

Balance-sheets of Local Bodies .- It has been found necessary, owing to cost, to alter the conditions on which permission to vary the statutory mode of publication of balance-sheets is granted, and warrants were issued in a number of cases. In all cases printing of the balance-sheets, with the Audit Office tags, if any, is now mandatory.

TOWN-PLANNING CONFERENCE.

In my last report I made reference to the first New Zealand Town-planning Conference and Exhibition, held in Wellington from the 20th to the 23rd May of last year. It was attended by over three hundred delegates, representing forty-eight local authorities, together with town-