The very large increase in the amount sanctioned for transport undertakings is accounted for by the proposed loan of £1,350,000 submitted by the Christchurch Tramways Board. This proposal was subsequently rejected at a poll of the ratepayers. The borrowing by educational authorities was chiefly for the purpose of acquiring housing for staff and students. In common with other local authorities, educational institutions are finding it increasingly difficult to attract or retain staff unless accommodation can be provided.

The amount referred back, though less than the previous year, is again substantial, as the Board considered that some proposals, however desirable, were beyond the financial capacities of the local authorities concerned.

In the twenty-two years of its existence the Board has dealt with applications amounting to £101,957,060. Of this amount £59,699,932 has been sanctioned for new works and £29,195,215 for redemptions, while the balance, £13,542,267, has been referred back or declined. Of the amount sanctioned for new works, £20,288,759, or almost 34 per cent. of the total for new works, has been sanctioned in the past three years. The high cost of construction in recent years is a material factor in the increased loan authorizations.

Despite the figures given above, the total amount of local-authority debt has shown a progressive decline from a peak of £72,686,036 in 1931 to £57,117,475 as at 31st March, 1948, the last date for which figures are available. This is the result of insistence upon adequate provision for redemption of loans. The domicile of this debt is as follows: United Kingdom, £5,970,900; Australia, £1,255,269; and New Zealand, £49,891,306. Since that date, the Australian total has been further reduced by the conversions referred to earlier in this report.

Interest-rates on local-body securities have been maintained in the range of 3 per cent. to $3\frac{1}{4}$ per cent., and the graph which follows sets out the movement of these rates over the period since the Loans Board was constituted. Over the period the margin between the rates for Government and local-body borrowing has been progressively narrowed.

MOVEMENT OF INTEREST-RATES ON LOCAL-BODY LOANS SINCE THE INCEPTION OF THE LOCAL GOVERNMENT LOANS BOARD: MAXIMUM RATES SANCTIONED FOR GENERAL PURPOSES