

tendency on the part of many local bodies to restrict expenditure, and this tendency has been accentuated by the fact that in a number of cases proposals submitted to the ratepayers have not received their assent, many of the ratepayers doubtless viewing with apprehension any large increase in local-body indebtedness at the present time. A further factor which has served, at all events temporarily, to restrict the flow of applications from local bodies has been the establishment of the Local Government Loans Board under the Act passed last year. The Board has been set up and is now at work, and, as the information required before consenting to the raising of the loan by a local authority is searching, the effect of the setting-up of the Board has been to stem the flow of applications to the Public Trustee—at least, for the present. Nevertheless, a considerable sum was advanced by the Office to local bodies during the year just passed to assist in the development of their districts, the principal classes of local authorities to which loans were granted being Borough Councils, County Councils, Electric-power Boards, Hospital Boards, Road Boards, and Town Boards. The total sum advanced was £906,590.

Special legislation was passed by Parliament last year empowering local authorities to raise funds for the relief of unemployment without complying with the full procedure prescribed by the Local Bodies' Loans Act, 1926. Several local bodies availed themselves of this authority, and the Public Trustee was able to make funds available for unemployment relief works. The completion of the legal formalities in connection with the loans was promptly attended to in order that the money might be made available to the local authorities at the earliest possible moment.

In the last annual report reference was made to the desirability of recasting the whole of the legislation relating to local-body-loans work in order that it might be made more effective. The various enactments governing loans to local bodies were consolidated during the last session of Parliament, but practically no new matter was introduced, and the recasting of the whole of the legislation remains to be considered.

The facilities of the Public Trust Office in connection with the completion of loans to local bodies have been made use of during the year by the General Manager of the State Fire Office, at whose request the Office Solicitor has undertaken the whole of the legal work in connection with advances made by that Office to local bodies. The arrangement has proved satisfactory in all respects.

DECENTRALIZATION OF INVESTMENT WORK.

72. For some years past a large measure of decentralization has been in force in regard to the estates administration work of the Public Trust Office, the active administration of the estates being carried out at the District Offices, subject to adequate control by the Public Trustee of the more important matters of administration, and subject to his general supervision and direction. The system has worked admirably and has fully justified itself. The application of a similar system to certain portions of the investment work of the Office has engaged attention during the last twelve months. Hitherto the whole of the investment work has been concentrated at the Head Office in Wellington, and has involved the employment of a large staff of officers, with consequent pressure upon the limited accommodation available in the Wellington building. The desirability of making the system of delegation complete, and also of relieving the strain upon Head Office accommodation, has led to a close examination of the investment work with a view to seeing what portions can be delegated to district officers. A commencement was made two years ago by the delegation to district officers of the management of associations formed under the Land Settlement Finance Act, 1909, and this was followed by the delegation of the whole of the insurance work connected with the mortgages to the Public Trustee, and in both cases the system has worked without any difficulty.

As a result of the further investigation made recently, together with a consideration of the views of the District Public Trustees, it has been decided that it would be advisable to proceed with the delegation of the mortgage work as far as possible. A complete set of instructions to give effect to this decision has been compiled and approved by the Public Trustee. The instructions deal fully with all phases of the work which it is proposed to hand over to district officers, including the settlement of loans, the setting-up of the necessary mortgage