

Allotment 65, Hikurangi Parish, North Auckland Land District, and an area containing 145 acres 2 roods 4 perches, being Section 1, Block VIII, Akatore Survey District, Otago Land District; and (c) sets all four of these areas apart as permanent State forests under and subject to the Forests Act.

Section 23 of the Reserves and other Lands Disposal Act, 1946, cancels the State forest reservation over an area containing 644 acres, being part of Section 48, Block VII, Pohangina Survey District, Wellington Land District, and declares the land to be a recreation reserve and to be set apart under Part II of the Public Reserves, Domains, and National Park Act, 1928, as part of the Pohangina Valley Domain.

93. *Finance*.—Appendix VI of this report summarizes the receipts into and payments out of the State Forest Account during the year ended 31st March, 1947, together with those of the three previous years. The complete departmental accounts are set out in parliamentary paper B.-1 [Pt. IV].

Reference to Appendix VI will show that, compared with the previous year, payments for 1946-47 increased by approximately £470,000, whereas total receipts show little variation.

The increased payments were occasioned by the increased labour complement, salaried personnel, accommodation, plant, &c., necessary for the establishment and maintenance of new projects and for the accumulated maintenance of established forest projects.

Itemized receipts warranting special comment are an increase of approximately £35,000 for sawn-timber sales, this being due to increased timber-production; and a decrease of approximately £47,000 for sales of box shooks, this being due to the change-over from wartime to peacetime orders.

94. *Subventions to Local Bodies, &c.*—The extent to which subventions of forest revenue to the Consolidated Fund and local bodies have necessitated the raising of additional loan-moneys over the past three years in order to provide the necessary finance for forest activities is shown in the following table:—

Year.				Consolidated Fund (under Section 39 of Forests Act, 1921-22).	Local Authorities (under Section 17 of Finance Act, 1924).	Local Authorities (under Sections 6 and 7 of Forests Amendment Act, 1923).	Total.
				£	£	£	£
1944-45	..	..	..	16,196	12,799	6,057	35,052
1945-46	..	..	..	14,235	17,114	6,230	37,579
1946-47	..	..	..	16,023	25,750	6,033	47,806
Totals	..	..	..	46,454	55,663	18,320	120,437
Percentage of indigenous forests receipts				8.63	13.88	3.26	25.77

The relationship which the above subventions of revenue bear to the amounts of loans raised is as follows:—

—				1944-45.	1945-46.	1946-47.
				£	£	£
Total loans raised	..	..	..	110,000	300,000	750,000
Subventions	..	..	..	35,052	37,579	47,806
Percentage of loans	..	..	..	31.87	12.53	6.37