

NOTES.—(1) Land and indigenous forests, other than areas purchased, have been valued as follows : prairie value, 5s. per acre ; protection, £1 per acre ; merchantable forests, £10 per acre ; accretions during the year have been brought into the accounts at the prairie value of 5s. per acre. (2) Cost of establishment of exotic forests has been arrived at on the basis of cost, plus compound interest to 31st March, 1940, less returns compounded to 31st March, 1940, only. (3) The liability for advances from Consolidated Fund is fixed by section 21 of the Finance Act, 1926, section 3 of the Finance Act, 1926, and section 3 of the Finance Act, 1927, at £104,250. £87,465 3s. 4d. only is shown as a liability of this account, £16,844 16s. 8d. representing the expenditure on sand-dune reclamation, having been transferred without statutory authority to the Crown Lands Accounts.

N. J. DOLAMORE, Assistant Director of Forestry.  
R. J. WELLS, Accountant.

I hereby certify that the Working Accounts, Profit and Loss Account, Revenue Account, and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby subject to departmental notes enfaced thereon and to the explanatory notes dealing with departmental accounts generally as appearing at commencement of parliamentary return B-1 [Pt. IV].—J. P. RUTHERFORD, Controller and Auditor-General.