

Supplies to Royal New Zealand Air Force by Australia

In 1945 certain rations, fuel, &c., were supplied by the Australian Government to the R.N.Z.A.F. operating in the Pacific Area, and three invoices were received covering a cost of £110,240. The Australian Government subsequently agreed to make a *per capita* charge, the amount of which has yet to be decided.

Treasury decided to bring to charge in the War Expenses Account in 1946-47 old debits of this nature, in order to restrict the account in future as far as possible to expenses currently incurred, and, with this purpose in view, debited the account by means of a transfer voucher and credited Deposits Account with £110,240 at 31st March, 1947. The sum ultimately agreed on between the two Governments will be paid out of the amount thus held.

United States Property Educational and Cultural Fund

In July, 1946, an agreement was signed between the United States and New Zealand Governments to provide for a settlement of lend-lease and reciprocal aid, and for the handing-over to New Zealand of certain United States property which became surplus to requirements after the cessation of war hostilities.

Section 7 of the agreement provides that, in consideration of the value of this United States surplus property diverted to New Zealand use, the New Zealand Government shall—

- (i) Deliver to the United States Government the title to such real property and improvements in New Zealand as may be agreed upon of a total value of not more than \$1,200,000 (£(N.Z.)370,000).
- (ii) With the balance owing establish a fund in New Zealand to be spent in furthering educational and cultural relationships of benefit to the two countries.

As a result of this agreement a special deposit account has been created and appears in the Public Accounts, Deposit Account, called “United States Property Educational and Cultural Fund.”

An amount of £1,131,487 11s. 7d., representing the value of surplus property handed over, has been charged to “War Expenses Account, Subdivision IV, Ancillary,” and credited to the new account. A further amount of £225,550 9s. 1d. has been debited to the same item in War Expenses Account and credited to “Deposits Account, Miscellaneous,” until a decision has been made as to the value of some of the surplus property in question.

Treasury advises that to date no requests have been received from the United States Government involving expenditure from the Special Deposit Account.

War Assets Realization Board

About a year ago the above-named Board, when reviewing its affairs, expressed a desire for a continuous audit of its transactions, and this Office would have been glad to comply if it had been possible to do so. However, as two Audit Inspectors who had