

to the National Patriotic Fund Board that the definition of a "patriotic purpose" in the Patriotic Purposes Emergency Regulations 1939 should be extended to include the making of grants to returned services' organizations, but it has since been learned that the Board does not favour the proposal. Any moneys spent from a Provincial Patriotic Fund on an unauthorized purpose may be recovered by the Minister of Internal Affairs in terms of Regulation 27 of the Patriotic Purposes Emergency Regulations 1939, and every person who joined in authorizing payment is liable to the penalty provided in the same regulation.

Canteen Board

The accounts of the Board for the year ended 31st March, 1947, are at present under audit.

There remain thirty-three canteens in operation in New Zealand, and two (in Fiji and Norfolk Island) in the Pacific Area.

The canteens serving the New Zealand troops in Japan are the responsibility of the Australian Canteen Service. Whilst the New Zealand Board has no accounting or administrative interest in them, orders by the Australian Service for various supplies to the British Commonwealth Occupational Force to the extent of £145,000 were executed by the New Zealand Board.

National Council for Reclamation of Waste Material

In terms of the Reclamation of Waste Material Emergency Regulations 1940, the above-mentioned Council was charged with the collection and sale of waste, the net proceeds to be distributed amongst the Provincial Patriotic Funds. Under Regulation 8 (5) the Audit Office has audited the accounts of the Council since its inception, but they are not required to be published otherwise than by delivery of a copy each to the Minister of Finance and the Minister of Supply.

The regulations were revoked as from 22nd December, 1945, by the Emergency Regulations Revocation Order, No. 2 1945, and at the final meeting of the Council on 18th December a sub-committee was formed to dispose of the balance of waste material held and distribute the balance of the proceeds subject to the approval of the Minister of Supply. Grants of £250 and £100 were made to Heritage (Wellington), Inc., and Heritage (Auckland), Inc., out of the final balance, and the residue was divided equally between the branches of the Red Cross Society and the St. John Ambulance Association in proportion to the amount earned in each locality. The Audit certificate on the final statement of receipts and payments contained a comment that the distribution of the above-mentioned final balance which amounted to £2,560 6s. 6d. was not in accordance with the provisions of the regulations.

Defence Services Expenditure

During the war all expenditure on the New Zealand war effort was made from War Expenses Account, but for the year ended 31st March, 1947, part expenditure in respect of the Navy, Army, and Air Force was provided for under separate votes in