

7. I wish to be in a position to give interested syndicates full information as soon as possible in regard to Customs duty and sales tax and the use of left-hand drive vehicles, but the important decision required in the first instance is as to whether the Government will permit the sale of the vehicles. This matter is in your hands for consideration and I should be pleased to have your decision as soon as possible.

8. If the Government gives permission for the sale of the vehicles and no satisfactory offer is forthcoming from any of the syndicates, then I am of the opinion, after consultation with the Munitions Controller, that the following disposal procedure would be worthy of consideration :—

- (a) This Board to arrange for a series of auction sales of the vehicles “as is where is.”
- (b) Following on (a) further sales to be made of tires, salvaged parts and scrap metal ex those vehicles not sold “as is.”
- (c) General Motors or some other approved firm to be employed at the expense of the U.S. authorities to effect dismantling to enable (b) to be carried out.
- (d) When action has been completed as in (a) and (b) the remaining salvage to be cleared from the site and dumped at the expense of the U.S. authorities.

I should be pleased to have your decision *re* para. 7 as soon as possible and any comments you wish to put forward.

(Sgd.) H. E. AVERY, Brigadier,
General Manager.

As the result of subsequent discussions with Treasury the General Manager reported to the Board at its meeting on the 4th December, 1945. The minutes set out: the General Manager stated that reports had been received from the Minister of Transport and Comptroller of Customs, and that the matter had been further discussed with the Treasury. It was understood that the Treasury had submitted proposals to the Minister that the Government should take over by way of purchase the whole range of vehicles for a lump sum of \$50,000. The General Manager pointed out that if such purchase were made it would involve the Board staff in a considerable amount of work and that it would not be possible to physically take over the vehicles earlier than the 20th January, 1946. He pointed out that there would appear to be only two methods of disposal as follows :—

- (a) The Board to invite offers :
- (b) The Board to sell by auction.

He recommended the first method be adopted, and offers invited for the whole range or, alternatively, for the complete range of each trade-mark or in lots of a specified number of vehicles. The report was received and further action deferred pending the decision of Government on purchase.

The General Manager was finally advised by telephone about the 22nd December, confirmed by memorandum on the 8th January, that Government had decided to purchase the whole range of vehicles at \$50,000. This was one item in a total purchase amounting to \$1,309,000. The General Manager reported that the Board had taken possession on the 9th January, 1946, and that the purchase included approximately 2,287 M.T. vehicles of various makes and substantial stocks of scrap material and metal and that a complete stocktaking was in progress. At a meeting on the 15th January, 1946, the Board decided that disposal action be taken in accordance with the Board minute of the meeting of the 4th December, set out above. It will be observed that the Board did not purchase—in fact, the regulations do not confer on the Board any power to purchase—but that this was done by the Treasury and the assets handed over to the Board for disposal. The evidence shows that the Board was aware generally of the events with regard to the vehicles up to the time of the purchase, but there is nothing in the evidence to justify any criticism of the Board or of its officers or of any other persons in relation to the purchase, and, in fact, no such criticism was made at the inquiry. The purchase in fact has turned out a most advantageous one for the Government. The motor-vehicles were war models specially built for military purposes and were the casualties of war service and in need of major repairs and radical