

We are not concerned with seven of these trucks as they were in running condition and had not been out of New Zealand, but the other two were from the group of war derelicts at Seaview and were valued at £600 and £550 respectively.

No doubt the question of valuation was a difficult one, for not only had the physical condition of the vehicles, the amount of cannibalization, and the number of vehicles which could be made mobile to be considered, but also the prospective demand for these war vehicles for commercial and domestic purposes and also the considerable liability for disposal of the useless residue.

However, taking all these considerations into account, the evidence above set out shows that a worth-while valuation, more or less rough of the G.M.C.s and Jeeps, and a detailed external examination of the Dodges could have been made by the Board in the time available before dealing with the tenders.

The General Manager was seriously at fault in recommending to the contrary, and the Board similarly at fault in facilely endorsing such recommendation and in failing to insist on such valuation, irrespective of the General Manager's recommendation.

Treasury Regulation 117 also bears on the question :—

The utmost vigilance must be exercised by all public officers who are concerned in the sale or disposal of Government property. A reserve price must be fixed where possible, especially in cases where goods are offered to the public. The sale must be advertised unless otherwise directed by the Treasury. Sales by private treaty will be permitted only if the conditions of sale are in accordance with the departmental rules approved under Regulation 111.

(4) In relation to the method of disposal of the assets, and in particular :—
(a) In selling by public tender.

The General Manager said that, first of all, the disposal by auction was thoroughly considered by himself in conjunction with Mr. Levick, the Executive Officer of the Motor-vehicles Section of the Board, before anything was put to the Board. In his letter to Treasury of November last he did suggest that in the event of no satisfactory offers being received for the whole range of vehicles, sales by auction were worthy of consideration ; but, having given that consideration, he came to the conclusion (very largely because of the condition of the vehicles, but particularly because of the way in which they were parked) that auction sales were impracticable. To have conducted an auction sale would have meant the complete rearrangement of the park, the handling of every vehicle, the rearrangement of them so that they could be handled, sold by the auctioneer, and inspected by the prospective buyers, and it was beyond the Board's organization and facilities to carry out that rearrangement of the park to make an auction possible ; in addition, assuming that that had been done, there would, in his opinion, have been absolute chaos in the operation of an auction sale, due very largely to the scramble of everybody to clear their vehicles from the site with the limited facilities that there are for doing so. He was also of the opinion that no auction sale was going to guarantee them a complete clearance of the whole range, and that the Board would certainly, after the auctions had been completed, have had a number of the worst vehicles and the scrap still left on their hands. That was paramount in his mind. After considering everything, he came to the conclusion that an auction sale was not desirable and would not give the Board the results that it was after.

Primarily the only rational way to auction motor-vehicles is to auction them singly or in small lots.

Witnesses were all agreed that this was not practicable in the conditions appertaining at the park. Mr. H. L. Carter said that there was not room to do it. You could not have different gangs of men working there. They would have been on top of one another. There would have been chaos in the place. There were Jeeps packed inside G.M.C.s, which were parked tightly together, the tires deflated, and brakes seized up. You could not move some of them. This view was endorsed by other witnesses. There was no suggestion made by any one that there should have been an auction by bulk lots in lieu of tender.