

11. During the reconditioning contract approximately 10 per cent. of vehicles were scrapped. It is estimated that for commercial purposes the number for scrap would be approximately 25 per cent.

Statement showing Approximate Number of USED Motor-trucks available from New Zealand Sources and Authorized Importations of NEW Trucks

—	15 Cwt.	1 to 2 Ton.	Over 2 Ton, Four-wheel.	Over 2 Ton, Six-wheel.	Special Types (Miscellaneous).	Total.
At vehicle reception depots awaiting sale	4	19	15	3	45	86
To be declared surplus by Army ..	141	167	110	1	161	580
To be declared surplus by Air Force*	130	24	150	25	30	359
Total used trucks	275	210	275	29	236	1,025
{ New trucks in New Zealand awaiting assembly	..	240	190	9	..	439
{ Importations authorized by Ministry of Supply to land up to 31st December, 1945, and later	558	405	761	579	0	2,303
	833	855	1,226	617	236	3,767
Import licenses in process of finalization (to land during 1946 as commercial orders)—						
Chevrolet .. ..	..	..	..	768	..	..
Ford .. ..	..	..	..	816	..	..
Dodge .. ..	..	..	..	285	..	..
Fargo .. ..	..	..	..	255	..	..
				2,124†	..	2,124
Total used and new trucks	..	..	..	..	..	5,891

* Figures approximate.

† Types and classes not available.

In view of the supply position and the deterioration the vehicles were exposed to in the conditions under which they were parked it was important that the vehicles should be disposed of as quickly as possible. It was also costing the Board £50 a week for guards. Another important consideration was that the vehicles should be completely disposed of so as to avoid the Government being faced with the trouble and heavy expense of dumping unsaleable residue, to which end the Board deemed it advisable to obtain bonds from the successful tenderers in the sum of £10,000.

It has to be emphasized that the Board's conduct has to be judged in the light of the knowledge it had or should have had in view of the circumstances, conditions, and outlook in the period in question, December to January, above set out, and not by the easy but fallacious standard of after events which has tinged a good deal of the evidence, particularly that of so called experts.

I have now to examine in detail the conduct and actions of the members of the Board and its officers, and in this connection the following questions have been postulated :—

Did the members of the Board and its officers act “carefully, diligently, in a businesslike and efficient manner, and with faithfulness to the interests of the State” in the acquisition and disposal of the said assets?

(1) In relation to the acquisition of the assets.

This may be shortly answered in the affirmative, as I have above fully set out the position.