

I have already found that the Board should have called for a valuation before dealing with the tenders, and this necessity was accentuated in view of the great disparity between the Gillies' and Archibalds' tenders, which should have given the Board occasion to pause and seriously to think.

The situation called aloud for investigation, and the Board had already before it the fact that two of the G.M.C. "war derelict" trucks had been valued by the Board's valuers for disposal to the Public Works Department at £600 and £550 respectively.

The Board in failing to do so courted trouble and showed a lack of businesslike care and judgment.

I will now set out the position of G. T. Gillies, Ltd., the successful tenderer for Lot 1.

Mr. G. T. Gillies, managing director, states that it is a private company, and at the beginning of the war was a garage and mechanical and electrical engineering business, and during the war devoted all their energies to the manufacture of munitions, turning out 160,000 2 in. bomb bodies and 7,000 cast-iron valves of 70 lb. each and 27,000 radio adaptors, and when the war ceased was left with nothing. He had three boys with a combined war service of fifteen years and twenty-seven men out of a staff of forty-five whom he had to rehabilitate, so became interested in tendering for the trucks.

The realization to date is as follows :—

	£
217 trucks sold for	76,810
7 trucks on terms	2,643
43 incomplete trucks dismantled and together with parts from scrap	7,704
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	£87,157

Mr. Gillies contemplates a three-year selling period for such trucks as can be reconditioned for selling, and a further five years to dispose of parts.

On the debit side :—

	£
Crane and bulldozer	10,000
Premises in Dunedin for storage	13,000

(This latter item, of course, is not a wasting asset.)

Interest on capital, bank charges, fire and workers' insurance, and £200 per week working-expenses. In addition, there is the major item, clearing the camp, an undeterminable amount and for which he is under bond to the Board in the sum of £5,000.

The procuring of a vessel is contemplated to dump the residue.

(6) In recommending to the Minister that all offers for Lot 4 should be declined.

Here I may shortly state that the evidence showed that the General Manager and the Board were plainly right in making this recommendation.

(7) In placing the park and store No. 13 at the disposal of the successful tenderers on the terms adopted.

This may also be shortly disposed of. The evidence discloses no just ground of criticism of the Board or the General Manager on this point.

(8) In accepting the offer of £500 for the motor parts and scrap metal.

I have above set out the contents of this Lot 4, which contained materials of considerable value, and, though the evidence of value is not too clear owing to some of the sales by Gillies containing also scrapped material from Lot 1, the value was considerably in excess of £500 and the heap could easily have been valued, and in accepting this price without any valuation the General Manager and the Board failed to exercise due care. In so finding I am not overlooking the paucity of tenders for this lot when tenders were originally called for, but this paucity was probably due to the inadequate advertisement which I have dealt with.