

Each director of the corporation also received a copy of the report and two meetings have since been held.

A number of their recommendations have already been adopted but it soon became evident, however, that most of the important changes recommended were based on the creation of a new administration division which the report did not explain in sufficient detail, a fact which was pointed out to the consultants who explained that their initial terms of reference did not encompass this and it also became evident that for the proper appreciation of their suggestions we would require to re-engage them.

In April we sought a meeting with Price Waterhouse & Co. and expect to arrange for their further services shortly.

It is likely that before this committee meets again in 1961 the matter will have been cleared up.

The CHAIRMAN: Now, gentlemen, are there any questions?

Mr. CHOWN: There are a few questions I would like to clear up with Mr. Richard.

First of all, I would like to refer to page 252 of the evidence and put on record, once again, a portion of the minutes of proceedings, No. 21, of the standing committee on estimates in 1958, at page 594, when the then committee on which I was sitting recorded their opinion, under item 4, crown corporations—Crown Assets Disposal Corporation.

Your committee regrets that in their opinion Crown Assets Disposal Corporation does not have any clearly defined method or policy respecting the sale of land or properties to municipalities. The operations of the corporation seem to be poorly organized with too much authority being vested in the president. As a result of the accounting methods in that organization, your committee experienced difficulty in securing certain desired information.

5. General—

While there was no evidence to suggest any marked degree of inefficiency in the department or crown corporations under review, the committee, nevertheless, observed what it considers to be certain weaknesses in accounting and procedural methods. It is the opinion of the committee, therefore, that the government should consider the advisability of employing an independent business consultant to examine one or more of the crown companies. On completion of this review, the government should then decide whether a further examination of the remaining crown companies is required.

Now, for the record, was it not pursuant to that recommendation that you retained Price Waterhouse?

Mr. RICHARD: Well, I might say, in view of that criticism, we thought we would find out for ourselves what was wrong, if anything, with our corporation, and we went ahead and had a management survey made.

Mr. CHOWN: Then, for the record, you are saying it was following that criticism that you decided to retain Price Waterhouse?

Mr. RICHARD: We wanted to find out for ourselves if anything was wrong with our corporation.

Mr. CHOWN: Earlier, you said in your evidence you had done this on your own initiative, and I only wanted to clear the record on that point.

My next question is: what was their fee? They said, in their letter to you, at page 361, in the appendix to proceedings—

The CHAIRMAN: I have the answer, if you want it, quickly.