

serious view, the lack of full coverage in your report as to the obvious dimensions of the report was a breach, or contempt of parliament, because the recommendations made by the management consultant firm amounted to 57 and reflected a potential saving of \$60,000. Now, what would you say to that statement?

Mr. RICHARD: I would say that means all the savings that they say would be made are based on the implementation of this management division that I spoke of, and the mechanization of our paper processing as I pointed out in my statement.

Mr. CHOWN: You did not regard the matter sufficiently serious to deal with it to a greater extent and with more clarity in your own report to this committee?

Mr. RICHARD: I did not think I misled the committee when I said that that was the whole substance of it.

Mr. CHOWN: It occurred to me that if you stated that there were 57 recommendations made, or made an outline as was done by the Auditor General at page 253 of the evidence, it would have been better. The Auditor General gave a very concise summary of what I feel you should have given us. I think you could have gone further and said that there were 57 recommendations which would cost \$81,000 to implement, and would create a savings estimated at \$60,000. Would you not agree with that?

Mr. RICHARD: It is a matter of opinion, sir.

Mr. CHOWN: I beg your pardon?

Mr. RICHARD: It is a matter of opinion.

Mr. SMITH (*Winnipeg North Centre*): Has the Price Waterhouse Company completed its work under this report?

Mr. RICHARD: Under this report, yes, but it is not finished to the point that we can implement it without further reference to them.

Mr. SMITH (*Winnipeg North Centre*): You mean without further reference to Price Waterhouse?

Mr. RICHARD: Yes, in order to clarify what they mean, and to show us how this management division would operate.

Mr. SMITH (*Winnipeg North Centre*): Has this aspect of the situation been discussed with the Auditor General's department, and I am speaking of the implementation of these recommendations?

Mr. RICHARD: That department has examined the report, yes.

Mr. SMITH (*Winnipeg North Centre*): Would the Auditor General care to make a comment as to whether or not his department could facilitate the implementation of these recommendations without having to re-engage the Price Waterhouse Company?

Mr. HENDERSON: Yes, we have. I have already indicated at an earlier meeting that we could do that. In respect to their re-engagement, I would say that is something that I would want to discuss further with Mr. Richard. I have made the suggestion to him that, if Price Waterhouse and Company could have a meeting with him and with us, that we could go through the points at issue and determine their feasibility. We ourselves could check on the job of seeing that the various improvements were implemented. Whether this would involve their re-employment and an additional fee or not, of course, I cannot say, but I would hardly think so.

Mr. HALES: In this report from the Price Waterhouse Company they have recommended that the Toronto office be closed?

Mr. RICHARD: The report does recommend that, yes.