

c) External Affairs committed no accounting irregularities and, in fact, showed sound cash management in spreading costs over 3 years.

In other words, the Department committed no improprieties, technical or otherwise, in this transaction."

Nevertheless, the Secretary of State for External Affairs decided that, while the Hong Kong project was of similar character to other Program elements, it was unusual in scope and cost and involved a disproportionate part of the initial program.

Accordingly, the Secretary of State for External Affairs has directed the Department to take the following steps:

- Complete the purchase of the debentures and sell the shares as quickly as practicable within the terms of the investment.

- Phase in alternative recreational assistance arrangements for employees and their families in Hong Kong as the memberships in the Aberdeen Marina Club are sold.

- Establish new procedures for the Recreational Hardship Support Program in the light of a review undertaken by the Department's Inspector General, and in consultation with Treasury Board.