

Mr. CHOWN: Casually?

Mr. STEVENSON: Casually. They have not been submitted to us at all on an official basis.

The CHAIRMAN: Does that mean that if your eyes are not wide open, you might not even know about it?

Mr. STEVENSON: I think it would be likely that it would come to our notice, for, of course, our auditors would observe the cost of the services that had been engaged as an item of expense. Mr. Stokes might be able to add something to what I have said.

Mr. STOKES: In such an event we would ask for a copy of the report. Then we would examine it and see how it would fit in with our auditing procedures.

The CHAIRMAN: Then there is no responsibility on the president, or manager of a crown corporation to bring it to your attention? He is an independent operator?

Mr. STEVENSON: In the past, this matter has not come up for consideration. Of course, it may be just within the last year or two, since the recommendation made by the estimates committee, that certain crown corporations have engaged management consultants. In the past there have been very few cases where management consultant firms have been engaged.

Mr. CHOWN: There is an obvious recommendation for a report contained in the evidence we have so far, and my use of the word "worthless" with respect to this Price Waterhouse report, at a cost of \$8,100, seems to be more valid than I anticipated.

Mr. RICHARD, did you anticipate that this report would have to be tabled during the deliberations of this committee?

Mr. RICHARD: No.

Mr. CHOWN: I am going to quote from page 243 of the evidence, where part of your report is as follows:

During 1959-1960 the corporation employed the management consultants division of Messrs. Price Waterhouse & Co. to make a survey of its operations and procedures. The report states in part and I quote: "Our review of marketing practices indicates that the present procedures are satisfactory and we make no recommendation on them" and it further states that "no reference was made to the many features of the present organization and practices which are well designed and operating effectively."

Then you went on and said that you did discuss and make a number of recommendations to coordinate the work of the various branches of your organization and prevent duplication. Then you say:

The principal one was for the introduction of a mechanical photographic process for the preparation of forms and documentation with a consequent revision of these to permit extensive use of machinery in streamlining the various steps between the receipt of records of surplus and the final sales invoicing, this change to mechanical process entailing also the creation of an all inclusive division to handle all phases of documentation. It also recommended the elimination of certain records and information which were considered unnecessary for the operations of the corporation.

From the context of those two paragraphs it would appear to me—and in light of your answer that you did not anticipate that this report would have to be tabled during the committee deliberations—that the committee was misled as to the contents of the report, and to some extent, if you want to take a more