

*Canadian National Railways Act*

decisions, and this alone should prove that the C.N.R. is willing to endeavour to better the financial situation of the company.

However, this in itself is not sufficient; and if the C.N.R. can bring in more directors, people from the world of finance or business, people who are acquainted with the problems which exist in different areas of the country, I am sure this alone will justify an increase in the number of directors. Any director nominated to this board and living in an area where there are special problems would, I am sure, be concerned with the operation of the railway in that area, and would be able to bring up and discuss intelligently at board meetings ways and means of improving the service, of improving the financial situation of the corporation, and of giving to the Canadian people at least the hope that the deficits now being experienced will in time disappear.

That is why I was a little concerned that the official opposition at no time brought in any argument as to why we should increase the number of directors. It is sufficient that these directors should endeavour to look closely at the situation and improve the financial situation of the C.N.R.

It seems that hon. members opposite are worried about regional representation. This is important, but if any person named to this board can contribute one iota of information which would better the situation it is immaterial from which area he comes, providing he does know of the situation and is able to bring his knowledge to the table round which the board will sit. Therefore I trust that this reason alone, the hope that the C.N.R. will be able to cut its deficit and increase the service, either passenger or freight, to all Canadians, is justification for increasing the number of directors from seven to 12.

**Mr. W. L. M. Creaghan (Westmorland):** Mr. Speaker, the resolution which preceded this bill was on the order paper for a great many weeks. I thought it was very appropriate that the Minister of Transport should have introduced this bill for debate on May 15, the date originally scheduled for a national railway strike. One of the heaviest concentrations of C.N.R. employees exists in my riding; consequently I feel it is my responsibility to make a few remarks regarding this bill, and they will be very brief.

I was a member of the sessional committee which made the recommendation to the government to increase the number on the board of directors, and it is therefore a great satisfaction to me to witness this bill today. I have no quarrel with the suggested size of the increase, although I originally hoped the number might have been in excess of 12.

However, 12 does seem to be a sufficient number, and will certainly improve the operation of the railway.

The annual railway report for 1960 indicated, among other things, that responsibility and authority are being decentralized to the regional and area management levels on a geographic basis, as distinct from a departmental basis. I believe that statement in the annual report will clarify and remove any doubt that may have been cast upon the intention of this legislation. As all hon. members know, we now have five regions of the Canadian National Railways in Canada. I have no idea as to the actual residence of the five living directors, but it is my hope and my suggestion to the government that each of the five regions will have two directors, so that as a consequence we will not then have to look upon provincial boundaries but on regions as a whole.

I believe this legislation indicates to the citizens of this country that the government at this time is very dissatisfied with the present management of the Canadian National Railways. I believe that the appointment of Mr. Gordon by the former government, was a mistake. Perhaps the criticism of Mr. Gordon represents the reason that the hon. member for Laurier, when he spoke on Monday, included the following statement in his speech, at page 4843 of *Hansard*:

We on this side of the house will oppose this legislation.

All hon. members know that once this bill is passed and the appointments have been made, the effect will be a tightening of the control and authority of the present general manager. I am of the opinion that so long as he remains president and chairman of the board of directors, the shippers and employees of the railways will never be satisfied. I make that statement without qualification and add that it would be effective even if the Canadian National Railways had a surplus, and even if working conditions had improved and were such that no demands were being made at the present time.

It is my opinion that the present board of directors, and the new and larger board of directors, should be called before the sessional committee on railways, air lines and shipping. I feel it is the responsibility of parliament to ascertain what effect the directors have on policy decisions of the Canadian National Railways. I believe answers should be provided to questions such as who recommends the promotion of senior members of the staff to positions as vice president; do the directors make those decisions, or are they made by one man alone? To what extent did the present board of directors study the huge reorganizational decision and to