

## EVIDENCE

MARCH 25, 1953.

The CHAIRMAN: Gentlemen, we have a quorum. Shall we carry on with the budget?

Mr. MACDONNELL: Mr. Chairman, I have a general question. I believe it is not a controversial one, but I should like to bring it to your attention if you think it is proper to have it discussed? It was discussed in the House of Commons. It is the matter of the personnel of the Board of Directors. If you tell me that I am out of order, I shall stop right here, but I think it is a matter of great importance.

The CHAIRMAN: I do not consider it is out of order.

Mr. MACDONNELL: I would like to make one or two observations. I have two observations to make about the Board of Directors. I do not take directors too seriously. I was once a director myself in a small way and I know that, while directors do not count very much in the operation of a company, they do count a bit. I suggest that in a vast enterprise of this kind there is a special reason. I suggest in particular—although one must not press this too far—that there should be more regard paid to geographical representation than is paid now. I may be wrong, but I think there should be more regard than there is to the factor of geography. That raises the question first of all with respect to the residence of these gentlemen. And there is another question.

I do not happen to know all the directors. I wish to make it clear that I have not a single word of criticism to offer, but the only one of the directors whom I know is Mr. Symington, and he is a man of the widest business experience.

Mr. McLURE: He is the man who made the TCA what it is.

Mr. MACDONNELL: I think that directors are important. First of all consider the Canadian Pacific Railway. In that company you will find a large board of directors. There are two main reasons. First of all, directors are expected to help in getting business. Secondly, there is the fact that in the directors the president can have a sort of reserve experience and judgment to draw upon. I think that is all I need to say. That is my own feeling. I would like Mr. Gordon to say a word about the geographic aspects of the matter and their bearing upon this huge effort which is the biggest railroad in Canada.

The CHAIRMAN: It is certainly the biggest railway in the world.

Mr. MACDONNELL: I am underestimating, Mr. Chairman. I nearly always do.

Hon. Mr. CHEVRIER: I presume what you have in mind, Mr. Macdonnell, is the enlargement of the board of directors because of the enlarged operations of the Canadian National Railways?

Mr. MACDONNELL: That is right.

Hon. Mr. CHEVRIER: Mr. Gordon can speak concerning the qualifications of these gentlemen better than I can because he is in constant consultation with them and meets them each day. I think there is now a pretty good geographical representation. For instance, Mr. Gagnon represents the province of Quebec. Mr. Northey represents the province of Ontario. Mr. Symington was originally from western Canada. Mr. Brennan is from Saint John, New Brunswick, Mr. Parker is from Winnipeg, and Mr. Daly I think is an easterner.

Mr. MACDONNELL: I think you have answered one of my questions which was on distribution. I come back to the question of size.