

of a must that we are able to show any reasonable body of people that it had to be done. If we were more flexible we could do more intelligent planning and perhaps do a better job—it is hard to say.

Mr. CHURCHILL: Mr. Chairman, I do not quite see that there is any lack of flexibility. Is there any instance where decisions have had to be changed or refused on a review such as this?

Mr. GORDON: Never, because we have always been careful to so anticipate your decision that it cannot be refused. But I say we have to exercise our judgment in the light of that, and I was answering the question as to whether or not we had the same discretion about it as a private enterprise corporation has. My answer is no, that there is a restriction on our action in that respect.

Mr. HAMILTON (*York West*): I gather this is a tougher ordeal than the average shareholders' meeting in the average company.

Mr. GORDON: I think so; but I would not classify it as an ordeal. I rather enjoy it.

Mr. HAMILTON (*Notre-Dame-de-Grâce*): At least you do not have any proxy battle.

Mr. GORDON: No, that is true.

Mr. HAMILTON (*York West*): I rather guessed the president of your subsidiary, T.C.A., was planning at least ten years in advance.

Hon. Mr. MARLER: Well, it does not take so long to get a box-car as it does to get a Constellation.

Mr. GORDON: If I may at this point, I had better make myself abundantly clear. Really the question we are discussing is whether or not the president of the railway and his board of directors are prepared to take the degree of responsibility that is necessary for the management of the property.

Mr. FULTON: Are able to take.

Mr. GORDON: And are prepared. There will be instances where my judgment might be yes, we would like to buy and the other directors would say: "Wait a minute, you are going to get into trouble if you go too far out on a limb". That is the sort of discussion that takes place. But I would say in my experience both the board of directors and the president of the railway are prepared to take our share of responsibility when we can demonstrate that it is necessary in the interests of the property.

Mr. POWER (*Quebec South*): When you are advised by your sources that there would be a shortage of certain equipment within the next year and that you would not be able to fill orders for three or four years subsequent would you then feel that you could commit the company to purchase immediately or place an order to be delivered in three years?

Mr. GORDON: Depending on circumstances and having in mind our judgment, the price and that sort of thing. We have a purchasing department and their job is to keep in touch with the market. It is not that we are under threat or anything of that sort by the suppliers, but we judge the markets and we form our own impressions as to whether or not we had better place some orders now or later. These orders that will be approved today, I hope, but we may not place them tomorrow or next month. We might not place them at all.

Mr. HAMILTON (*Notre-Dame-de-Grâce*): But you have placed some?

Mr. GORDON: We have placed some, and that was in anticipation of shortages and needs of traffic.