

are five inside directors made up of three public servants named by the government, and the president and vice-president of the corporation. The statute provides that when the board or the executive committee is not sitting the president has the powers of the board or the executive committee. Whether that should be exercised or not, I do not know, but in point of practice it is rarely exercised. In matters of administrative policy on a decision that normally goes before the executive committee, we always make a practice of calling a meeting or clearing with our executive directors before we take an administrative action on a matter which should normally come to the meeting, which takes place twice a month, of the executive committee. Two minutes of the executive committee are reviewed and approved by the board at each one of their five meetings during the course of the year. Mr. Chairman, I have described it technically. I think the hon. member is really asking for more than that, what is the feeling of the thing. Are the board and the executive committee in control, or am I in control?

Q. Yes; we know what the statute provides for. How is it actually working out in practice? Where is the essential executive direction coming from?—A. I think that one of the most fortunate things the corporation has is a board of directors who insist upon controlling the operations of the corporation—I think I can answer the hon. member's question by saying, Mr. Chairman, that there are ten members of the board of directors and in the matter of influence on decisions mine is about 10 per cent of the whole. Now, this may be an over-statement, I can give you one recent example—at the last board of directors' meeting one of the subjects up for discussion was the annual budget of the corporation. We budget very carefully, not only for the corporation as a whole but for each region and branch office. It comes before the board of directors, is looked at in relation to last year's experience and why we suggest certain figures are appropriate. I may tell you it took me about one and three-quarter hours to get clearance from my board of directors for that budget. I mention this as an example and it is so in other matters. I think that one of the very strengths of the corporation is that in a field so wide as this, with so many various angles to it, that we have five experienced outside directors who take a very active interest in what goes on and want to be kept informed between board meetings as to what goes on.

In answer to your question I think that the board of directors correctly fulfils in the truest sense the functions which are given to it under the statute.

*By Mr. Fraser:*

Q. May I ask one question? You said the ten members on the board. On your board in your booklet there are only nine. The tenth would be the minister himself, would it?—A. There are ten. The reason that it only shows nine is that Dr. W. A. Mackintosh resigned from the board in September, I think it was, and the government has not appointed a successor. There is one vacancy.

Q. Following that up, does the minister ever sit in on your board meetings?—A. Officially, no; but I would think about every second board meeting he is invited over because the board would like to have a chat with him about this, that or the other thing.

Mr. MACNAUGHTON: I would think, Mr. Chairman, that the president would have some difficulty pushing Mr. J. E. Coyne of the Bank of Canada and Mr. K. W. Taylor, Assistant Deputy Minister of Finance around.

*By the Chairman:*

Q. But at the present time who are the members of the executive committee?—A. The members are the president, vice-president, Mr. Taylor from the Department of Finance, and Mr. J. J. Perrault from Montreal.