

Would you care to give us an explanation of that?—A. Yes sir. I think I have given it to you in the paragraph just above it, where I say:

Petitioner's stock is now held by 154,000 shareholders of whom 151,000 or 98 per cent holding 16,400,000 shares or 92 per cent, reside in Canada; 60 per cent of its shareholders are women holding 38 per cent of the shares, and 11,000 or 7 per cent are employees holding 6 per cent of the stock.

That is all we mean by "a Canadian-owned company". The people who own that 92 per cent of the stock reside in Canada.

Q. And they are Canadian citizens?—A. I cannot guarantee that.

Q. Are any of the directors of your company directors of any American companies?—A. Yes. One of our directors is. No, no. None of our directors are directors of any American telephone company.

*By Mr. Castleden:*

Q. Is Mr. "Romnes" of New York not one of your directors?—A. Yes.

Q. And is he not a director of any other American company?—A. Yes. I thought I was asked if any of our directors were directors of any American companies.

*By Mr. Herridge:*

Q. Perhaps I might repeat my question. Are there any directors of American telephone companies who are directors of your company?—A. Yes. Mr. "Romnes" is the only one.

The CHAIRMAN: Shall the preamble carry?

*By Mr. Castleden:*

Q. There have been some extensions in the microwave system. Has your company built microwave stations across Canada?—A. No, but we have built them across Ontario and Quebec where we are linking up with the systems operating in other provinces.

Q. And those are owned by the provinces themselves?—A. Yes sir. We provide them in our own territory. In the case of Manitoba it would be the Manitoba system; in the case of Saskatchewan it would be the Saskatchewan system; in the case of Alberta, it would be the Alberta system and they will own all the sections in their own territory.

Q. It is not a case of a lease?—A. No. They build them and own them, and we only come into it for telephone purposes.

Q. Have these any value or purpose with regard to television programs?—A. Yes sir.

Q. In the same way as with radio?—A. Yes.

Q. What is the extent of your contract with the federal government with regard to communication to the northern area? What is the total value?—A. We are doing the maintenance on a contract basis for the government on about three-fourths of the mid-Canada line. The rest of it is being maintained by an electronic company; it is a maintenance job, a contract job.

Q. What is the expenditure on that annually?—A. I am afraid I do not know the answer to that. It is a matter of government contracts on a fixed fee basis. It is subject to renegotiation if the government thinks we are getting too much.

Q. Has there been any renegotiation in recent years?—A. No. We are just starting.

Preamble agreed to.

Clause 1 agreed to.