

Mr. McPHILLIPS: Mr. Chairman, I think I made my point quite clear before. I think there is a proper way of doing these things. Now that counsel has made a statement he should proceed to prove what is termed the preamble of the bill. He should put the company representatives before this committee and proceed to show why this money is needed, and, what it is going to be used for, and so forth. Asking Mr. Des Brisay questions would lead to only hearsay evidence. He has some papers prepared by the company, but presumably the company officials know the answers, of their own knowledge. I would suggest their evidence is much better.

The CHAIRMAN: Mr. McPhillips, it is the privilege of every member of this committee to ask questions of the officials of the company. They are here for that purpose.

Mr. McPHILLIPS: You cannot very well ask questions out of the blue. The company should be prepared to prove the preamble to this bill. The company is asking for \$250 million in capital. What does it need it for? If they are not prepared to prove the preamble of their bill they are not entitled to it.

The CHAIRMAN: We will come to the bill in a moment. Are there any more questions?

Mr. SMITH (*Calgary South*): I would like to ask Mr. Farrell a question. One of the members dealt with the question of issuance of rights at some length. I think, perhaps, the impression might have been left that this was an unusual procedure. I would like to ask Mr. Farrell if this is in fact the normal accepted procedure for corporate financing, and perhaps he could give a number of other companies which follow the same practice.

Mr. FARRELL: I think it is the normal procedure in practically all the large companies, and particularly utility companies. They have all adopted this procedure.

Mr. WINCH: What is the amount of reserve that you now have available for capital expenditures? I ask that question because, I notice that in the past seven years, over 40 per cent of the capital expenditures have come from the reserves.

Mr. FARRELL: We have no reserve left. It has all been used.

Mr. WINCH: It has all been spent?

Mr. FARRELL: Yes.

Mr. MURPHY (*Westmorland*): I would like to ask about the remaining 64.15 per cent. We were told that the Anglo-Canadian Telephone Company owned 35.85 per cent. Of the balance, 64.15 per cent of the ordinary shares, how much is held by Canadians, or people residing in Canada, and how much of this balance is held by other corporations; telephone or communication corporations, or other corporations?

Mr. FARRELL: Your question was in several parts.

Mr. MURPHY (*Westmorland*): That is right.

Mr. FARRELL: I would like to answer it in parts.

Mr. MURPHY (*Westmorland*): How much of the remaining 64.15 per cent, that is not owned by the Anglo-Canadian Telephone Company, is owned by residents of Canada?

Mr. FARRELL: In British Columbia, 391,271 shares are owned by shareholders. In the rest of Canada, 266,767 shares are held by individual shareholders in Canada.

Mr. MURPHY (*Westmorland*): Would you continue and tell us how many are not held by Canadians?