

—A. Yes, we can give you that. Mr. Marler asked for it. There are 700 companies in Ontario and Quebec; and there are 2,700 telephone companies in Canada.

The CHAIRMAN: Mr. Howe is next.

The WITNESS: I have a question to answer here. In the last ten years \$240 million from our depreciation reserves has been invested in plant.

By Mr. Howe:

Q. I wonder, in connection with Mr. Smith's question a few moments ago, and in respect to developments and the expenditures to be made for cable, underground and overhead, does the Bell Telephone Company foresee at some time in the future, not too far away, a time when its cables will be eliminated altogether?—A. Well, I do not know that we foresee it, but there is continuous development going on in the art of communications in the long distance field where we use carrier channels, and we eliminate cables; that is the radio type of operation. There is no cable used there except a little bit in the towers which transmit from one point to another. Mr. Eadie reminds me that it would now be possible for everyone to carry a telephone around in his pocket if it were not for the fact that there are not enough frequencies in the spectrum to go around. I think the Hon. Mr. Marler knows a bit about that.

By Mr. Macdonald (Vancouver-Kingsway):

Q. I have two or three short questions. First, in view of the employment situation which you say requires you to have this capital issue immediately, do you not think that you should have made your application to parliament sooner? Would that not have been the wiser course for the company to follow?—A. It probably would have been the wiser course but we are always faced with the problem that if we come and tell you that we now have some \$34 million available which subject to the employees stock plan to issue—next year it will be around \$26 million—we are always concerned that if we come too soon we will be told to go away and to come back later. You never know just how to answer the question. But we try to carry on as best we can, and we come when we find that we need to seek adjustments and increased stock authority.

Q. You have been getting rather close to the practice of "brakemanship", which does not seem to be in great favour at the present time. You mentioned \$2 per share. That was dividend?—A. That was dividend.

Q. And the earned amount on your shares at the present time is more like \$2.40.—A. It was \$2.40 last year; and for nine months this year it is \$2.25.

Q. In the present application you are now making there would be an increase of the \$2.40 to \$2.65 on your shares, in your rate application?—A. Yes. But by autumn of next year we will be back to the \$2.40 presently earned.

Q. You mean to \$2.65 earned?—A. \$2.65 is our estimate, and that is what we are asking for, that is, in 1958; it won't be that much.

Q. My final question is this: can you assure the committee that none of the money from this issue will be used to promote that type of phones where people using them may see the other people to whom they are talking?—A. No, I cannot assure you of that, because if people want that kind of thing we will have to provide it, but they are going to pay for it.

The CHAIRMAN: Shall the preamble carry?

By Mr. Herridge:

Q. On page 11 of your brief I was very much interested in the short paragraph where you say:

The petitioner is a Canadian-owned company, and is not controlled by any foreign interest.