

By Mr. McIvor:

Q. I was just going to ask a simple question. Are these shares sold in the United States as well as in Canada? Will this bill cost the Canadian government anything?—A. Well, I do not know. I do not think it will cost the Canadian government anything. We have paid into the Canadian government a large sum of money as a result of its increase. I think it was \$35,000. The shares are issued in Canada, they are not sold by the company in the United States.

Q. But you would accept American money?—A. I suppose if an American wanted to invest, yes. The majority of the shareholders are Canadians, and residents of Canada, at any rate.

By Mr. Macdonald (Vancouver-Kingsway):

Q. Mr. Des Brisay, I am interested to know whether you have some plan now to present to the Board of Transport Commissioners as to the issuance of some of these shares. Do you propose to give share rights to existing shareholders, to take up so much at a certain price?—A. In the past the ordinary shares have all been sold by giving rights to existing shareholders. Mr. Farrell can explain that procedure better than I can. That has been the method of marketing the ordinary shares. The preferred shares are underwritten.

Q. I am concerned more with the ordinary shares. Would that be the plan for the future, to give share rights to existing shareholders?—A. Mr. Farrell will have to answer that.

The CHAIRMAN: We could ask Mr. Farrell right now.

Mr. McPHILLIPS: Mr. Chairman, if I might say something please. After all, we have some rights in this committee. Why cannot this bill be dealt with in the accepted way? Counsel has made a statement, and counsel is not supposed to be subjected to examination. There is an accepted way of dealing with private bills. Counsel has made his statement, now he should proceed to prove the preamble, as it is called, by putting the witnesses from his corporation before this committee. We will get nowhere by asking counsel questions.

The CHAIRMAN: That was never done before.

Mr. WINCH: Mr. Chairman, you will remember, Mr. Des Brisay at the opening of his remarks said he was going to make a statement, and that he would be available for questions, and if he did not know the answers he would call upon the executives.

The CHAIRMAN: As a matter of fact, if you peruse the proceedings of this committee of 1951, you will find that the method that is now being adopted was the method followed.

Mr. McILRAITH: It has always been followed here.

The CHAIRMAN: I will ask Mr. Farrell to answer that question.

Mr. GORDON FARRELL (*President, British Columbia Telephone Company*): Up to date, the common shares have been offered to the existing shareholders through rights. I see no reason why that procedure should not be continued in the future, but one cannot always prognosticate on the future. We have no plan at the present time for issuing any ordinary shares at all. We have just recently sold 10 million in preferred shares.

Mr. MACDONALD (*Vancouver-Kingsway*): Would these share rights be given to the shareholders to purchase shares at less than the market price?

Mr. FARRELL: Yes.

Mr. MACDONALD (*Vancouver-Kingsway*): Could you tell us about the last issue of ordinary shares of the company; what rights were given in relation to the market price at that time?