

rule I presume, generally speaking, that is the rule here. I have only been here 21 years.

The British Columbia Telephone Company was incorporated in 1916, and either then or shortly afterwards was declared to be a company for the general benefit of Canada. As all senators know—at least I am sure all lawyers know—under the British North America Act once that is done the company becomes subject to federal jurisdiction.

In 1940 the capital of the company was increased to \$11 million, and when I say capital I mean only the authorized capital.

In 1947 the authorized capital was increased by Parliament to \$25 million; and the last time the company was here, in 1951, it was authorized to increase its capital to \$75 million. I think if honourable senators will read the discussions at that time they will see it was anticipated that that \$75 million would last a great deal longer than it has in fact. More money is now needed sooner than was expected not because of any prodigal spending on the part of the company, but in order to meet the demands of the public for increased telephone services.

Perhaps this might be a good place to refer to the explanatory notes in the bill, quoting the old section, which the bill does not change except for the increase from \$75 million to \$250 million.

By referring to the note facing page 2 of the bill it will be seen that the section provides, in subsection 3:

The company shall not have power to make any issue, sale or other disposition of its capital stock or any part thereof, without first obtaining the approval of the Board of Transport Commissioners for Canada of the amount, terms or conditions of such issue, sale or other disposition of such capital stock.

That is a complete reassurance to honourable members that the money used to date has not been squandered, because every dollar was spent with the sanction of the Transport Board. The board, which is a creature of Parliament, consists of competent and conscientious men who take very seriously their duties in respect to investigating matters of this kind. There is the further assurance that if Parliament authorizes, not the spending of the money, but the potential right to spend it, not one dollar can be disbursed until the objects have been scrutinized, first, by the officials of the Transport Board—who I know, from my knowledge of other activities in that organization, go most fully into these matters—and then by the members of the board themselves. No expenditures can be made without their sanction.

So, I repeat, in the past money has not been spent prodigally. The reason for the

present application is that the company believes it needs the money for which it seeks authorization to give the kind of service to which British Columbia citizens are entitled. There are many reasons why in the past expenditures have been made faster than was expected. The same reasons explain the needs for the future. One, which all of us chafe under, is the depreciation of the dollar and a corresponding increase in the cost of all the company's construction work. The second is the remarkable growth of the province of British Columbia. I have here a chart which was given to me and which depicts the comparative growth of the Canadian provinces in the last eleven years. I should like to refer to it; I think honourable senators will find it of interest even apart from the question which is before us. In this eleven-year period the percentage of growth in Saskatchewan has been 5.8.

Hon. Mr. Burchill: Are these figures of population?

Hon. Mr. Farris: I am referring only to population. The increase in Ontario has been 35 per cent and in Quebec 30 per cent; but British Columbia, which advanced between 1945 and June 1956 by 47.47 per cent, heads the list. The company serves 93.6 per cent of this rapidly growing population. Individual demands on service by customers have grown in a far greater proportion. In 1946 there were 175,000 stations; eleven years later, or rather to the end of last year, there were 412,135. So customer demands, if my mathematics are anywhere accurate, have grown by nearly 150 per cent. Everybody knows the reason: so much more service is asked for by the individual subscriber today than was demanded years ago.

My memorandum also contains a note that in the last five years the number of telephones in British Columbia has increased 67 per cent.

I have also information furnished me by the company of the expenses caused by the acquisition of other companies. In 1952 the British Columbia Telephone Company purchased the Mission Telephone Company. The company also extended its territory by the addition of portions of the Fraser valley north of the Fraser River. In 1953 the company purchase of the Kootenay Telephone Company Limited was completed, and further expansion was obtained in the East Kootenay section of British Columbia. In the following year the Chilliwack Telephones Limited, which served a large area in the eastern part of the Fraser valley, was also purchased. In 1954 an agreement was reached with the Government of Canada for the company to take over all the facilities west of the Rocky