

Mr. PIPES: The total amount? In the year ending October 31, out of a total amount of approximately \$26 million of material and supplies, \$9,662,000 would be purchased from Automatic Electric, that is just a little over one third, and it is made up primarily of telephone sets and central office and automatic equipment that we buy with a view to standardization.

Mr. STANTON: Is there any independent telephone company in British Columbia?

Mr. PIPES: Yes, the Okanagan Telephone Company and of course the North West Telephone Company, and in addition the Prince Rupert Telephone Company which is a civic operation.

Mr. STANTON: Has your company absorbed during the past few years any of these smaller companies which might have existed?

Mr. PIPES: We absorbed three of them, the Mission, the Chilliwack and the Kootenay companies; and in the last two years we acquired that proportion west of the rocky mountains of the federally owned line and generally north of that, in that area.

Mr. STANTON: In other words, we are led to believe that the smaller independent companies are gradually going out of existence?

Mr. PIPES: Well, I think so. It appears that way. In former days telephone service was unconnected. Telephones just existed here and there, and we used to have cities very few of which were joined together. But today with the elaborate networks of long distance circuits, we think it is better that they should be put under one control.

Mr. WINCH: On that basis, you ought to be publicly owned, just as the situation in the adjoining provinces.

Mr. PIPES: We operate very well with the adjoining provinces and the United States.

Mr. STANTON: How do your rates compare with those of smaller independent companies?

Mr. PIPES: There again, you must qualify it. Rates vary with the size of the exchange. For example, if you compare a large exchange of the British Columbia company with that of the Okanagan company, and if you apply the Okanagan company rate to our subscribers, we would, I think, have a slight increase, with more revenue than we would get under our rates. In other words, their rates are slightly higher. Their business rates might be a little up, or their residence rates might be a little higher.

The CHAIRMAN: Shall the preamble carry?

Mr. CAMERON: I would like to ask Mr. Farrell a question. Did I not understand you to say just now that the Anglo Canadian Company had effective control of the British Columbia Telephone Company?

Mr. FARRELL: Yes, I said that. In a large operation, a large utility, such as a bank and that sort of thing, if there is a large compact block of stock, 25 per cent might be effective control.

Mr. CAMERON: You would agree that it does give effective control to the Anglo Canadian Company?

Mr. FARRELL: Yes, I agreed to that before.

Mr. CAMERON: I notice that the Anglo Canadian Company is in the control of Associated Telegraph and Telephone Companies in the United States by 51 per cent. I thought you said 50 per cent this morning but I see according to Moody's Annual that it is 50.01, thus giving them complete control.

Mr. FARRELL: Well?