

The last sentence has been added to the existing enactment to clarify the effect of the board's approval.

Clause 3—would empower the petitioner, subject to the approval of the Board of Transport Commissioners for Canada, to pay commissions upon subscriptions for shares of its capital stock.
and

Clause 4—would repeal section 1 of chapter 81 of the statutes of 1948 which authorized the increase of the petitioner's capital stock to \$500,000,000. This section would be replaced by clauses 1 and 2 of this Bill.

Clause 1

Since an increase in capital is sought, it seems appropriate to show what the petitioner has done with its capital stock since its last increase was authorized by parliament in 1948.

At the end of 1947 the petitioner had unissued capital stock of the par value of.....	\$ 23,579,100
The statute of 1948 authorized an increase of (par value).....	350,000,000
So the petitioner has had available to it since the end of 1947 a total amount of capital stock of.....	\$373,579,100
After allowing for \$19,315,950 of stock under subscription by employees under its Employees' Stock Plan, the petitioner now has remaining... of its capital stock available for its corporate purposes	\$ 34,695,875
So that from the end of 1947 to July 31, 1957 it has used up..... of its authorized capital	\$338,883,225

During this period December 31, 1947-July 31, 1957, the petitioner has expanded and developed its communication system for serving the public very greatly. The following statistical information establishes this fact, viz:—

	Dec. 31 1947	July 31 1957	Increase
Telephones.....	1,306,975	2,873,105	1,566,130
% Dial of Total.....	70%	87%	17%
Miles of Wire.....	4,966,432	11,858,982†*	6,892,550
In underground cable.....	3,542,193	7,974,597*	4,432,404
In aerial cable.....	1,153,523	3,581,071*	2,427,548
Open wire.....	270,716	303,314†*	32,598
Miles of long distance circuits.....	331,000	1,058,000‡	727,000
Average Daily Connections**—			
Local.....	8,497,000	18,463,000	9,966,000
Long Distance.....	165,000	323,000	158,000
Number of Central Offices.....	430	760	330
Employees.....	23,335	42,400	19,065

* June 30, 1957.

† Excludes Drop and Block Wires.

‡ December 31, 1956.

** For year ending Dec. 31, 1947 and 7 months ending July 31, 1957.

This expansion and development has brought about an increase in the petitioner's plant investment, i.e. land, buildings, central office equipment, poles, wires, cable, underground conduit, telephone equipment on customers' premises, motor vehicles, office furniture and other equipment of \$825,509,154 and was accomplished by an increase of \$319,567,275 in its capital stock and of \$272,500,000 in funded debt, or a total of \$592,067,275.

Need for Additional Capital

As already stated, as at July 31, 1957, the petitioner had available but \$34,695,875 of unissued or uncommitted capital stock. This remaining amount of authorized capital, \$34,695,875, is continually being reduced by the issue