

Now as to the future, I am instructed that after a most intensive and careful study, it is estimated that the company—if it is to get the best with automation in telephones—will provide a fully modern and efficient service and it will require to make over the next 13 years, beginning with the year 1958, a net capital expenditure totalling \$765 million.

Plans have already been made for capital expenditures in the next three years starting with 1958 on an average of \$50 million a year.

The estimate for next year is in the amount of \$51 million and over the following years, 1959 and 1960, the balance of this \$150 million.

It is difficult to say just how many jobs there will be, but you can imagine for yourself what that expenditure would mean in Canada in the way of work for the people of this country. And as far as British Columbia is concerned, as the result of strikes and the lumber situation and so on, it would provide work which in British Columbia is very badly needed.

In order to carry out its plans, the company must have this authorized capital increase. In view of its need, the proposed increase would appear to be not more than would be required to finance the needed expenditure of \$ $\frac{3}{4}$ billion.

Before concluding I would like to give you some information as to the actual structure of the company. Of the total authorized capital that the company has issued, there are 315,000—it will really be 325,000 preferred shares by the end of this year—with a par value of \$100 each; and 1,200,000 ordinary shares with a par value of \$25 each, representing a total par value of \$61,500,000.

And at that time those shares were held by a total number of 17,881 shareholders, the large proportion of whom are in Canada; I mean that 17,881 shareholders are holders of preferred shares and ordinary shares.

The total number of those holding ordinary shares was 7,001, and of preferred shares, 10,880. Of its ordinary shareholders 6,842, or 97 per cent reside in Canada, of whom 4,280 reside in British Columbia. The balance of the shares are held, some in sterling countries, and some in the United States.

There is one ordinary shareholder, a Canadian company, the Anglo-Canadian Telephone Company, that holds 35.85 per cent of the ordinary shares. The balance of the ordinary shares are pretty well held in Canada. Certainly over 50 per cent of the ordinary shares are held by the public.

This company cannot, as I said before, issue its shares or do anything with them without the approval of the Board of Transport Commissioners.

I think I have pretty well covered the picture, although I wish to emphasize again the advantage to Canada of the granting of this application. I would suggest it is even a necessity. The work and the jobs that will be created by the expenditure of this large sum of money in the immediate future, are very badly needed now across Canada. This company's expenditures will assist both the east and the west.

Mr. MARLER: Mr. Des Brisay, are the preferred shares voting shares or not?

The WITNESS: They are non-voting shares.

Mr. SMITH (*Calgary South*): Mr. Des Brisay, are there any senior securities, debentures, or bonds that—

The CHAIRMAN: Just one moment. As there are a number of new members here I would ask you, when you stand up, or when you ask questions, to give your name so that the reporter will be able to put it down in his notes.

By Mr. Smith (Calgary South):

Q. Would you perhaps reply to my question?—A. The question was, whether there are—