

from 1880 down to the present time of \$18.96 per share. The premium on all stock issued since 1929 amounts to \$33.40 per share.

The \$425,600 of stock subscribed for on the instalment basis was sold at a price of \$140 per share or at a premium of \$40.00.

The \$10,091,700 being subscribed by employees has been subscribed some at \$115 per share (81,900 shares) and some at \$135 per share (19,017 shares). The subscription price was increased from \$115 to \$135 per share on December 1, 1946.

The issued and paid up shares of the Company are held by 34,439 shareholders of whom 33,013 or 96 per cent, holding 1,015,043 or 80 per cent of the shares, reside in Canada. It will be of interest to know that 57 per cent of the Company's shareholders are women holding 28 per cent of the shares.

4,230 or 12.3 per cent of the shareholders are employees holding 5.8 per cent of the stock.

The balance of \$13,061,800 of unissued authorized capital stock available in the Company's treasury is wholly insufficient to enable the Company to carry out the very substantial construction programme which it must undertake in order to furnish the citizens of Ontario and Quebec with the telephone service they require and are demanding.

### *Construction Programme*

As all the hon. members of the Committee know, during the war and the two years which have followed the war, there was a great shortage of materials and manpower. The use of nearly every kind of material was necessarily restricted or rationed so that the greatest amount of our country's resources could be devoted to the prosecution of the war. These shortages and restrictions affected virtually all of the materials required in the telephone industry and made it impossible for the Company to increase and extend its facilities during that period to the extent necessary to meet or keep pace with the demand for telephone service which increased continually.

Telephone service was declared to be an essential wartime service. What facilities the Company had, and those that could be provided out of the materials made available to it had to be used primarily for serving war industries and other essential wartime services which had to be given first priority for the defence of Canada.

During the war period, there was little that the Company could do to make provision for the telephone needs of the civilian public. Private citizens had to be told that the Company had no facilities and could provide no facilities to serve them. Practically all of the Company's spare or stand-by facilities had been put into service—yet during this six-year period of war the demand for telephones and telephone service continually increased.

On August 1, 1945, which was just before the war ended, the Company had 89,000 applications for telephone service which it could not fill due to lack of facilities.

Since that time, that is from August 1, 1945 to the end of March, 1948, the Company by the expenditure of about \$104,495,000 capital funds has been able to provide the facilities required to actually put 329,000 additional telephones in service; an increase of 32 per cent yet the Company was still faced with 95,749 applications for service which it cannot fill. The Company was able to do this because it then had sufficient authorized capital and other funds available to devote to this purpose. But despite this large increase of 32 per cent of telephones in service, due to the continuing heavy demand, *the Company is still faced with 95,749 applications for telephone service which it cannot yet provide.* In addition to these 95,749 applications for service, the Company has on hand applications from 69,000 subscribers who want individual line service instead of the party line service they now have. These applications cannot be met until the requisite additional lines and facilities can be provided.