

It certainly is not my intention to offer any obstruction to the work of this committee, to prevent us getting this bill through. The only purpose I had in mind was to get information, and the witness answered that to my satisfaction.

I do not think I could support the resolution because, in my mind, it would withhold the passing of this bill for many months. In my experience in the house, I have seen committees like this, which drag on, and on and on. I do not think that type of procedure would be in the interests of Canada; I do not think it would be in the interests of the company, or of parliament either. For that reason, I do not think I could support the motion.

Mr. WINCH: Mr. Chairman, I am afraid there is a slight misunderstanding here. As far as I am concerned, I recognize the need for expansion and the need for money for that expansion. The question in regard to rates can be tied in as to whether or not the company's request for \$500 million is what should be done. It is our desire to find out whether the issue of new shares is going to increase the cost over and above what otherwise would apply, and therefore have an effect on rates. We have heard or read in the past that companies of this nature very often borrow on a far higher percentage than the Bell Telephone Company. That is how it ties in with the question of rates.

That is the reason we thought it should be held over, not for a long time but just until the hearings are completed, so that we would at least know the evidence and information that was placed before the Board of Transport Commissioners which, in turn, might answer a lot of our questions. It would only be a very short delay. I can assure you, sir, we are not blocking or unduly delaying this legislation, as far as we are concerned.

The CHAIRMAN: I would ask Mr. Munnoch to tell us how that capital increase might affect the rates.

The WITNESS: The Board of Transport Commissioners for Canada decide how we are going to finance our expansion program. They have decided in the past that 40 per cent of the expansion must come out of debt securities, leaving 60 odd per cent to come out of equity securities. If this bill is to be delayed until the Board of Transport Commissioners hearing is over, and the decision given—

Mr. MACDONALD (*Vancouver-Kingsway*): That is not the motion, Mr. Chairman. The motion would only delay it until the hearings were completed, so that we could see what evidence had been submitted to that board.

The WITNESS: Until the board has rendered its judgment, as I understand the law, the matter is still subjudice, and the judgment may not come out until early next year. This would mean that we would get no relief for increased capital until probably the next session of parliament. In that case, as I mentioned, we would have to go ahead and start to curtail our construction program. We have no alternative. As I mentioned, if you do not give us straw we cannot make bricks. We have got to have that capital, or else we have to start to cut down on employment by curtailing our operations, in order to keep ourselves in a sound position. We cannot do anything else.

The amount of capital that we are going to need over that period, which we have shown in the memorandum, is not going to be one issue of \$500 million. I do not want any hon. member to think that. There will be issues from time to time as we need capital, and as the Board of Transport Commissioners approve the issue, when we have satisfied the Board of Transport Commissioners that we need so much money, and that we are going to issue the stock on such and such terms. We have got to get the approval of that board, before we can do anything.

Now here we are rendering a public service; we need the capital to give the people we serve a telephone service. There are 10,000 of them a month