

*By Mr. Smith (Calgary South):*

Q. My experience has been that in under-writing a company invariably receives a greater proportion of the capital for its working purposes from the issuance of rights than it would from under-writing through investment firms as a whole. Probably this company has followed this practice as being in the interests of the shareholders, and really to obtain the biggest proportion of capital back.

*By Hon. Mr. Marler:*

Q. Might I ask another question? Mr. Munnoch spoke of the results of the last issue of stock. I understood him to say that as a result of the fact that about 60 per cent of new shares had been taken up by existing shareholders, some 15,000 were added to the list of shareholders. I am not sure about that number of 15,000.—A. Approximately.

Q. You say approximately 15,000. Could Mr. Munnoch tell us approximately what growth there has been in the number of shareholders over the period, let us say, since January 1st, 1946 which is the date mentioned in the brief?—A. At the end of 1946 we had 28,840; at the end of 1947, 34,439; at the end of 1948, 38,889; at the end of 1949, 59,591; at the end of 1950, 77,965; at the end of 1951, 83,551; at the end of 1952, 100,890; at the end of 1953, 115,789; at the end of 1954, 114,782; at the end of 1955, 125,223; at the end of 1956, 140,726; and now, 155,000.

Q. So there has been an increase in the number of shareholders in a relatively short period of about 125,000?—A. Yes.

*By Mr. McIvor:*

Q. I would like to ask a question. You have no competitor, have you?—A. Well, in what sense? We have some, but none of them in the territory where we give telephone service. There are several hundred telephone systems in Ontario and Quebec that we do not own; and then in long-distance we have to compete with the telegraphs and also with the fast mails that the government is providing. But in the sense in which you mean it I think, in the territory where we give telephone service, we have no competitors.

Q. It is the Board of Transport Commissioners that keeps an eye on you, is it not?—A. That is our competitor!

*By Mr. Winch:*

Q. May I ask Mr. Munnoch for the years from December 1, 1947 to July 31, 1957, the period that he quoted—what is the amount of reserves that were used for capital expenditure and what is the amount of reserves that the company now has in hand that are available for future capital expenditure?—

A. Let me look up a couple of figures. I can answer your last question right now. The number and amount of reserves available for further necessary expenditures is none. They have all been used up.

Q. I mentioned those specific dates because those are the ones you gave for capital expenditures in the past.—A. Yes, I shall have that answer in just a minute. Perhaps I should have brought an adding machine. From internal resources in the last ten years which you have mentioned we have taken \$407 million and invested it in plant.

Q. More than \$400 million?—A. Yes, sir.

Q. Could I also ask what you paid out in the same period for dividends?—A. We paid \$2.00 per share almost from the beginning of the company except during the depression years.

Q. Does your company do all its own purchasing and installation or does it let it out to some other company as is done by the British Columbia Telephone