

47 per cent and bonded indebtedness of 53 per cent, at the present time it seems to me you should be in a position to borrow the additional funds required in order to finance your expansion program.

Mr. FARRELL: I would like to ask you how long that would last. I am afraid we would soon run out of money.

Mr. MACDONALD (*Vancouver-Kingsway*): Is that not a very high proportion of equity ownership in comparison to bonded indebtedness as companies go today?

Mr. FARRELL: No. It is a little higher than most of the bonded indebtedness.

Mr. MACDONALD (*Vancouver-Kingsway*): You are not proposing to issue preferred shares?

Mr. FARRELL: We have just recently issued \$10,000,000.

Mr. MACDONALD (*Vancouver-Kingsway*): Have you more of those in the treasury?

Mr. FARRELL: We have no more shares of any kind at the present time.

The WITNESS: Only \$3,500,000.

Mr. MACDONALD (*Vancouver-Kingsway*): You have issued preferred shares?

Mr. FARRELL: They are just ordinary shares until they are made preferred shares.

Mr. MACDONALD (*Vancouver-Kingsway*): Do you not feel you could raise additional capital now by bonds or debentures?

Mr. FARRELL: A small issue of bonds, \$10 or \$15 million, yes.

Mr. MACDONALD (*Vancouver-Kingsway*): The security of your enterprise would be very substantial?

Mr. FARRELL: Yes. But we have a \$50 million program for 1958. Half of the money which we have just obtained will be spent by the end of December and by the end of February we will be out of money.

Mr. MACDONALD (*Vancouver-Kingsway*): Do you not feel that by the end of February you would be able to float bonds?

Mr. FARRELL: We probably will. That would take us for another five or six months and then we would be out again.

Mr. MACDONALD (*Vancouver-Kingsway*): You do not feel you could finance this expansion by bonds and debentures?

Mr. FARRELL: No. Not a chance in the world.

The CHAIRMAN: Are there any other questions on the preamble?

Mr. CAMERON: There has been some reference made to preferred shares. Could you tell us, in the first place, what is the status of those shares with respect to voting rights in the company and how they are distributed as far as the voting rights are concerned?

Mr. FARRELL: They are the usual preferred shares and until the company gets in arrears for twelve months they do not have any voting rights.

Mr. CAMERON: Has your company ever been in that position?

Mr. FARRELL: No, thank goodness.

Mr. CAMERON: Can you tell me how they are distributed?

Mr. FARRELL: I would have to give them all to you. We have six different issues. In the 6 per cent cumulative shares which is the original issue—do you want the number of shareholders?

Mr. CAMERON: What I would like is information as to where they are held, in Canada or elsewhere?