

\$41,434,094. So that since 1919 it had issued \$38,004,200 more stock and increased its funded debt by \$30,285,094 making a total of \$68,289,294. But during this period, that is from the end of 1919 to the end of 1928, the number of the Company's telephones had more than doubled; increased from 337,476 to 714,245; its wire miles had increased over 2½ times from 964,098 to 2,449,857.

At the end of 1928, the Company had unissued capital stock in its treasury amounting to \$14,659,500. But the company did not think this remaining amount of capital would enable it to meet the demand for additional telephone service which was then being made upon it.

In the years 1923 to 1928 inclusive, the Company had been growing and expanding at a very rapid pace:

in 1923 it placed in service	52,018 additional telephones
in 1924 it placed in service	50,607 additional telephones
in 1925 it placed in service	52,473 additional telephones
in 1926 it placed in service	40,840 additional telephones
in 1927 it placed in service	38,222 additional telephones
in 1928 it placed in service	45,862 additional telephones

If this demand was going to continue then it was obvious to the company that its \$14,659,500 remaining capital would be insufficient to meet it.

So, in 1929, the Company made its application to parliament and by chapter 93 of the Statutes of 1929 its capital was increased from \$75,000,000 to its present authorized capital of \$150,000,000—doubled.

Since the end of 1928 down to the end of 1947, the growth and development of your Petitioner's system has been as follows:

	1947	1928
Telephones—70 per cent now dial	1,306,975	714,245
Miles of Wire	4,966,423	2,449,857
In underground cable	3,542,193	1,694,640
In aerial cable	1,153,523	551,786
Open wire	270,716	203,431
Employees	23,335	16,240
Daily connections	8,662,000	4,855,000
Local	8,497,000	4,789,000
Long distance	165,000	66,000

This was accomplished by an increase of \$66,080,400 in stock and \$39,631,000 in funded debt; an increase of \$105,711,400.

Need for New Capital

This enormous growth in the Company's system during the period 1929 to 1947 has left the Company in the following position with regard to its authorized capital.

The Company's present authorized capital is \$150,000,000 created under the authority of chapter 93 of the Statutes of 1929. Of this \$150,000,000 authorized capital—

\$126,420,900	has been paid in full and issued
425,600	has been subscribed and allotted under subscriptions payable in instalments under the terms of the Company's last offering of September 17, 1947.
10,091,700	has been subscribed by employees under the provisions of the Company's "Employees' Stock Plan" and is payable in instalments

\$136,938,200

These three amounts total \$136,938,200 and deducting this total from the \$150,000,000 authorized leaves your Petitioner with a balance of only \$13,061,800 or less than 9 per cent of authorized capital available under its present statutory authority.

The \$126,420,900 of stock which has been paid in full and issued was sold at different prices ranging from par to \$145.00 and resulted in the Company obtaining premiums thereon amounting to \$23,969,859, all of which has been invested in the business. This gives an average premium on all stock issued