

to organize a direct service which will enable subscribers to telephone directly from one city to another, as is done in the United States, so as to expedite business.

The expansion program which the company must provide for and carry out within the next five years amounts to \$962 million. This program has already been designed and prepared. Honourable senators might be interested in the amounts of expenditure per year. They are:

1958	\$191 million
1959	\$204 million
1960	\$197 million
1961	\$199 million
1962	\$181 million

Of course the total expenditure will not be met out of the additional \$500 million of new stock that may be subscribed, if it is authorized. About 40 per cent will be provided for by way of bonds which will be sold to the public as a funded debt. The company will also use its depreciation fund to invest in the organization. The cost will be borne from the three sources, depreciation money, funded debt and capital stock, to a total of \$962 million over the next five years.

Hon. Mr. Lambert: May I ask the honourable senator if he is in a position to say a word about the cost to the company of maintaining a nation-wide service involving rental payments to the provinces for facilities operated under the ownership of the provincial Governments?

Hon. Mr. Bouffard: Honourable senators, I am not in a position to give that in detail, but as it is intended that the bill be considered in committee there will be present at that time officers of the company who will be in a position to supply that information.

Hon. Mr. Lambert: Thank you.

Hon. Mr. Isnor: One question that puzzles me in regard to expenditures is this: Do you anticipate any expenditure for extensions outside of your own boundaries, that is Quebec and Ontario?

Hon. Mr. Bouffard: No; the contemplated expenditure is precisely for the system as it extends throughout the provinces of Ontario and Quebec, for making the necessary connections, providing new equipment for the new applications that have already been received and for further applications that will come in. Thus, the company will provide faster service and carry a greater load than is being carried today.

Hon. Mr. Lambert: May I ask one more question? The honourable senator referred to the percentage of ownership in the company by residents of Canada. Has he any

figures to indicate any financial affiliation with the American Telephone and Telegraph Company? I think at one time the participation by that company was quite extensive.

Hon. Mr. Bouffard: I know at one time the rumour was that the American Telephone and Telegraph Company owned the Bell Telephone Company of Canada. That cannot be true of the present time, because out of 154,000 shareholders there are 151,000 Canadians, representing 98 per cent, owning 16,400,000 shares, or 92 per cent of the capital stock of the company. Therefore, there can be no question of control by interests in the United States or elsewhere.

I assure honourable senators that this bill will be referred to a committee of this house, which will meet next week, and the officers of the company will be there to give any information deemed necessary, to the satisfaction of the members of this house.

If there are any more questions which I can answer, I will be delighted to do so, but I must admit that with respect to about 99 per cent of the details of the operation I have no information.

Hon. Mr. Macdonald: The honourable senator does have a very good knowledge of the operation.

Hon. Mr. Bouffard: I have a fair knowledge of the main issues, but I do not have details that may be of interest to honourable senators. As I have said, the officials of the company will attend the meeting of the committee when the bill is considered and will be in a position to answer any questions.

Hon. Mr. Wall: Would the honourable senator be able to venture a guess as to when the Bell Telephone Company of Canada may again have to come to Parliament to seek a further extension of its capital structure, in view of the expansion that has taken place and that which is foreseen?

Hon. Mr. Bouffard: If we look at the history of the past we find that the company came eight times to Parliament seeking an increase in capitalization. In the past few years it came in 1920, 1929, 1948, and it has come again in 1957. Looking at the expansion that is to be undertaken in the next five years, I would imagine that at the end of that time the capital that will have become available or be in the treasury will have been completely wiped out. While I have no assurance of this, I would anticipate that in perhaps five years from now the company will again come to Parliament seeking increased capitalization.

Hon. Mr. Wall: I have one other point, which the honourable senator would perhaps take under advisement. Section 3 of the bill,