

Mr. HOWE: Perhaps Mr. Farrell or one of his colleagues could tell me whether all the supplies required by this company are available in Canada or if you have to go outside of Canada to buy any of the supplies which are needed for your installations?

Mr. PIPES: In the main, the bulk of our supplies are manufactured in Canada. For example, wire and cables are manufactured here and we get them from two sources. Our telephone sets and our central office equipment, are manufactured at Brockville. There might be some odd pieces of equipment that we get from outside manufacturers such as office furniture, and there might be a business machine which is not manufactured in Canada. I do not know. But in the main, our purchases are made through Canadian suppliers where possible.

Mr. HOWE: One other question: In regard to this tremendous development that is taking place: is it entirely in the field of telephones, or is it also in the field of telecommunications, television and radio?

Mr. PIPES: It is in relation to ordinary exchange service, and it is an expansion of the long distance service, with an entry into more automation in long distance, and more long distance dialing and control having regard to the great improvements which are being made. We also have a leased wire business which includes television channels, radio broadcasting channels, and leased wire for telephotos and so on; anything relating generally to the telephone industry.

The CHAIRMAN: Now Mr. Barnett, to be followed by Mr. Stanton and then Mr. Cameron.

Mr. BARNETT: Perhaps Mr. Farrell might explain to the committee what relationship there is between the British Columbia Telephone Company and the North West Telephone Company. What is the corporate relationship of the two?

Mr. FARRELL: There is no corporate relationship between the British Columbia Telephone Company and the North West Telephone Company. The North West Telephone Company was formed some years ago when the radio telephone was coming into vogue. At that time the British Columbia Telephone Company had a charter and was incorporated before anybody thought of radio telephones. The British Columbia Telephone Company did not have the right to be in the radio telephone business. Therefore we had quickly to incorporate a company, which we did, in British Columbia, and that has been our radio company.

The officers of that company are the same as those of the British Columbia Company but it is run separately, and it takes care of radio development in British Columbia. It is owned by Anglo-Canadian Telephone Company one hundred per cent, because the British Columbia Telephone Company has no right in its charter to own shares of another company. Does that answer your question?

Mr. BARNETT: In other words, the relationship between the British Columbia Telephone Company and the North West Telephone Company is through the Anglo-Canadian Telephone Company.

Mr. FARRELL: Yes. The British Columbia Telephone Company would be very glad to hold the stock of the North West Telephone Company too, but it has no power to hold it.

Mr. BARNETT: You did say that the structure of the two companies is single?

Mr. FARRELL: Yes.