

EVIDENCE

Now, gentlemen, as I said before, this is a bill respecting the British Columbia Telephone Company. Mr. Jung who is here introduced this bill in the house and if it is your pleasure we shall ask him to introduce the officials of the British Columbia Telephone Company who are here as witnesses today, following which you may ask them questions.

Mr. JUNG: Gentlemen, at the time I presented this bill in the house I gave my undertaking that during the committee stage of this bill executives of the company would be available to you for interrogation. Therefore I have pleasure in introducing to you first of all Mr. Gordon Farrell, the President of British Columbia Telephone Company; Mr. W. S. Pipes, the vice-president and General Manager of the company. Mr. A. C. Des Brisay, Q.C., Counsel for the company; and I should state that Mr. W. G. Burke-Robertson, Q.C., who is the parliamentary agent, expected to be here but he has been delayed for a few moments. So with your indulgence he will attend later on.

Now I shall turn the meeting over to Mr. Des Brisay who will answer your questions.

Mr. A. C. Des Brisay, Q.C., Counsel for the British Columbia Telephone Company, called:

The CHAIRMAN: Mr. Des Brisay, you have a statement to make to the committee, have you not?

The WITNESS: Yes. I thought it might be helpful if I outlined the purpose of the bill and gave you some information about it before questions are asked.

Any questions which I am unable to answer, will be answered by Mr. Farrell or Mr. Pipes.

The sole purpose of this bill, as you will have noted, is to increase the authorized capital of the company from \$75 million to \$250 million.

Perhaps I should say here that no capital is issued without the approval of the Board of Transport Commissioners.

The act which you are asked to amend was passed in 1916. At that time the capital provided for us was \$5 million, with a total authorized capital of \$10 million. That sum was increased in 1941 to \$11 million; in 1946, to \$25 million; and in 1951, to \$75 million.

The reason the company has now come to parliament again for a further increase is to enable it to keep pace with the requirements of the population in British Columbia and its industries for telephone service in the areas which it serves, and to enable it to keep pace with the upsurge in general development in the Province which has been going on apace for some years.

The company operates over 91 per cent of the telephones in British Columbia; and the population in the areas in which it carries on is about 93 per cent of the population of British Columbia.

The company does not finance alone by the issue of shares. It finances it through bonds which are a charge on its assets, and with depreciation and surplus reserves.

The capital of the company which was previously authorized is practically exhausted. There is left available for issue \$3,500,000, which necessitates our seeking a great deal of money within the next few years, and to do that it must have this increase of authorized capital.