

Ontario and Quebec, in fact in all of Canada. By 1883 the company was serving 6,000 customers and by 1891 over 22,000 customers. By 1901 the number had more than doubled to over 44,000. In 1905 it had increased to 82,000, in 1919 to 337,000, in 1928 to 714,000, in 1947 to 1,306,000 and in 1956 to 2,766,000.

**Hon. Mr. Macdonald:** Those are customers in Ontario and Quebec?

**Hon. Mr. Bouffard:** Yes, in Ontario and Quebec only. There are approximately 4,500,000 telephone customers in Canada, of whom the Bell Telephone Company serves 2,766,000. As I have just said, they are located in Ontario and Quebec. In addition to this the Bell Telephone system has a long-distance service within Canada and to all countries that permit such connections. A certain number of countries are without connections, but in every case the Company has provided connections to enable Canadian citizens and others who are living in Europe and Asia to connect with Canada.

If we look at the mileage figures we find that they are extremely impressive. In 1891 the company had over 9,213 miles of wire lines; in 1901, 24,000; in 1905, 37,000; in 1919, 964,000; in 1928, 2,449,000. At the present time there are very close to 18 million miles of lines.

**Hon. Mr. Burchill:** Would the honourable gentleman permit a question? Have you any figures showing the number of telephones *per capita* in the provinces of Ontario and Quebec, compared with the rest of Canada?

**Hon. Mr. Bouffard:** Yes. In Quebec and Ontario there is one telephone to three persons. The figure for Canada as a whole is one to four persons. For the United States it is one to three persons, and for Great Britain one to seven persons. Therefore, the telephone operations of the telephone system in Canada are extremely important, and also highly appreciated.

**Hon. Mr. Pratt:** May I ask the honourable senator a question?

**Hon. Mr. Bouffard:** Certainly.

**Hon. Mr. Pratt:** How do you arrive at those figures showing the number of telephone connections? Does that include the connections that are internally within the organization, or does it refer to connections for outside service?

**Hon. Mr. Bouffard:** I have both figures. When I say inside connections, I mean connections that are not long distance. In 1956 there were approximately 18 million daily inside connections, and for long-distance tele-

phone calls at the present time the figure is very close to 400,000. And the figures are growing all the time.

**Hon. Mr. Pratt:** I was referring to the number of telephones that are installed in Quebec and in Ontario. Does that include the internal connections from one switchboard in a company, for instance?

**Hon. Mr. Bouffard:** It means subscribers, and does not include the internal telephones.

**Hon. Mr. Connolly (Ottawa West):** May I ask a question? Would the honourable gentleman say what the general statute is which governs telephone companies under federal jurisdiction?

**Hon. Mr. Bouffard:** It is the Railway Act of Canada. All the legislation that gives control to the Board of Transport Commissioners is contained in that act.

**Hon. Mr. Isnor:** I wonder if the honourable senator would state how the amount of \$350 million, to which he has referred, has been expended?

**Hon. Mr. Bouffard:** Let me say first that, for instance, in 1947 the number of telephones was only 1,306,000, while today the number is almost double that, 2,873,000. From 1928 to 1947 its customers increased from 714,000 to 1,306,000; its underground cable from 1,694,000 miles to 3,542,000 miles; its aerial cable from 551,000 miles to 1,153,000 miles; its employees from 16,000 to 23,000. From 1947 to 1956 its central offices increased from 430 to 733. Capital expenditures have to be made for these increases in the company's operations, and that is where the money goes.

**Hon. Mr. Isnor:** May I ask another question? The capital of the company was increased to \$350 million. What balance has it now on hand?

**Hon. Mr. Bouffard:** I am coming to that point now. At the present time, there is left in the treasury \$34 million in stock. When subscriptions under the provisions of the Employees' Stock Plan are deducted, only \$26 million is available in the treasury. That balance of \$26 million is far from sufficient to carry on. The company has to build equipment, and it is very special equipment, which has to be designed about a year and a half in advance. Apart from that, at present 25,000 applicants for service are without telephones as yet. The number of subscribers is increasing at the rate of 10,000 a month. Many subscribers use party lines, and want individual service with a dial system. The company has to cope with these problems and to improve its equipment and facilities. There is a backlog of over 53,000 applications for a higher grade of service. The company will also have