

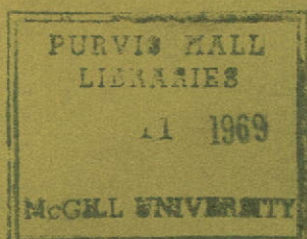
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'68

ANNUAL REPORT

11

SASK  TEL



SASKATCHEWAN GOVERNMENT TELEPHONES



## BOARD OF DIRECTORS \*

HON. A. C. CAMERON — Chairman  
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Hon. A. C. Cameron



Hon. G. B. Grant



Hon. W. J. Patterson



B. H. Hepfner



R. L. Pierce



A. G. Stewart



A. T. Wakabayashi

## OFFICERS \*

General Manager — G. D. McCORMICK  
 Assistant General Manager —  
 Operations — A. G. THOMAS  
 Comptroller — A. L. M. NELSON  
 Manager — Public and Employee Relations —  
 G. W. R. CLARKE  
 General Counsel and Secretary to the Board —  
 T. A. HOWE  
 Chief Engineer — S. F. LEE  
 General Commercial Manager — J. HOUSTON  
 General Plant Manager — H. E. FREBERG  
 General Traffic Manager — E. A. McKILLOP



G. D. McCormick



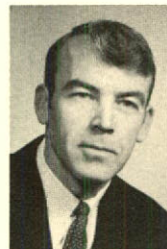
A. G. Thomas



A. L. M. Nelson



G. W. R. Clarke



T. A. Howe



S. F. Lee



J. Houston



H. E. Freberg



E. A. McKillop

\* as at December 31, 1968

# '68

SASK  TEL

## HIGHLIGHTS OF 1968

- At the year end there were 297,009 SASK TEL phones in service, an increase of 14,987 over 1967.
- Over 17,350,000 long distance messages originated in Saskatchewan in 1968, an increase of 5.5% over 1967.
- Touchtone telephone service was introduced in Regina and Saskatoon.
- Thirty-three exchanges were converted to dial operation.
- The Prairie Microwave Network was put in service.
- The value of telephone property reached \$202,533,233 an increase of \$13,369,385 over the previous year.
- Operating revenues increased by 7.8%; operating expenses by 8.8%
- Net income amounted to \$8,592,856.
- Dividend to be paid to the Province of Saskatchewan from earnings will be \$4,300,000.



Regina, Saskatchewan,  
March 3, 1969

To His Honour,  
The Honourable Robert Leith Hanbidge, Q.C.  
Lieutenant Governor of the  
Province of Saskatchewan.

Sir:

I have the honour to submit herewith the annual report of Saskatchewan Government Telephones for the year ending December 31, 1968 including the financial statement therefor, duly certified by the Provincial Auditor of Utilities, and in the form approved by the Treasury Board, all in accordance with the Saskatchewan Government Telephones Act.

I have the honour to be Sir,  
Your obedient servant,

Minister of Telephones and Chairman  
Saskatchewan Government Telephones.

**SASKATCHEWAN  
GOVERNMENT  
TELEPHONES**

HEAD OFFICE  
2350 ALBERT STREET  
REGINA, SASKATCHEWAN



# ANNUAL REPORT '68

In mid-1968 SASK TEL completed its sixtieth year of providing telecommunications service to the people of Saskatchewan. The year was one of substantial growth and continued improvement in local and long distance service. It was also a year in which expanded facilities and new techniques were introduced to meet an ever increasing demand for a wide range of telecommunication services.

In the face of rising prices and wage levels, increased attention to the control of operating costs resulted in a modest increase in the corporation's annual net income.

This result was attained at a time when a levelling off became apparent in some segments of the national and provincial economies following several years of high growth conditions. This levelling off was reflected particularly in the volume of toll traffic and in the increase in the number of telephones. Nevertheless a satisfactory rate of growth was maintained during the year.

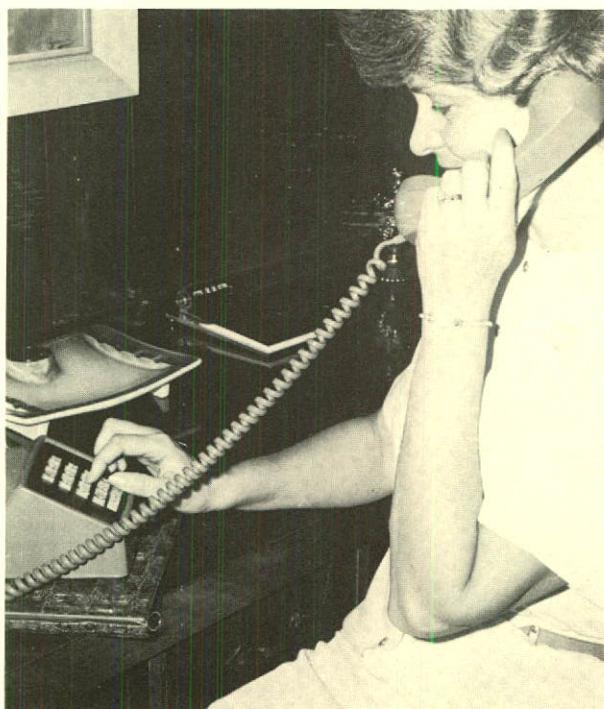
## NEW TELEPHONES INTRODUCED

Probably the most attention-drawing activity in 1968 and one which holds interesting possibilities for the future services to SASK TEL customers was the introduction of "push-button" telephones. While the service, because of switching requirements, could only be offered in certain parts of Regina and Saskatoon, the demand was so great that it could not be met as promptly as planned.

Because "Touch Tone" (the name used to promote the service) phones use musical tones to activate switching equipment, they can be

used to send data over phone lines. With this in mind SASK TEL has been installing twelve-button sets. The two buttons, which are spare now, will, in the future, be used for computerization purposes. This will open up a new series of offerings such as banking by phone, remote control of household equipment such as electric ovens, and sophisticated information systems in credit, medical records, and like fields.

The modernization program designed to bring automatic telephone service to most Saskatchewan telephone users by the mid-seventies was continued. To serve small communities and to facilitate quick installation, pre-assembled exchange buildings were introduced. Thirty-three dial conversions were completed in 1968. Switching equipment for fifteen of these dial offices was pre-installed in portable buildings and transported to various sites as complete units. The conversion program brought dial service to 5,658 local subscribers and to 4,325 rural telephones by the year end. As a result the percentage of dial telephones increased from 92.5% to 94.4% of SASK TEL phones and from 68.0% to 76.8% of rural company-owned phones switched by SASK TEL. There were 206 dial and 170 manual exchanges at the year end.



Fast and efficient "push button" telephones were introduced in Regina and Saskatoon in mid year. Here the first Touch-Tone subscriber is about to place her first call.



## CONSTRUCTION

Indicative of the corporation's growth is the size of its construction program. During 1968 a total of \$22,590,000 was spent in extending and improving the system.

The major facility to be completed and turned up for use in 1968 was SASK TEL's 500 mile portion of the Prairie Microwave Network. SASK TEL began its construction work in company with the Manitoba Telephone System and Alberta Government Telephones in 1966 to link Winnipeg with Edmonton. The network is designed for telephone, television and data transmission traffic. It is being extended to the west by the British Columbia Telephone Company and east to the Lakehead by Bell Canada to meet growth and at the same time to provide an alternate transmission route for long distance telecommunications in western Canada.

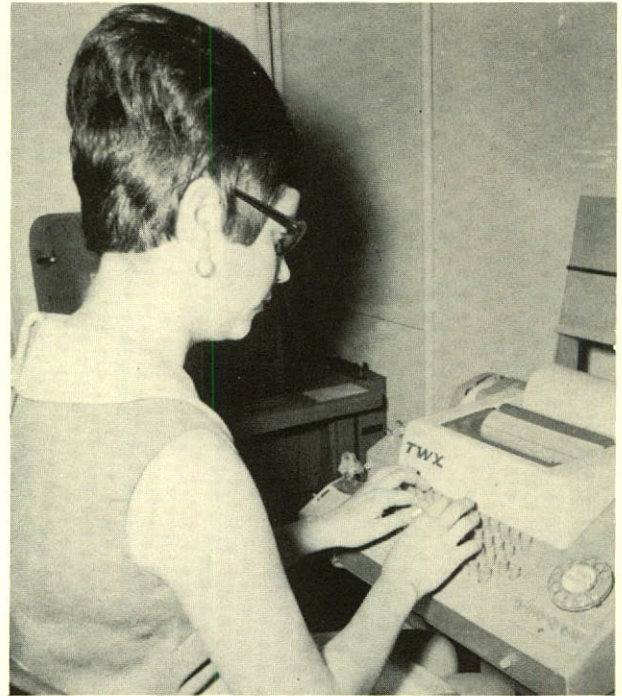
Other radio routes were installed to connect community dial offices to their toll centers. A radio system connecting at Molanosa and extending eastward along the Hanson Lake Road was completed to serve the mining and resort communities in that area.

Major inroads were made into the program to place new local and long distance facilities underground. During the year 180 route miles of long distance cable and 269 miles of local distribution cable were buried.

SASK TEL is finding it necessary to initiate and maintain a publicity and personal contact program to head off the disruption of its buried facilities. The corporation maintains a cable location service to inform contractors and others, who are digging or excavating, of the location of its buried facilities so that essential telephone service may be maintained.

## TELEPHONE GROWTH

While the rate of installation of additional telephones declined the actual number added was substantial. In 1968 the number of telephones in service was increased by 14,987 or 5.44% to attain a year end total of 297,009. Contributing to this gain was the successful "gift phone" campaign conducted at the year end and which led to the addition of 3,300 telephones. Significant is the amount of work involved in attaining the net increase. Some 94,800 phones were installed or connected and 79,800 were disconnected. Over the last thirteen years the number of telephones in Saskatchewan has more than doubled.



Through the TWX dial and type network over 188,000 world-wide users are provided with instant printed communications.

During 1968 telephone service was extended to 396 farm homes in seven areas in the province through SASK TEL's "Unserved Area Program". A total of 600 miles of pole line was erected to serve these subscribers at a cost of almost \$700,000.

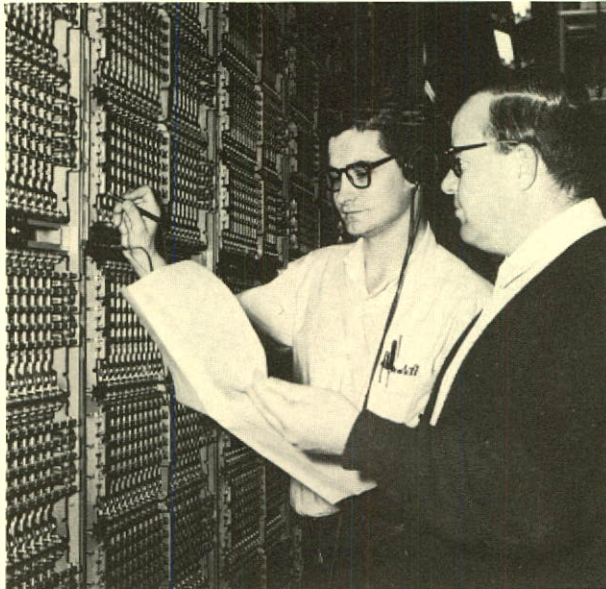
SASK TEL continued to provide switching facilities in its exchanges for 52,357 rural telephone company owned phones. This was a decrease from 1967 of 458. Service to a number of urban subscribers, previously served by rural telephone companies, was taken over by the corporation during the year and accounts for the decrease in rural company telephones.

An additional 830 subscribers are served by rural telephone company-owned switching facilities in 9 exchanges but are connected to the SASK TEL system for long distance service.

General mobile telephone service was extended with the addition of base stations at Lake Alma, Yorkton and Esterhazy. There are now 19 base stations in the province which provide local and long distance service to 238 telephones installed in a wide variety of vehicles.



SASK TEL also provided and maintained 68 private mobile services serving the fleets of vehicles of 21 business customers with 466 associated telephones. Private mobile systems are not connected to the telephone network.



Cross bar equipment shown here is employed in major exchanges to switch both local and long distance calls. Similar equipment is being installed in portable CDO buildings for local switching.

## LONG DISTANCE

A new record for originated long distance messages completed in any year was set at 17,350,897. This exceeds the record set in 1967 by more than 900,000. The ease with which calls can now be made through direct distance dialing facilities contributed to this increase. Some 37.1% of the toll messages were direct dialed by SASK TEL customers. This was made possible, in part, by the fact that 21 exchanges serving 6,160 telephones were added to the DDD network in the year under review.

Also contributing to the increase in DDD calling were the new low late night rates whereby customer dialed calls placed between midnight and 6 a.m. carried maximum three minute rates of \$1 for most points in Canada and seventy cents for calls between points in Saskatchewan, Uranium City excepted. These rates went into effect in mid-September. Reductions of up to 50% on charges for all types of long distance calls between Uranium City and other Saskatchewan points went into effect in October.

In mid-November, the Regina Regional Switching Center (one of the twelve on the North American continent) was upgraded with

the addition of more long distance trunk groups to alleviate service impairment during peak loads. The Regina center now has direct circuits to all the other centers. The net result will be an improvement in the grade of DDD service on calls requiring alternate routing during busy periods.

In November SASK TEL's new Emergency Operations Center, in conjunction with similar centers in each of the other major telephone companies, took part in a successful test of the Canadian telephone network's capacity for survival under emergency conditions created by an atomic attack or national disaster. The center proved itself capable of directing a speedy restoral of service using alternative facilities in instances of outages caused by less drastic conditions, i.e. accidental damage to repeater stations, etc. The center is manned on an as-required basis.

## DEFENCE NETWORK

Working in co-operation with the other members of the Trans-Canada Telephone System, SASK TEL is preparing for its role in a sophisticated new telecommunications network for the Department of National Defence. The network will be owned and operated by the member companies of the Trans-Canada Telephone System.

The heart of the new Canadian Switched Network (CSN) will be nine electronic switching centers, one of which will be located in Regina. Three in eastern Canada went into operation last fall. Each incorporates the most advanced components in the field of voice and data communications.

The CSN will be an integral part of the world-wide AUTOVON (Automatic Voice Network) that permits military users to complete global telephone calls almost instantaneously. The network is designed to ensure that communications between air defence elements will survive in an emergency.

The network will give the Canadian Armed Forces one of the most versatile communications systems in the world.

## LIGHTNING EFFECTS

SASK TEL in association with four other Canadian telephone companies is measuring and analyzing the nature of one of the most dreaded enemies of outside telephone equipment . . . lightning-induced voltage surges. The two year study was commenced in April of 1968 at SASK TEL's test center near Gravelbourg.



The survey is expected to produce detailed knowledge of the incidence and characteristics of lightning surges in telephone equipment. This will lead to a reduction in service interruptions and maintenance cost by establishing effective design criteria for future protection devices, especially those protecting sensitive solid state apparatus.

SASK TEL experienced some serious outages from lightning on some of its long distance facilities during 1968 and is therefore vitally interested in the results of this study.



SASK TEL's first 50 year service emblem was presented to Mr. A. G. Tough by the Corporation's Chairman and its General Manager.

## SASK TEL PEOPLE

The men and women in the SASK TEL family at the end of 1968 numbered 2,447, the same as at the end of 1967. It was through the co-operation, loyalty and teamwork of these people that SASK TEL was able to complete its new projects and reach new records of service.

The corporation continued its training programs as in past years, paying particular attention not only to teaching the new skills required to meet the challenges of a fast moving technological age, but to improving efficiency in day-to-day operations.

Joint meetings between officials of the Communications Workers of America and SASK TEL were held to discuss matters of mutual interest during the year. A two-year union agreement was concluded and extends into the fall of 1969.

The corporation acknowledges the contributions made by many of its employees to their communities through participation in fund raising, youth training, blood donor service and many other worthwhile activities.

## FINANCIAL RESULTS

Operating revenues for the year amounted to a total of \$43,266,000, an increase of \$3,128,000 or 7.8% over the 1967 revenues. Local service revenues increased by \$1,154,000 or 7.6% reflecting the increased number of telephones in service. Toll service revenues which account for 59% of total revenues were up \$1,877,000 or 7.9% from the previous year. This is a reflection of the increased volume in this category of service.

Operating expenses for 1968 totalled \$29,101,000, an increase of \$2,360,000 or 8.8% over the previous year's level. The main components of expense are wage costs and depreciation, accounting respectively for 40% and 35% of operating expenses in 1968. The number of employees in SASK TEL remained relatively unchanged from 1967. The increase in wage costs of 8.6%, therefore, is due to higher wage levels. Depreciation expense in 1968 amounted to \$10,067,000, an increase of \$889,000 or 9.7% over the previous year's level. This increase is due to additional plant being placed in service during the year as depreciation rates remained unchanged.

Amounts paid by way of grants in lieu of taxes to various municipal governments totalled \$514,000 an increase of \$38,000 from last year.

Interest and other financing charges amounted to a total of \$7,635,000, an increase of \$574,000 or 8.1% as compared with the previous year. Sinking fund earnings in the amount of \$1,905,000 served to reduce the year's cost for Interest and Other Deductions to a net amount of \$5,730,000, representing an increase of 6.8% over the corresponding figure for 1967.

Net income for the year amounted to \$8,593,000, an increase of \$271,000 or 3.3% over that of 1967. Approximately one-half of this, i.e. \$4,300,000, was appropriated as a dividend payable to the Province of Saskatchewan, the balance having been used to help finance the 1968 capital program of the corporation. Additional funds received during the year for capital purposes amounted to \$10.8 million, comprising an amount of \$8.8 million from intermediate term bank financing and \$2 million by way of an advance from the Provincial Treasurer.



## BALANCE SHEET

### ASSETS

#### TELEPHONE PROPERTY

	1968	1967
Land and Buildings (at cost) .....	\$ 23,193,560	\$ 22,176,917
Telephone Plant and Equipment (at cost) .....	177,787,565	165,053,680
	<u>\$200,981,125</u>	<u>\$187,230,597</u>
Less: Accumulated Depreciation .....	59,987,170	55,573,695
	<u>\$140,993,955</u>	<u>\$131,656,902</u>
Construction in Progress .....	1,552,108	1,933,251
	<u>\$142,546,063</u>	<u>\$133,590,153</u>

#### CURRENT ASSETS

Cash and Temporary Cash Investments .....	\$ 118,530	\$ 380,470
Accounts Receivable (less allowance for doubtful accounts) .....	5,759,673	4,647,613
Materials and Supplies (at cost) .....	3,011,318	2,821,819
Prepayments .....	474,081	480,512
	<u>\$ 9,363,602</u>	<u>\$ 8,330,414</u>

#### DEFERRED CHARGES

Unamortized Discount and Expense on Long Term Liabilities .....	\$ 1,350,606	\$ 1,474,431
	<u>\$153,260,271</u>	<u>\$143,394,998</u>



# STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 1968 (1967)

OPERATING REVENUES	1968	1967
Local Service .....	\$ 16,416,314	\$ 15,262,388
Toll Service .....	25,542,822	23,665,992
Other Revenues (Note 1) .....	1,523,362	1,398,512
Less: Uncollectible Operating Revenues .....	216,924	189,536
<b>TOTAL OPERATING REVENUES</b> .....	<b>\$ 43,265,574</b>	<b>\$ 40,137,356</b>
<b>OPERATING EXPENSES</b>		
Maintenance .....	\$ 6,502,938	\$ 5,840,856
Depreciation .....	10,066,510	9,177,165
Traffic .....	5,306,364	5,389,676
Commercial and Marketing .....	2,685,544	2,507,266
General Administration .....	2,566,906	2,073,599
Grants in Lieu of Taxes .....	514,402	476,189
Other Expenses (Note 2) .....	1,458,361	1,276,425
<b>TOTAL OPERATING EXPENSES (Note 3)</b> .....	<b>\$ 29,101,025</b>	<b>\$ 26,741,176</b>
<b>NET OPERATING REVENUE</b> .....	<b>14,164,549</b>	<b>13,396,180</b>
<b>OTHER INCOME</b> .....	<b>158,386</b>	<b>289,301</b>
	<b>\$ 14,322,935</b>	<b>\$ 13,685,481</b>
<b>INTEREST AND OTHER DEDUCTIONS (Note 4)</b> .....	<b>5,730,079</b>	<b>5,363,953</b>
<b>NET INCOME FOR THE YEAR</b> .....	<b>\$ 8,592,856</b>	<b>\$ 8,321,528</b>
<b>DIVIDEND—Government of Saskatchewan</b> .....	<b>4,300,000</b>	<b>4,150,000</b>
<b>NET INCOME AFTER DIVIDEND</b> —transferred to retained earnings .....	<b>\$ 4,292,856</b>	<b>\$ 4,171,528</b>

The accompanying notes are an integral part of the financial statements.



# FINANCIAL STATEMENTS

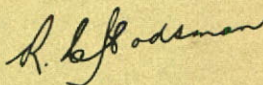
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## AUDITOR'S REPORT

Pursuant to the provisions of Section 36 of The Saskatchewan Government Telephones Act, Cap. 42, R.S.S. 1965, an examination of the accounting records of the Saskatchewan Government Telephones has been made under my direction for the year ended December 31, 1968. The examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as was considered necessary in the circumstances. All the information and explanations required by me have been obtained.

Provision has been made for depreciation of buildings, plant and equipment in accordance with regulations made by the Lieutenant-Governor in Council pursuant to Section 35 of the Saskatchewan Government Telephones Act. Full provision has been made for interest on capital advances.

I report that, in my opinion, the accompanying Balance Sheet, Statement of Income and Statement of Source and Disposition of Funds are properly drawn up, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, read in conjunction with notes numbered 1 to 7 appended thereto, so as to present fairly the state of the financial affairs of the Saskatchewan Government Telephones as at December 31, 1968 and the results of its operations for the year ended on that date, according to the best of my information and the explanations given to me and as shown by the books of account.



Regina, Saskatchewan.  
February 17, 1969.

R. C. HODSMAN, F.C.A.,  
a/Provincial Auditor of Utilities.



# NOTES TO FINANCIAL STATEMENTS

## NOTE 1—OTHER REVENUES

Other Revenues comprise the following:

	1968	1967
Directory Advertising .....	\$ 736,175	\$ 665,351
Rural Company Connecting Fees .....	468,533	396,955
Rent and Other .....	318,654	336,206
	<u>\$ 1,523,362</u>	<u>\$ 1,398,512</u>

## NOTE 2—OTHER EXPENSES

Other Expenses comprise the following:

	1968	1967
Superannuation and Canada Pension Plan .....	\$ 819,639	\$ 661,219
Operating Rents .....	245,621	239,083
Insurance .....	35,760	26,384
Other .....	357,341	349,739
	<u>\$ 1,458,361</u>	<u>\$ 1,276,425</u>

## NOTE 3—TOTAL OPERATING EXPENSES

Expenditures for the administration of the Department of Telephones in the amount of \$188,513 in 1968 (\$179,263 in 1967) and Other Assistance to Rural Telephone Companies during the year amounting to \$77,070 in 1968 (\$64,000 in 1967) are not included as they are reimbursable by grants from the Consolidated Fund of the Province.

## NOTE 4—INTEREST AND OTHER DEDUCTIONS

Interest and Other Deductions comprise the following:

	1968	1967
Interest on Advances .....	\$ 6,766,924	\$ 6,725,614
Amortization of Discount .....	117,785	120,337
Other Charges .....	168,041	168,041
Bank Notes and Other Interest .....	582,513	47,158
	<u>\$ 7,635,263</u>	<u>\$ 7,061,150</u>
Less: Sinking Fund Earnings .....	1,905,184	1,697,197
	<u>\$ 5,730,079</u>	<u>\$ 5,363,953</u>

## NOTE 5—SINKING FUND PAYMENTS AND ADVANCE REPAYMENTS DUE WITHIN ONE YEAR

	1968	1967
Sinking Fund Payments .....	\$ 4,116,294	\$ 4,056,294
Advance Repayments .....	10,392	737,163
	<u>\$ 4,126,686</u>	<u>\$ 4,793,457</u>

The advances from the Government of Saskatchewan include a requirement for the corporation to pay annually into a sinking fund administered by the province an amount equal to 3% of the advances made.

## NOTE 6—BANK NOTES PAYABLE

This item, shown as a current liability in the 1967 annual financial statements, represents intermediate financing required for the construction program. The notes bear interest at 6½% and are repayable by December 15, 1970 out of advances from the Government of Saskatchewan.



# STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1968 (1967)

## SOURCE OF FUNDS

### Operations

	1968	1967
Net Income For The Year .....	\$ 8,592,856	\$ 8,321,528
Add: Depreciation and Other Non-Cash Items (Net) .....	8,640,178	8,051,847
	<u>\$ 17,233,034</u>	<u>\$ 16,373,375</u>
Advances from the Government of Saskatchewan .....	2,000,000	7,519,500
Net Increase in Bank Notes Payable .....	8,800,000	5,000,000
Decrease in Working Capital .....	—	1,816,691
	<u><u>\$ 28,033,034</u></u>	<u><u>\$ 30,709,566</u></u>

## DISPOSITION OF FUNDS

Gross Property Additions .....	\$ 22,590,454	\$ 23,435,090
Less: Charges to Construction Not Requiring an Outlay of Funds .....	3,375,007	1,668,981
	<u>\$ 19,215,447</u>	<u>\$ 21,766,109</u>
Sinking Fund Payments and Advance Repayments .....	4,114,871	4,793,457
Dividend — Government of Saskatchewan .....	4,300,000	4,150,000
Increase in Working Capital .....	402,716	—
	<u><u>\$ 28,033,034</u></u>	<u><u>\$ 30,709,566</u></u>



AS AT DECEMBER 31, 1968 (1967)

LIABILITIES

1968

1967

LONG TERM LIABILITIES AND  
RETAINED EARNINGS

Advances from the Government of Saskatchewan (Note 7) .....	\$137,579,814	\$136,877,940
Less: Equity in Sinking Funds (Note 7) .....	41,154,022	35,927,322
	<u>\$ 96,425,792</u>	<u>\$100,950,618</u>
Less: Sinking Fund Payments and Advance Repayments due within one year (Note 5) .....	4,126,686	4,793,457
	<u>\$ 92,299,106</u>	<u>\$ 96,157,161</u>
Retained Earnings .....	32,270,181	27,977,325
	<u>\$124,569,287</u>	<u>\$124,134,486</u>
BANK NOTES PAYABLE (Note 6) .....	<u>\$ 13,800,000</u>	<u>\$ 5,000,000</u>

CURRENT LIABILITIES

Interest Accrued on Long Term Liabilities .....	\$ 1,868,734	\$ 1,837,935
Accounts Payable .....	4,026,986	2,908,414
Dividend — Government of Saskatchewan .....	4,300,000	4,150,000
Service Billed in Advance .....	568,578	570,706
Sinking Fund Payments and Advance Repayments due within one year .....	4,126,686	4,793,457
	<u>\$ 14,890,984</u>	<u>\$ 14,260,512</u>
	<u>\$153,260,271</u>	<u>\$143,394,998</u>



# NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

## NOTE 7—ADVANCES FROM THE GOVERNMENT OF SASKATCHEWAN

Percent	Due Date		1968		1967	
			Advance	Sinking Fund Equity	Advance	Sinking Fund Equity
3½	May 1, 1968		\$ —	\$ —	\$ 1,450,000	\$ 722,963
3½	Aug. 15, 1970	(1)	818,375	935,774	818,375	856,904
3½	Aug. 15, 1970	(1)	456,338		456,338	
3¾	Nov. 1, 1971	(1)	2,300,000	1,146,349	2,300,000	1,010,803
3¼	April 15, 1972		3,000,000	1,800,263	3,000,000	1,631,923
4	April 1, 1973	(1)	5,000,000	3,192,194	5,000,000	2,896,105
3¼	June 1, 1974	(1)	4,650,000	2,719,167	4,650,000	2,440,701
3½	Jan. 3, 1975		4,000,000	2,246,981	4,000,000	2,020,313
3¼	May 15, 1975		3,000,000	1,683,592	3,000,000	1,533,592
3½	Oct. 1, 1975		1,000,000	569,715	1,000,000	516,688
3¾	Jan. 2, 1976	(1)	6,250,000	3,109,938	6,250,000	2,765,435
4½	Nov. 1, 1976		2,000,000	985,542	2,000,000	881,495
4¾	April 1, 1977		7,000,000	3,150,593	7,000,000	2,792,039
2½	July 1, 1968-77	(2)	103,972	—	114,098	—
5¼	Oct. 15, 1977		4,500,000	1,976,878	4,500,000	1,744,807
5¼	June 1, 1978		5,000,000	866,613	5,000,000	675,198
5	Sept. 30, 1979		3,000,000	892,714	3,000,000	762,261
6	Oct. 1, 1979		7,500,000	2,570,420	7,500,000	2,213,088
5¼	Oct. 16, 1981		7,000,000	1,769,117	7,000,000	1,457,595
5½	Nov. 15, 1982		5,000,000	1,043,378	5,000,000	842,530
5	Sept. 1, 1983		10,800,000	4,155,094	10,800,000	3,650,685
4¾	Jan. 2, 1984	(1)	5,000,000	1,701,156	5,000,000	1,460,687
5½	Jan. 15, 1984		8,000,000	1,097,515	8,000,000	795,782
5½	July 15, 1985		5,000,000	667,835	5,000,000	485,064
5½	Dec. 1, 1985		9,000,000	1,183,590	9,000,000	861,732
5.605	Sept. 1, 1986		2,022,000	581,243	2,022,000	280,309
5.725	Oct. 3, 1986		1,881,000		1,881,000	
5.635	Nov. 1, 1986		1,924,000		1,924,000	
5.635	Dec. 1, 1986		1,574,000		1,574,000	
5.735	Jan. 4, 1987		1,910,000		1,910,000	
6	Mar. 1, 1987		5,000,000	157,718	5,000,000	—
5.605	June 1, 1987		772,000	23,363	772,000	—
6.565	Sept. 3, 1988		1,223,000	—	—	—
6.525	Oct. 1, 1988		777,000	—	—	—
4¾	Oct. 1, 1990	(1)	10,000,000	927,280	10,000,000	628,623
			<u>\$136,461,685</u>	<u>\$ 41,154,022</u>	<u>\$135,921,811</u>	<u>\$ 35,927,322</u>
Provisions for Exchange on Advances Repayable in United States Dollars			1,118,129	—	956,129	—
			<u>\$137,579,814</u>	<u>\$ 41,154,022</u>	<u>\$136,877,940</u>	<u>\$ 35,927,322</u>

(1) Repayable in United States Dollars.

(2) Serially Maturing 1968 through 1977.

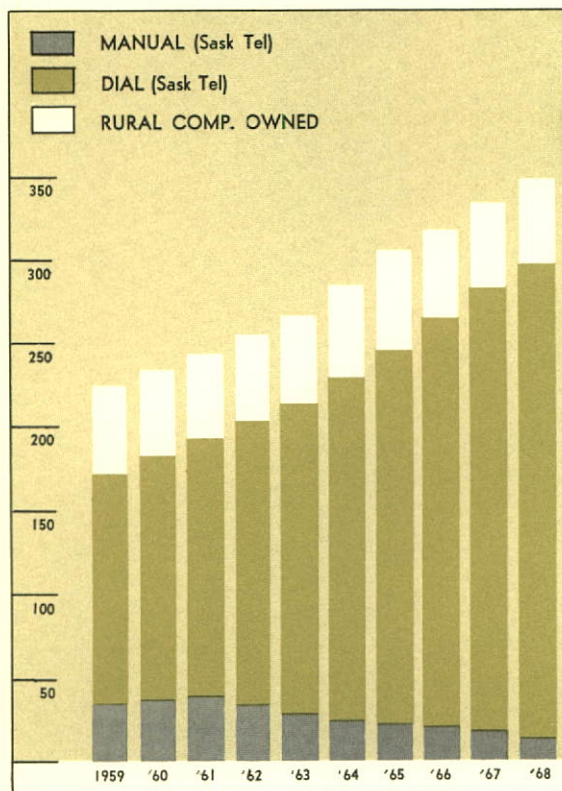
(3) Advances repayable in United States dollars are recorded on the basis that a U.S. dollar equals a Canadian dollar. Assuming that the Canadian dollar will continue at a discount in relation to the United States dollar, there will be added redemption costs at maturity of these advances. These will be partially offset by that portion of the Sinking Fund which is invested in U.S. pay securities. In 1968 an amount of \$162,000 has been provided, through a charge against income, towards the balance of these costs.



## TELEPHONES

SWITCHED BY SASK TEL

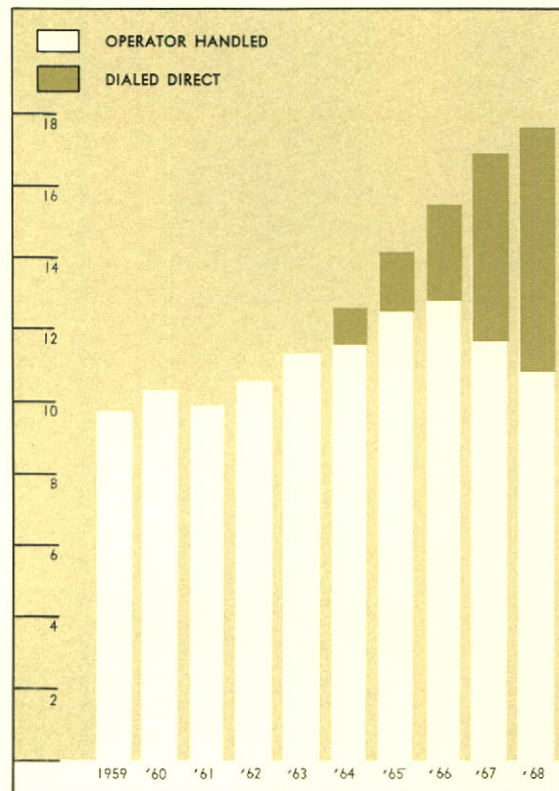
In Thousands of Telephones



## LONG DISTANCE MESSAGES

(Originating in Saskatchewan)

In Millions of Messages



## AUTOMATIC SERVICE AND DIRECT DISTANCE DIALING

### EXCHANGES CONVERTED TO DIAL OPERATION 1968

*Abernethy	Kennedy	*Ridgedale
*Aneroid	*Lashburn	Rockglen
Archerwill	*Lipton	Salvador
Beechy	*Lucky Lake	*Semans
*Central Butte	Macklin	*Sintaluta
Coronach	Macrorie	*Stockholm
Denzil	*Marshall	*Theodore
*Dysart	Maryfield	*Tribune
*Earl Grey	*Mistatim	*Viscount
*Fillmore	Ormiston	*Waskesiu
*Kelliher	*Paynton	Wood Mountain

### EXCHANGES SCHEDULED FOR DIAL OPERATION — 1969

*Alameda	Invermay	*Riverhurst
*Bethune	*Kisbey	St. Benedict
*Bredenbury	*Manor	*Speers
*Colonsay	Middle Lake	*Tompkins
*Consul	*Porcupine Plain	*Vanguard
*Fox Valley	*Richmound	*Young
*Frobisher		

\* Exchanges in which Direct Distance Dialing calls can originate — all others may receive DDD calls.

Note: In addition to those marked \* above, Shaunavon and Eastend are scheduled to be equipped for Direct Distance Dialing in 1969.



# TEN-YEAR RECORD OF PROGRESS

at December 31	1968	1967	1966	1965
<b>TELEPHONES</b>				
Sask Tel Owned .....	297,009	282,022	265,765	247,876
Percent Dial .....	94.4%	92.5%	91.6%	90.4%
Connected* .....	94,817	91,802	87,162	83,251
Net Increase* .....	14,987	16,257	17,889	17,587
Rural Company Owned (Switched by Sask Tel) .....	52,357	52,815	53,231	52,787
Percent Dial .....	76.8%	68.0%	63.3%	58.0%
Telephones Per 100 People .....	36.4	35.1	33.6	31.9
<b>NUMBER OF EXCHANGES</b>				
	376	387	386	382
<b>NUMBER OF TOLL OFFICES</b>				
	49	56	57	74
<b>LONG DISTANCE MESSAGES</b>				
(Origin - Saskatchewan)* .....	17,351,000	16,443,000	15,448,000	14,182,000
<b>FINANCE</b>				
Operating Revenues* .....	\$ 43,265,574	\$ 40,137,356	\$ 36,112,256	\$ 32,554,096
Operating Expenses* .....	\$ 29,101,025	\$ 26,741,176	\$ 24,659,665	\$ 22,131,105
Interest and Other Deductions* .....	\$ 5,730,079	\$ 5,363,953	\$ 4,846,886	\$ 4,519,804
Net Income* .....	\$ 8,592,856	\$ 8,321,528	\$ 6,831,255	\$ 6,182,595
Dividend—Government of Saskatchewan* .....	\$ 4,300,000	\$ 4,150,000	\$ 3,800,000	\$ 3,932,595
Telephone Property .....	\$202,533,233	\$189,163,848	\$172,411,573	\$157,015,013
Advances from Government of Saskatchewan .....	\$137,579,814	\$136,877,940	\$129,043,807	\$122,835,266
Debt as a Percent of Year-End Capital .....	82.4%	83.5%	84.4%	85.5%
<b>EMPLOYEES AND PAYROLL</b>				
Men .....	1,149	1,128	1,104	1,045
Women .....	1,298	1,319	1,308	1,265
<b>Total</b> .....	<b>2,447</b>	<b>2,447</b>	<b>2,412</b>	<b>2,310</b>
Payroll* .....	\$ 14,400,163	\$ 13,298,458	\$ 12,380,317	\$ 11,438,606

\* For the Year Ended December 31



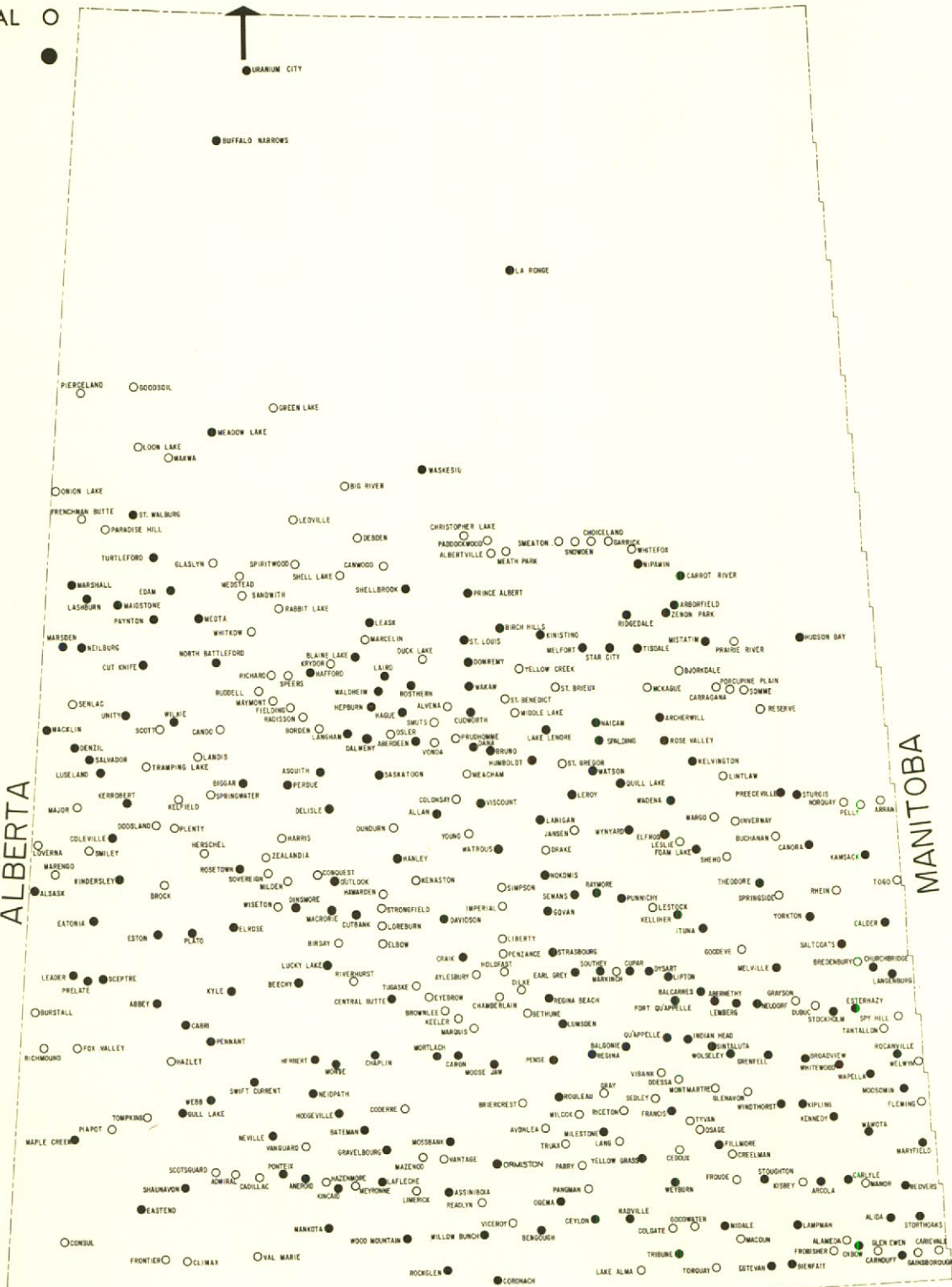
1964	1963	1962	1961	1960	1959
230,289	215,225	202,861	193,120	183,301	172,769
89.0%	86.4%	82.9%	80.9%	79.7%	79.4%
65,342	65,470	45,657	41,864	40,766	40,905
15,064	12,364	9,741	9,819	10,532	13,214
52,553	52,333	52,302	51,268	50,661	50,568
51.5%	44.0%	34.4%	25.9%	24.5%	22.8%
30.6	29.2	28.0	27.1	26.5	25.4
380	373	369	366	362	364
83	98	104	118	125	136
12,536,000	11,299,000	10,584,000	9,979,000	10,243,000	9,730,000
\$ 28,829,557	\$ 25,974,721	\$ 23,624,151	\$ 22,403,716	\$ 20,259,164	\$ 18,880,755
\$ 20,394,380	\$ 18,546,586	\$ 16,915,417	\$ 16,343,959	\$ 15,825,280	\$ 15,013,693
\$ 4,029,851	\$ 3,486,619	\$ 3,304,649	\$ 3,018,709	\$ 2,798,258	\$ 2,636,193
\$ 4,715,591	\$ 4,158,271	\$ 3,670,972	\$ 3,253,555	\$ 1,955,640	\$ 1,614,056
\$ 4,715,591	\$ 4,158,271	\$ 3,670,972	\$ 3,253,555	\$ 1,955,640	\$ 1,614,056
\$146,683,866	\$131,930,987	\$120,274,800	\$111,670,577	\$105,828,187	\$ 98,312,834
\$112,828,161	\$ 97,537,290	\$ 87,847,580	\$ 83,471,317	\$ 76,754,764	\$ 73,828,729
85.9%	84.1%	82.6%	81.9%	80.6%	80.0%
1,014	985	917	875	890	904
1,167	1,114	1,037	1,047	1,121	1,089
2,181	2,099	1,954	1,922	2,011	1,993
\$ 10,512,348	\$ 9,889,469	\$ 8,982,725	\$ 8,699,153	\$ 8,244,564	\$ 8,090,317



## TELEPHONE EXCHANGES

MANUAL ☐

DIAL ☒



PRINTED BY  
LAWRENCE AMON, PRINTER  
TO THE QUEEN'S MOST  
EXCELLENT MAJESTY





Repeater Station at Asquith on Blackfoot/Saskatoon section of Inter-Provincial Microwave System.



**SASK**  **TEL**

part of  **Trans-Canada Telephone System**