

C
Stack

Annual Report



SASKATCHEWAN = GOVERNMENT = TELEPHONES

PERVIS HALL
L. 1. 1113

SEP 3 1957

MCGILL-UNIVERSITY LIBRARY



Telephone operators are the modern symbol of fast, accurate, dependable, friendly service. Pictured here are skilled and courteous operators at work on the new long distance switchboard at Tisdale just after the local service was changed from manual to dial operation, November 24, 1953.

Annual Report

OF

SASKATCHEWAN GOVERNMENT TELEPHONES

2350 ALBERT STREET
REGINA, SASKATCHEWAN



FOR THE YEAR ENDED DECEMBER 31, **1953**

BOARD

Hon. A. G. KUZIAK, Chairman

Hon. J. A. DARLING

Hon. C. C. WILLIAMS

D. H. F. BLACK, Esq., Regina

C. BROUGHTON, Esq., Froude

J. W. W. GRAHAM, Esq., Weyburn

A. E. BLAKENEY, Esq., Secretary
of the Board

MANAGEMENT

General Manager - S. R. MUIRHEAD

Superintendent of Public and Employee
Relations - T. D. LEACH

Chief Engineer - C. W. SPARROW

General Plant Superintendent -
S. B. MEDHURST

General Traffic Superintendent -
T. J. PRIEST

General Commercial Superintendent -
J. H. PURDY

Chief Accountant - F. BAXENDALE



Minister of Telephones

REGINA, Saskatchewan,
March 8, 1954.

To His Honour,
The Honourable William John Patterson,
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, 1953, 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 Crown Corporations Act, 1947.

I have the honour to be, Sir,

Your obedient servant,

A. G. Kuziak,
Minister of Telephones,
and
Chairman,
Saskatchewan Government Telephones.

Saskatchewan Golden Jubilee Bear

EXPANSION



FOR MORE
AND EVEN
BETTER
SERVICE



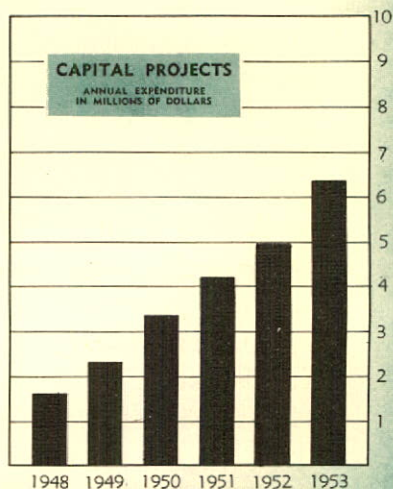
The new Tisdale exchange was completed in 1953 and a similar exchange was built at Nipawin. New exchanges of like design were commenced at Kindersley and Estevan.



Yorkton's exchange took on a new look. Extensions to exchange buildings at Melfort and North Battleford were underway.



Regina's new main exchange took shape. The building will be completed in 1954 and the major portion of the equipment installed in 1955.



1953 ANNUAL REPORT

SASKATCHEWAN GOVERNMENT TELEPHONES

This report of Saskatchewan Government Telephones for the year 1953 is the 7th report as a Crown Corporation and covers the activities of the System in its 45th year.

The 1952 Annual Report starts with the words "The year of 1952 was our year of greatest achievement." Those words can be repeated for 1953; in addition it should be noted that the increase in accomplishment in 1953 over 1952 was substantial. In all lines of activity we achieved much more in 1953 than in 1952.

Perhaps the acceleration attained in the installation of local telephones is the most important factor. During 1953 we increased our telephones in service by 10,860 as compared to 8,670 in 1952. As some reduction in the waiting list was achieved in 1952, in spite of it being a year of heavy demand for new telephones, a very substantial reduction in the waiting list was expected in 1953. The actual reduction was 1,012; this is very helpful but is less than half the extra telephones added. On December 31, 1953 there were 3,175 applicants waiting for service. We keep increasing our ability to install new telephones but the demand for them keeps growing too. If it had not been for our greatly accelerated program of expansion the waiting list would have gone up instead of down. During 1953 we had to increase our telephones in service by about eleven to reduce the waiting list by one. On December 31, 1953 the number of local telephones in service was 104,985.

In other lines of activity the increase was also great. During 1953 long distance calls originating in Saskatchewan increased by 567,385 to a total of 7,492,701. During 1953 we added about 11,500 circuit-miles to our network of long distance lines with the corresponding figures for 1952 being 8,648.

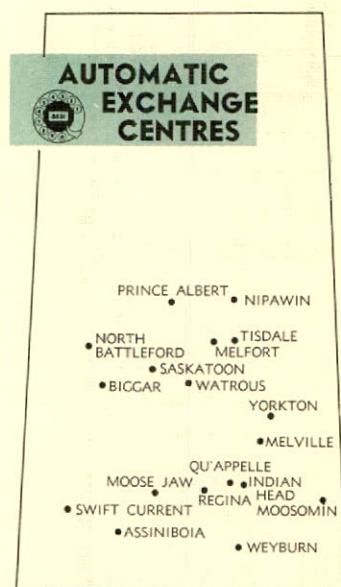
The amount of money spent on plant changes was necessarily large when so much work was done. During 1953 the amount spent on capital projects was \$6,391,943.19 and the amount for renewals and reconstruction was \$934,712.59. The corresponding figures for 1952 were \$4,917,521.63 and \$984,112.04 respectively. This, of course, is over and above the cost of maintenance and operation.

In addition to enlarging the system some service improvements were made. For example, Nipawin and Tisdale were changed from manual to dial operation in 1953.

There was also growth amongst the rural telephone companies. Complete information is not available, at this time, as rural lines are not owned by Saskatchewan Government Telephones. However, rural stations connected to the System's exchanges increased by 1,325 during 1953 and totalled 48,716 at the end of the year. There are certain rural and independent companies that do not connect the System exchanges and they would serve approximately 12,000 subscribers. Thus there would be a total of about 61,000 subscribers in the province served by rural and independent companies.

With so much growth income was, of course, large. Total operating revenue for 1953 was \$9,643,740.40 as against \$8,349,003.83 for 1952. Profit for 1953, after interest, was \$1,846,513.70 compared with \$1,497,118.91 for 1952.

Rates for local exchange service were increased somewhat during 1953. The amount varied, depending upon circumstances, but was about 13% on the average. For most subscribers the new rates came into effect on July 1, 1953. No change was made in long distance rates.



The construction program completed in 1953 was the largest in a succession of big construction programs. It might therefore be of interest to review the accomplishments, of the last five years.

On December 31, 1948 we were serving 64,322 local telephones. At the end of 1953 this had grown to 104,985. We have thus increased our telephones in service by nearly two-thirds in this period. In spite of this substantial increase there are still people waiting for service.

Long distance business has also grown at a rapid rate. The 4,881,000 calls originating in Saskatchewan in 1948 became 7,493,000 in 1953. In addition to calls originating in the province, Saskatchewan Government Telephones carries a large number of calls across the province for subscribers of other telephone companies. The increase in this business has been even greater; 213,000 calls were carried across the province in 1948 and 516,000 in 1953. To meet the needs of this growing demand we added over 38,000 circuit-miles to our network of long distance lines in this period.

To achieve this expansion Saskatchewan Government Telephones has spent about \$25,723,000.00 on additions and changes to plant in the last five years; this is over and above the cost of maintenance and operation. Capital assets at \$43,687,000.00 on December 31, 1953 are about double what they were five years ago.

As far as the future is concerned our program for 1954 is much bigger than the record breaking one for 1953. It is larger in every phase of our activities but the most striking increase is in the creation of additional building space. All facilities terminate in a building somewhere, so building space is a fundamental need which must be met before any other action is possible. Unless demands for new services increase proportionately we will make a worthwhile advance, in 1954, towards a position where we can meet demands as they arise.

A continuous and strenuous effort over a long period has been required from our staff to complete all this work. Conditions of overload and crowding, in some places, are unavoidable with such rapid growth. Under these circumstances it is impossible to keep working conditions up to the standard we would like at all places. In spite of difficulties a great deal has been accomplished and it is a pleasure to record our thanks to the staff of Saskatchewan Government Telephones for their skill, energy and devotion to duty.

S.G.T. IN FIFTY-THREE



- All time record month for installing new telephones — 1,333 were put into service.
- 60 local lines added to the Humboldt Exchange.
- 220.5 circuit miles were added to Long Distance lines.



- Switchboard positions added to Melfort, Wakaw, Davidson and Swift Current Exchanges.
- 481.2 circuit miles added to Long Distance lines.



- Switchboard positions added to Kindersley, Lumsden, Maple Creek and Radville Exchanges.
- A 3-position recording table installed at North Battleford.
- 355 circuit miles added to Long Distance lines.



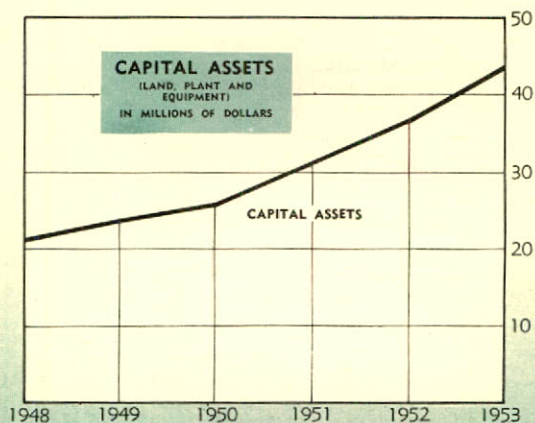
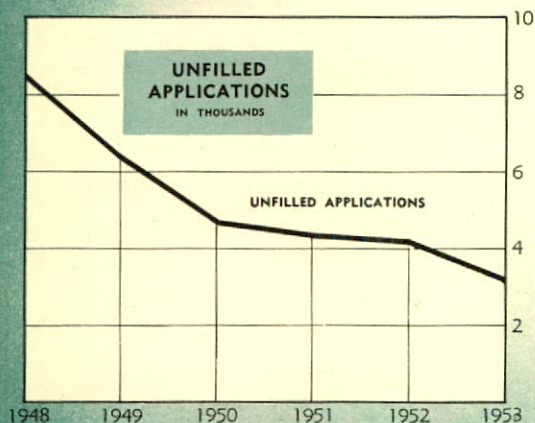
- Nipawin cut-over from manual to dial exchange.
- Switchboard positions added to Kamsack, Willow Bunch and Saltcoats Exchanges.
- 816.7 circuit miles added to Long Distance lines.



- 1200 lines added to Nutana (Saskatoon) Exchange, and 1000 to Regina North Office.
- Switchboard positions added to Naicam, Wapella and Rouleau Exchanges.
- 891.5 circuit miles added to Long Distance lines.



- 400 lines added to Melville and to North Battleford Exchanges.
- Switchboard positions added to Fort Qu'Appelle, Wadena and Rose Valley Exchanges.
- 952.3 circuit miles added to Long Distance lines.



MARCH OF EVENTS

- System's 100,000th telephone installed.
- Switchboard positions added to Arcola and Grenfell Exchanges.
- 1056.9 circuit miles added to Long Distance lines.



- All time record month for Long Distance calls completed — a total of 732,193.
- Special teletype equipment installed at Regina and Saskatoon for a General Motors network.
- 98 circuit miles added to Long Distance lines.



- 2000 line extension to Main Office, Regina.
- 4-position rate and route desk installed at Saskatoon, and switchboard positions added to Redvers and Wolseley exchanges.
- 91 circuit miles added to Long Distance lines.



- 800 line extension and a new 14-position toll board installed in the Prince Albert exchange.
- Switchboard position added to Unity Exchange.
- 5414 circuit miles to Long Distance lines added for Trans-Canada purposes.



- Tisdale cut over from manual to dial exchange.
- Switchboard positions added to Esterhazy and Shellbrook Exchanges.
- 587.2 circuit miles added to Long Distance lines.



- Twelve telegraph channels added to Regina-Winnipeg and Regina-Calgary service by the installation of voice frequency carrier telegraph equipment.
- Switchboard positions added to Outlook, Carlyle and Imperial Exchanges.
- 613.8 circuit miles added to Long Distance lines.

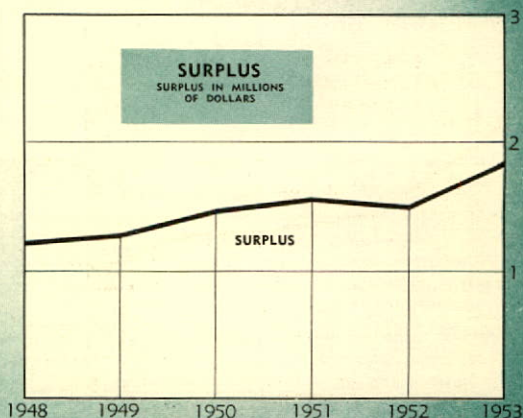
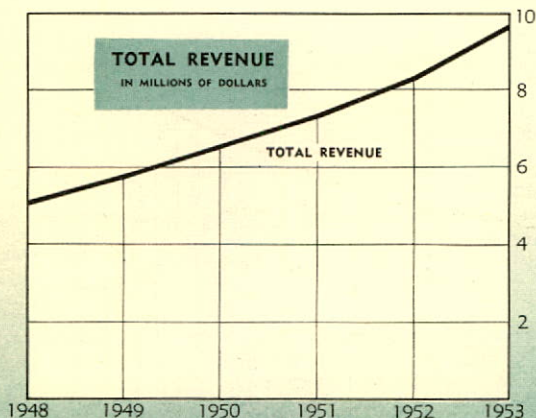


EXHIBIT A BALANCE SHEET

ASSETS



CAPITAL ASSETS

Land		\$ 439,726.68
Plant, Buildings, Office Furniture and Equipment:		
Buildings	\$ 1,374,226.40	
Plant	33,977,459.03	
Construction in Progress	3,642,078.17	
Office Furniture and Fixtures	141,910.52	
Mechanical Office Equipment	94,815.03	39,230,489.15
General Equipment:		
Tools	\$ 329,214.11	
Vehicles	377,642.40	706,856.51
Material and Supplies	\$ 2,258,780.68	
Less: Reserve for Obsolescence and Depreciation	100,000.00	2,158,780.68
Sinking Fund—Government of Saskatchewan		1,151,618.33
		<u>\$43,687,471.35</u>

CURRENT ASSETS

Cash on Hand and in Bank	\$ 1,991,073.09	
Working Advances—Employees	15,497.98	
Customers' and Miscellaneous Accounts Receivable	\$869,708.26	
Less: Reserve for Bad and Doubtful Accounts	36,439.56	833,268.70
Unexpired Services and Deferred Charges—Insurance, Directories and other Charges	117,974.55	2,957,814.32
		<u>\$46,645,285.67</u>

AUDITOR'S REPORT

Pursuant to the provisions of The Saskatchewan Telephones Act, an audit of the accounts and records of the Saskatchewan Government Telephones has been made under my direction for the fiscal year ended December 31, 1953. All the information and explanations required by me have been obtained.

Sinking Fund Investments have been verified by examination. Securities held for Rural Telephones Companies in connection with investment of Special Levy Funds have been verified by examination and are in a separate statement.

Provision has been made for depreciation of plant, buildings, office furniture and equipment in accordance with rates set by the Corporation and approved by the Lieutenant Governor-in-Council. Full Provision has been made for interest on capital advances.

LIABILITIES

CAPITAL LIABILITIES AND RESERVES

Government of Saskatchewan—Investment		\$22,569,063.19
Reserves for Depreciation:		
Plant, Buildings, Office Furniture and Fixtures	\$11,177,549.65	
Mechanical Office Equipment	46,092.29	
Tools	71,347.95	
Vehicles	225,434.06	
	<u>\$11,520,423.95</u>	
Sinking Fund Reserve	1,151,618.33	12,672,042.28
		<u>\$35,241,105.47</u>

CURRENT LIABILITIES

Government of Saskatchewan—Interest Accrued on Advances	\$ 181,119.49	
Sundry Accounts Payable	92,493.52	
Service Billed in Advance	193,365.29	
Accrued Liabilities not due—Provision for Exchange on Bonds Payable in New York	140,500.00	607,478.30

CONTINGENT RESERVE

Reserve for Fire Losses	10,000.00
-------------------------	-----------

SURPLUS

Appropriated for Capital Expenditures:		
Balance at December 31, 1952	\$ 8,940,188.20	
Add: Appropriation for 1953 (Exhibit B)	1,846,513.70	10,786,701.90
		<u>\$46,645,285.67</u>

Materials and Supplies are shown at book value, priced at cost. Inventories were taken at March 31, 1953, by senior employees and are certified correct by them. Test checks were made at that time of the physical inventories, prices and extensions of materials and supplies on hand. The year-end value has been certified as correct by a responsible official.

I report that, in my opinion, the above Balance Sheet and attached Statement of Income and Expenses are properly drawn up so as to show a true and correct view of the state of the financial affairs of the Saskatchewan Government Telephones as at December 31, 1953, and the results of its operations for the year ended on that date, according to the best information, the explanations given to me and as shown by the books of account.
Regina, Saskatchewan,
February 18, 1954.

C. H. Smith, F.C.A.,
Provincial Auditor of Utilities.

EXHIBIT B

STATEMENT OF INCOME AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31st, 1953



REVENUE		
Local Service	\$3,930,670.43	
Rural Companies Connecting Fees	271,259.70	
Toll Service	5,352,833.92	
Miscellaneous	88,976.35	
TOTAL OPERATING REVENUE		\$9,643,740.40
EXPENSES		
Commercial	\$ 978,255.98	
Traffic	2,843,149.53	
Maintenance	1,085,146.16	
Station Removals and Changes	94,579.61	
General	484,645.64	
Engineering	1,222.17	
Fire and Bond Insurance	22,002.27	
Employees' Superannuation Fund Contributions	128,000.00	
Rural Organization and Inspection	93,418.03	
Provision for Uncollectible Accounts	12,073.00	
TOTAL OPERATING EXPENSES		5,742,492.39
Net Operating Revenue before providing for interest and exchange on Government Advances and Plant Depreciation		3,901,248.01
DEDUCT		
Provision for Depreciation	\$ 756,228.07	
Sinking Fund Charges and Interest and Accruals	568,268.03	
TOTAL PROVISION FOR DEPRECIATION ON BUILDINGS, PLANT AND OFFICE EQUIPMENT FOR THE YEAR		1,324,496.10
NET OPERATING REVENUE		\$2,576,751.91
ADD		
Interest and Discounts	\$ 15,581.19	
Sinking Fund Interest and Accruals	37,735.02	53,316.21
		\$2,630,068.12
DEDUCT		
Interest and Exchange on Government Advances		783,554.42
NET PROFIT appropriated for Capital Expenditure (Exhibit A)		\$1,846,513.70

SCHEDULE OF CAPITAL ASSETS
AS AT DECEMBER 31st 1953

	<u>December 31, 1952</u>	<u>Increase for year ended December 31, 1953</u>	<u>December 31, 1953</u>
CAPITAL ASSETS			
Land	\$ 357,924.91	\$ 76,609.12	\$ 434,534.03
Right of Way	3,499.65	1,693.00	5,192.65
Buildings	1,353,605.10	20,621.30	1,374,226.40
Exchange Plant	19,337,710.63	3,506,976.38	22,844,687.01
Toll Plant	10,075,518.88	1,057,253.14	11,132,772.02
Work in Progress	2,085,944.90	1,556,133.27	3,642,078.17
Office Furniture and Fixtures	118,295.62	23,614.90	141,910.52
Mechanical Office Equipment	88,056.80	6,758.23	94,815.03
Tools	289,599.43	39,614.68	329,214.11
Vehicles	350,345.42	27,296.98	377,642.40
Stock on Hand (Gross)	2,183,408.49	75,372.19	2,258,780.68
Sinking Fund	583,350.30	568,268.03	1,151,618.33
TOTAL CAPITAL ASSETS	<u><u>\$36,827,260.13</u></u>	<u><u>\$6,960,211.22</u></u>	<u><u>\$43,787,471.35</u></u>

SOURCE OF FUNDS

Net Capital Advances from Treasury Department	\$16,669,063.19	\$5,900,000.00	\$22,569,063.19
Moneys Repaid to Treasury Department out of De- preciation Reserve Funds	6,928,586.72		6,928,586.72
Advances Repaid to Treas- ury Department out of Sinking Fund	1,820,466.14		1,820,466.14
Moneys Expended on Plant out of Surplus and De- preciation Reserve Funds	10,825,793.78	491,943.19	11,317,736.97
Moneys Invested in Sinking Fund out of Revenue	583,350.30	568,268.03	1,151,618.33
FUNDS PROVIDED FOR CAPITAL ASSETS	<u><u>\$36,827,260.13</u></u>	<u><u>\$6,960,211.22</u></u>	<u><u>\$43,787,471.35</u></u>

NOTE: Stock on Hand of Materials and Supplies is shown as a gross figure before deducting the Reserve for Obsolescence and Depreciation.

Statistics



1910-1953

A DEPARTMENT OF GO
(YEAR END - APRIL

	1910	1916	1921	1926
Number of Telephones				
System Owned	3,412**	15,677	30,570	32,85
Rural Company Owned (Connecting to System)	2,298	9,196	42,627	41,38
TOTAL	5,710	24,873	73,197	74,24
Percent Dial (System)	0%	48%	54%	57%
Number of System Offices				
Exchanges	20**	104	283	30
Toll Stations	100**	213	155	15
TOTAL	120**	317	438	45
Long Distance Messages*				
Origin in Saskatchewan	281,851***	1,179,169	2,597,404	3,082,08
Increase over previous Fiscal year		31.6%	17.2%	15.7%
Finance				
Capital Assets—(Land, Plant and Equipment)		\$ 5,457,832	\$10,446,562	\$11,325,90
Total Revenue*		\$ 779,650	\$ 1,964,494	\$ 2,341,82
Total Expense*		\$ 779,650	\$ 1,964,494	\$ 2,341,82
Surplus*				
Employees				
Men				
Women				
TOTAL				
Total Payroll*				
	* For the year		** As at February 28th, 191	

SASKATCHEWAN GOVERNMENT TELEPHONES

GOVERNMENT
(1900 to 1953)

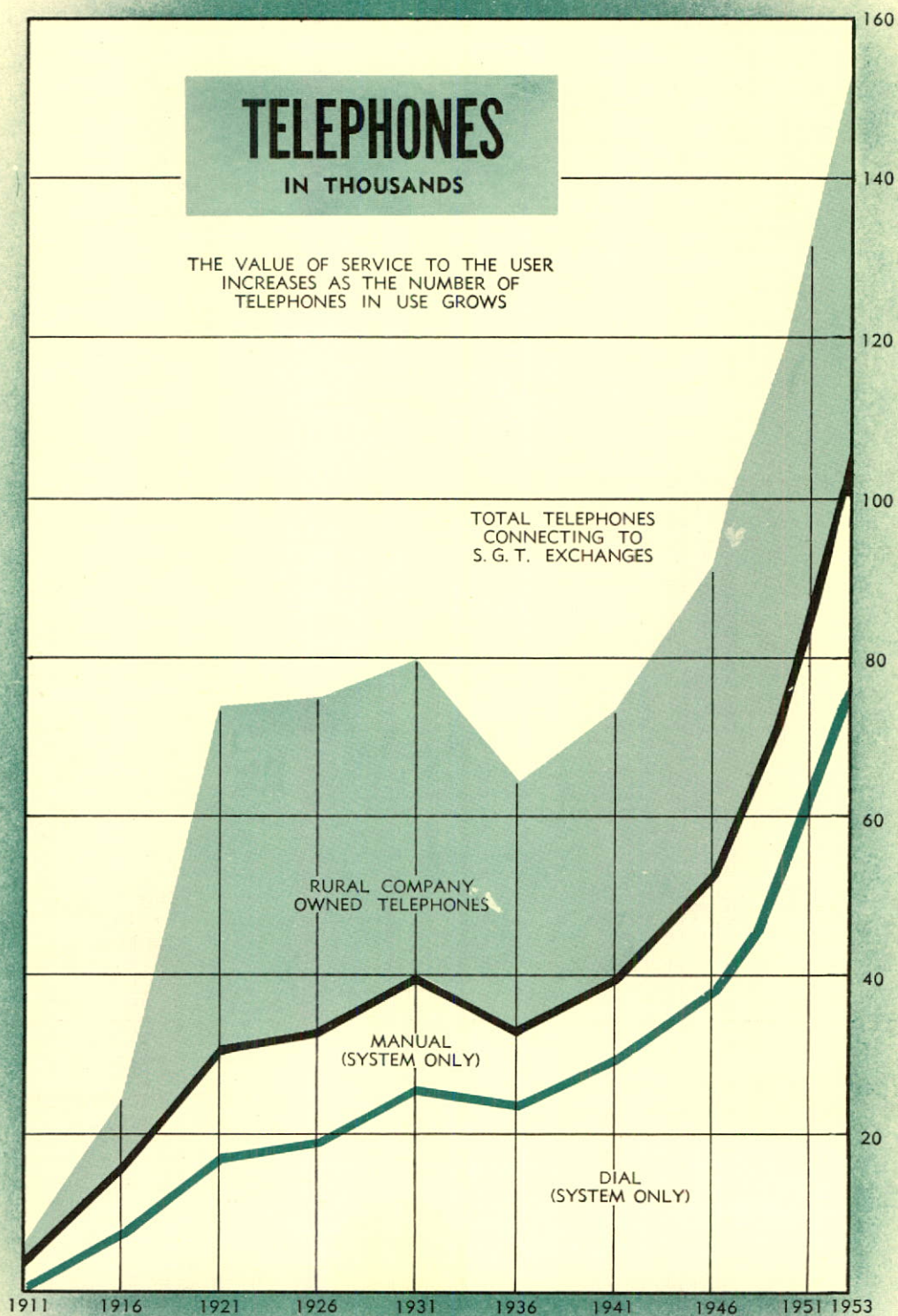
A CROWN CORPORATION
(YEAR END - DECEMBER 31 st)

1931	1936	1941	1946	1949	1950	1951	1952	1953
39,768 39,303	32,811 31,371	39,276 33,555	52,346 39,278	70,460 43,841	78,047 44,967	85,455 46,039	94,125 47,391	104,985 48,716
79,071 63%	64,182 71%	72,831 74%	91,624 72%	114,301 71%	123,014 71%	131,494 73%	141,516 74%	153,701 75%
313 177 490	314 202 516	316 237 553	330 230 560	352 214 566	352 209 561	352 199 551	354 194 548	355 185 540
3,000,025 - 13.9%	1,934,361 - 10.0%	2,433,287 5.3%	4,122,878 13.1%	5,176,455 6.1%	5,690,104 9.9%	6,226,042 9.4%	6,925,316 11.2%	7,492,701 8.2%
5,191,874 2,826,227 2,713,919 112,308	\$ 15,414,978 \$ 2,032,483 \$ 2,049,832 \$ -17,349	\$ 15,829,784 \$ 2,640,096 \$ 2,472,235 \$ 167,861	\$ 17,414,225 \$ 4,109,297 \$ 3,208,075 \$ 901,222	\$ 23,654,539 \$ 5,768,283 \$ 4,486,122 \$ 1,282,161	\$ 26,995,801 \$ 6,660,686 \$ 5,199,130 \$ 1,461,556	\$ 31,226,388 \$ 7,395,313 \$ 5,830,899 \$ 1,564,414	\$ 36,143,910 \$ 8,375,104 \$ 6,877,985 \$ 1,497,119	\$ 42,535,853 9,697,057 7,850,543 1,846,514
			367 637 1004	510 797 1307	562 852 1414	539 997 1536	577 1033 1610	606 1154 1760
			\$ 1,496,626	\$ 2,590,074	\$ 3,044,029	\$ 3,482,310	\$ 4,162,803	\$ 4,684,404
by purchase		*** For year ending February 28, 1911.						

TELEPHONES

IN THOUSANDS

THE VALUE OF SERVICE TO THE USER
INCREASES AS THE NUMBER OF
TELEPHONES IN USE GROWS





Competent technicians are constantly alert to maintain uninterrupted around-the-clock telephone service. These men are working on the local equipment at Nipawin which was changed from manual to dial operation, April 7th, 1953.



