

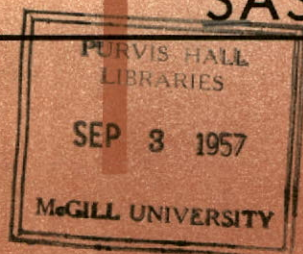
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# Annual Report 1956

SASKATCHEWAN GOVERNMENT  
TELEPHONES







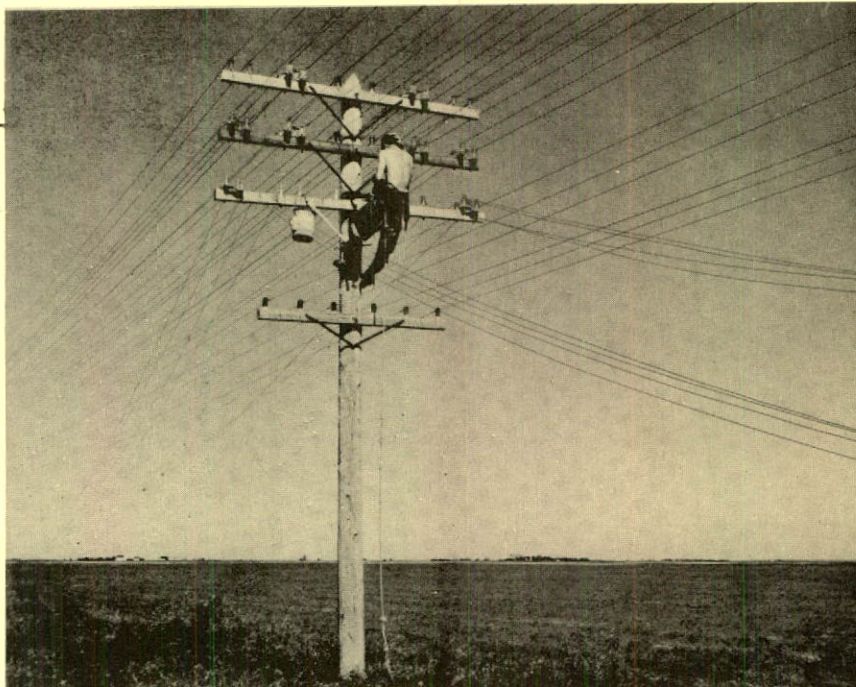
## Telephones

Thousands of wires were sorted and spliced in manholes before entering S.G.T. telephone exchange buildings throughout the province. To reach a new record over 11,400 telephones were added to the system in the year 1956.

## TWO RECORDS SET IN '56

### Long Distance Circuits

Twenty-four thousand circuit miles, the largest yearly increase, on long distance telephone lines was realized during 1956. The system handled 9.7% more long distance calls originating in Saskatchewan than in the previous year.





# Annual Report

## SASKATCHEWAN GOVERNMENT TELEPHONES

2350 ALBERT STREET,  
REGINA, SASKATCHEWAN

FOR THE YEAR ENDED DECEMBER 31

# 1956





Regina, Saskatchewan,  
March 8, 1957.

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, 1956, 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,

*E. L. Williams*

Minister of Telephones,  
and  
Chairman,  
Saskatchewan Government Telephones.

## BOARD

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HON. C. C. WILLIAMS, *Chairman.*

HON. R. A. WALKER.

D. H. F. BLACK, ESQ., Regina.

C. BROUGHTON, ESQ., Froude.

J. W. W. GRAHAM, ESQ., Weyburn.

T. A. HOWE, ESQ., *Secretary of the Board.*

## MANAGEMENT

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*General Manager*—S. R. MUIRHEAD.

*Superintendent and Public 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*—  
G. W. R. CLARKE.

*Chief Accountant*—F. BAXENDALE.





Regina's ever-growing telephone building, opened in 1955 for local and long distance service, was extended in 1956 to accommodate a microwave tower and its attendant equipment. Construction work will commence in 1957 to house highly technical equipment to make Regina one of the eleven regional switching centres on the continent for distance dialing.



Plaques, pictured in this report, are reproduced from the original carvings on the Regina telephone building. They depict a history of communications from Indian smoke signals, Bell's invention of the telephone, the installation of facilities, the use of telephones in emergency, to world-wide service.

# Annual Report 1956

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*This report of Saskatchewan Government Telephones for the year 1956 is the 10th report as a Crown Corporation and covers the activities of the System in its 48th year.*

## Service Improvement

During 1956 we installed more telephones, added more long distance circuits and handled more long distance calls than in any previous year. We increased our telephones in service by 11,406 as compared to 9,830 in 1955. We added about 23,900 circuit-miles to our network of long distance lines. This is far above any previous figure; the amount for 1955 was 14,200 circuit-miles. The number of long distance calls originating in the province increased by about 743,000 to over 8,399,000 in 1956. Never before has the increase been as large as 743,000 in one year.

With all these new facilities the improvement in service continued. We brought our waiting list down from 2,462 to 1,941,





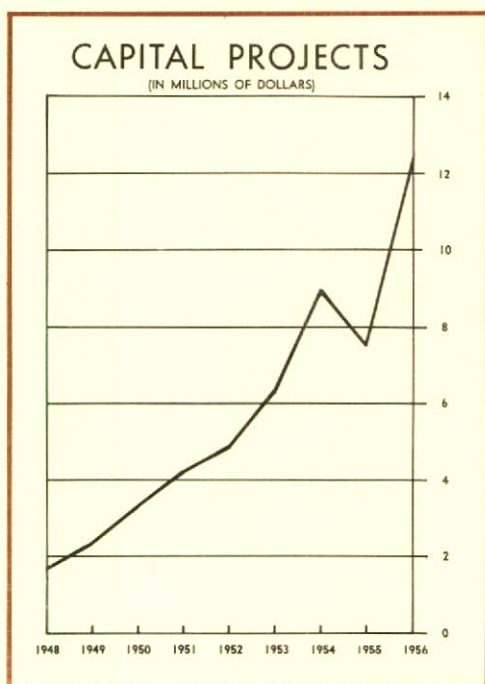
giving a reduction of about 21%. Those waiting represent about 1.4% of the number of telephones in service. The unusually large number of long distance circuits added during the year improved the quality of service in spite of the big increase in business.

## Local Telephones

During 1956 we increased our telephones in service by 11,406 to a total of 135,561 on December 31, 1956. The demand for new telephones was very high. During 1956 we added 1,576 more telephones than we did in 1955. However, our waiting list came down by only 521 in 1956. The greater demand offset to a considerable degree the accelerated rate of installation. The high rate of demand still continued at the end of the year.

## Long Distance

The number of long distance calls originating in Saskatchewan in 1956 was 8,399,420. This is 742,976 more than the number for 1955, giving an increase of 9.7%. In spite of this large increase in business we achieved a substantial improvement in the quality of service. The big construction program in installing new



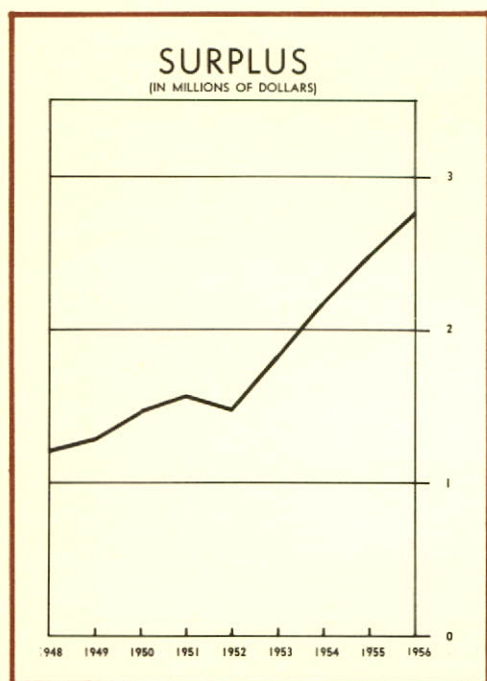


long distance circuits made this possible. We had congested facilities in some areas with the consequent service difficulties. For example, oil activity in the south-eastern part of the province created some overloads. However, speaking generally, the quality of the service was good.



## Rural Telephones

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 338 during 1956 and totalled 50,600 at the end of the year. There are certain rural and independent companies that do not connect to System exchanges and they would serve approximately 9,500 subscribers. Thus there would be a total of about 60,000 subscribers in the province served by rural and independent companies.



## Revenue and Expenditure

Total operating revenue for 1956 was \$13,997,870.62 as against \$12,450,422.33 for 1955. Profit for 1956, after interest, was \$2,765,636.27 compared with \$2,491,196.80 for 1955.

During 1956 the amount spent on capital projects was \$12,166,561.15 and the amount for renewals and reconstruction was \$939,833.92. The corresponding figures for 1955 were



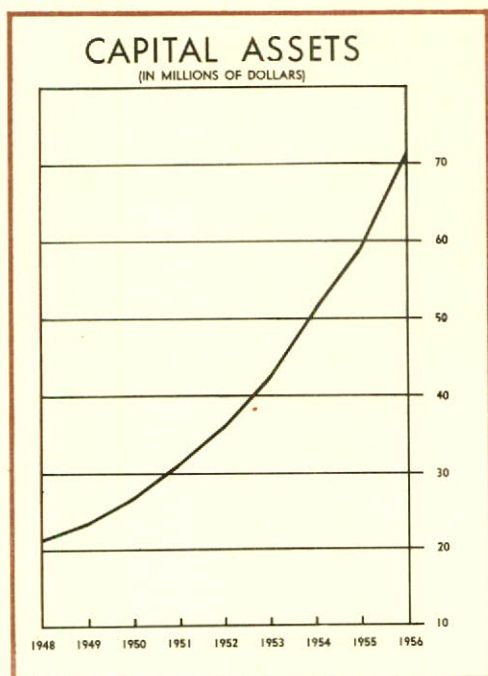
\$7,514,329.39 and \$1,136,573.82 respectively. This, of course, is over and above the cost of maintenance and operation. The amount of money spent on capital projects in 1956 was considerably higher than in 1955. The chief reason for this was large expenditures on the transcontinental microwave system. This, coupled with the extra telephones installed and the large increase in long distance circuits, made a greater expenditure necessary.

## Plans for 1957

The 1957 program is somewhat larger than that for 1956. The demand for additional telephones has never been so high and the need for more long distance circuits is very great. A start must be made, in 1957, on some rearrangements and additions to our long distance plant to prepare for Regina becoming Western Canada's regional centre in the distance dialling network which is now being set up in Canada and the United States. All this necessitates a large program.

Work continues on the transcontinental radio relay microwave system which is being built by the combined efforts of the member companies of the Trans-Canada Telephone System. It will be completed from Manitoba to Regina by about the first of May, 1957. It will be finished to Saskatoon a couple of months later. By fall we will have our work completed through to Alberta.

This will complete our portion of a nation-wide



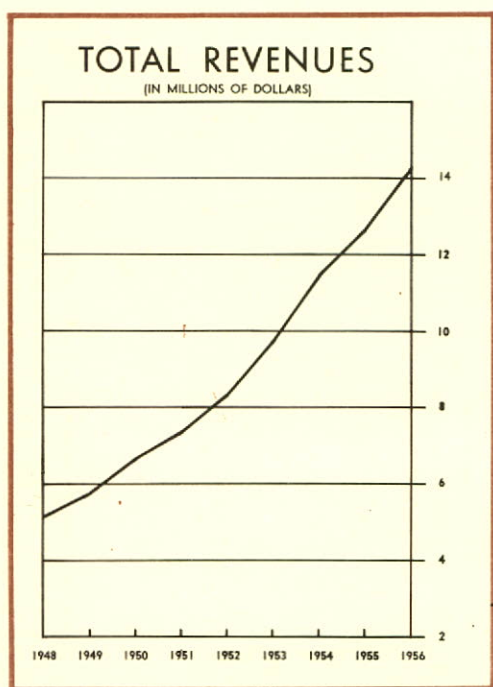


undertaking of great magnitude and importance. The microwave system will provide a large number of long distance circuits and will allow the transmission of television programs. Its capacity is such that future needs for long haul, long distance circuits can be met readily and economically.



The year 1957 will see progress in the extension of dial service throughout Saskatchewan. Kamsack will have been converted to dial operation before this report is published. The conversion of Eston will follow during the summer. Work is proceeding on dial conversion at Wadena, Wynyard and Shaunavon but these will not be finished until next year.

During 1957 we will start installing crossbar equipment in Saskatoon. This is of interest as this equipment will be used in the dialling of long distance calls. After much planning actual installation will start on some of the equipment to be used in setting up a distance dialling network in Saskatchewan capable of connecting to the dialling network which is now spreading throughout Canada and the United States.



## System Staff

No report of our activities would be complete without some reference to the people who made the accomplishments possible. The program was big and the effort required was correspondingly demanding. The work could not have been done without a competent, well trained staff which is devoted to its task. Saskatchewan Government Telephones has been well served by its people and it is a pleasure to record our thanks for their skill, energy and devotion to duty.

# BALANCE SHEET



## ASSETS

### CAPITAL ASSETS

Land and Buildings	\$ 7,318,283
Telephone Plant and Equipment	52,785,470
Construction in Progress	8,231,645
<b>TOTAL CAPITAL ASSETS</b>	<b>\$68,335,398</b>

### SINKING FUND

Equity in Government of Saskatchewan Sinking Funds	3,330,803
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### CURRENT ASSETS

Cash on Hand and in Banks	\$ 271,054
Short Term Investments	2,223,186
Material and Supplies (at cost)	2,912,929
Accounts Receivable (less Reserve)	1,328,378
<b>TOTAL CURRENT ASSETS</b>	<b>6,735,547</b>

### DEFERRED CHARGES

Prepayments (Insurance, Directories, etc.)	\$ 169,103
Unamortized Discount and Expense on Government Advances	1,025,954
Other Deferred Charges	179,330
<b>TOTAL DEFERRED CHARGES</b>	<b>1,374,387</b>

<b>TOTAL ASSETS</b>	<b>\$79,776,135</b>
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## AUDITOR'S REPORT

Pursuant to the provisions of The Saskatchewan Government Telephones Act, an examination of the accounts and records of the Saskatchewan Government Telephones has been made under my direction for the fiscal year ended December 31, 1956. All the information and explanations required by me have been obtained. 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.

Securities held for Rural Telephone Companies in connection with the investment of Special Levy Funds have been verified by examination and are shown in a separate statement.



## LIABILITIES

### CAPITAL LIABILITIES AND SURPLUS

Liability for Advances made by the Government of Saskatchewan	\$45,109,298
Surplus—Accumulated appropriations for Capital Expenditures	18,489,190
<b>TOTAL CAPITAL LIABILITIES AND SURPLUS</b>	<b>\$63,598,488</b>

### CURRENT AND ACCRUED LIABILITIES

Interest Accrued on Government Advances	\$ 250,920
Accounts Payable	102,600
Service Billed in Advance	247,294
<b>TOTAL CURRENT AND ACCRUED LIABILITIES</b>	<b>600,814</b>

### RESERVES AND DEFERRED CREDITS

Reserve for Depreciation of Buildings, Plant and Equipment	\$15,426,333
Reserve for Fire Losses	10,000
Provision for Exchange on Bonds Payable in New York	140,500
<b>TOTAL RESERVES AND DEFERRED CREDITS</b>	<b>15,576,833</b>
<b>TOTAL LIABILITIES</b>	<b>\$79,776,135</b>

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 34 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 and Statement of Income 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, 1956, 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,  
March 5, 1957.

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

# STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 1956



## OPERATING REVENUES

Local Service	\$ 5,568,777
Rural Companies Connecting Fees	336,248
Toll Service	7,983,090
Miscellaneous	127,275

\$14,015,390  
17,519

Less: Provision for Uncollectible Accounts

## TOTAL OPERATING REVENUES

\$13,997,871

## OPERATING EXPENSES

Maintenance	\$ 1,850,670
Traffic	3,387,966
Commercial	1,401,279
Depreciation	2,218,767
General Administration	306,582
Superannuation Fund Expense	203,106
Insurance	36,678
Other Operating Expenses	345,751
Rural Organization and Inspection	82,332

## TOTAL OPERATING EXPENSES

9,833,131

## NET OPERATING REVENUE

\$ 4,164,740

## OTHER INCOME

Interest, Discounts and Miscellaneous	\$ 185,653	
Sinking Fund Interest	76,826	262,479
		\$ 4,427,219

## FIXED CHARGES

Interest and Exchange on Government Advances	\$ 1,578,537	
Amortization of Discount on Government Advances Outstanding	83,046	1,661,583

## NET INCOME FOR YEAR

\$ 2,765,636

## SURPLUS

Appropriated Balance as at December 31, 1955		\$15,835,034
Add: Net Income for Current year	\$ 2,765,636	
Deduct: Proportion of Debt Discount and Expense on Government Advances Retired	111,480	2,654,156

## ACCUMULATED SURPLUS APPROPRIATED FOR CAPITAL EXPENDITURE

\$18,489,190



# SCHEDULE OF CAPITAL ASSETS

AS AT DECEMBER 31, 1956

	December 31, 1955	Increase For year ended December 31, 1956	December 31, 1956
Land	\$ 522,877	\$ 13,002	\$ 535,879
Right of Way	5,682		5,682
Buildings	4,622,825	2,153,897	6,776,722
Exchange Plant	30,117,095	6,146,661	36,263,756
Toll Plant	14,069,614	1,082,512	15,152,126
Construction in Progress	6,200,510	2,031,135	8,231,645
Office Furniture and Fixtures	236,196	54,428	290,624
Mechanical Office Equipment	126,344	25,961	152,305
Tools in Use	368,731	54,311	423,042
Vehicles	451,386	52,231	503,617
<b>TOTAL CAPITAL ASSETS</b>	<u>\$56,721,260</u>	<u>\$11,614,138</u>	<u>\$68,335,398</u>

# STATISTICS

# SASKATCHEWAN GOVERNMENT

## 1910-1956

A DEPARTMENT OF GOVERNMENT (YEAR END)

	1910	1916	1926	1931	1936
<b>Number of Telephones</b>					
System Owned	3,412**	15,677	32,852	39,768	32,811
Rural Company Owned (Connecting to System)	2,298	9,196	41,389	39,303	31,371
TOTAL	5,710	24,873	74,241	79,071	64,182
Percent Dial (System)	0%	48%	57%	63%	71%
<b>Number of System Offices</b>					
Exchanges	20**	104	304	313	314
Toll Stations	100**	213	153	177	202
TOTAL	120**	317	457	490	516
<b>Long Distance Messages*</b>					
Origin in Saskatchewan	281,851***	1,179,169	3,082,086	3,000,025	1,934,361
Increase over previous Fiscal year		31.6%	15.7%	13.9%	- 10.0%
<b>Finance</b>					
Capital Assets—(Land, Plant and Equipment)		\$ 5,457,832	\$11,325,903	\$15,191,874	\$15,414,978
Total Revenue*		\$ 779,650	\$ 2,341,829	\$ 2,826,227	\$ 2,032,483
Total Expense*		\$ 779,650	\$ 2,341,829	\$ 2,713,919	\$ 2,049,832
Surplus*				\$ 112,308	\$ -17,349
<b>Employees</b>					
Men					
Women					
TOTAL					
<b>Total Payroll*</b>					

\* For the year

\*\* As at February 28th, 1910, by purchase

\*\*\* For year ending February 28, 1911



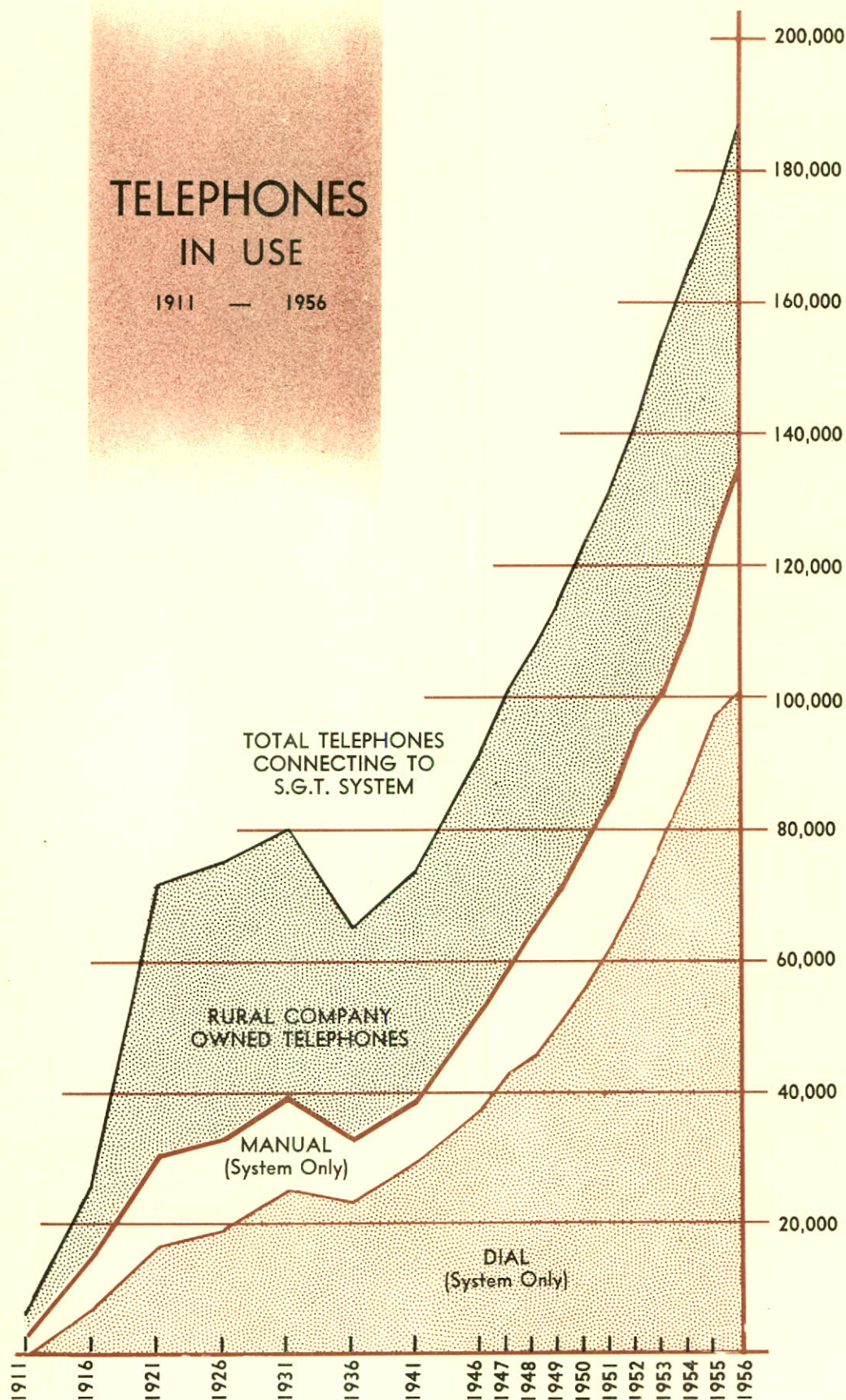


# VERNMENT TELEPHONES

APRIL 30th)		A CROWN CORPORATION SINCE 1946. YEAR END DECEMBER 31, 195					
1941	1946	1951	1952	1953	1954	1955	1956
39,276 33,555	52,346 39,278	85,455 46,039	94,125 47,391	104,985 48,716	114,325 50,079	124,155 50,262	135,561 50,600
72,831 74%	91,624 72%	131,494 73%	141,516 74%	153,701 75%	164,404 75.4%	174,417 77.6%	186,161 77.8%
316 237 553	330 230 560	352 199 551	354 194 548	355 185 540	357 176 533	360 171 531	363 162 525
2,433,287 5.3%	4,122,878 13.1%	6,226,042 9.4%	6,925,316 11.2%	7,492,701 8.2%	7,333,636 -2.1%	7,656,444 4.4%	8,399,420 9.7%
\$15,829,784 \$ 2,640,096 \$ 2,472,235 \$ 167,861	\$17,414,225 \$ 4,109,297 \$ 3,208,075 \$ 901,222	\$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	\$51,467,437 \$11,532,008 \$ 9,339,781 \$ 2,192,227	\$59,081,766 \$12,614,815 \$10,123,618 \$ 2,491,197	\$71,248,327 \$14,277,869 \$11,512,233 \$2,765,636
	367 637 1004	539 997 1536	577 1033 1610	606 1154 1760	671 1119 1790	725 1105 1830	747 1153 1900
	\$ 1,496,626	\$ 3,482,310	\$ 4,162,803	\$ 4,684,404	\$ 5,263,768	\$ 5,524,859	\$ 6,079,561

# TELEPHONES IN USE

1911 — 1956



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





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Land lines will continue to carry long distance conversations throughout Saskatchewan and soon will feed the microwave network with "long haul" calls to more distant points.

Photo by Moose Jaw Times-Herald.



