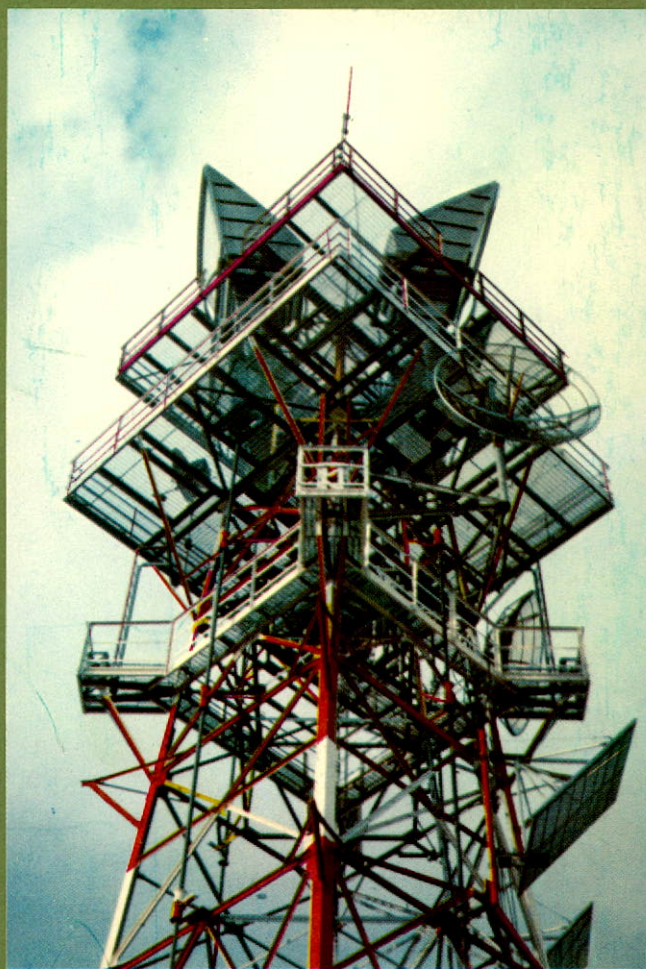


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1961

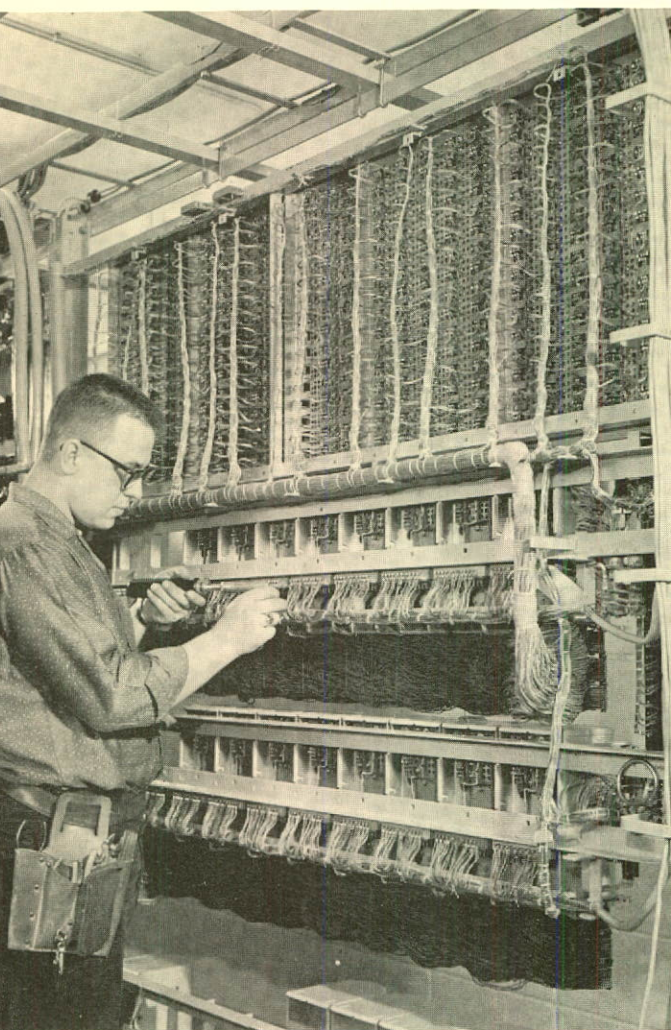


## ANNUAL REPORT

SASKATCHEWAN GOVERNMENT

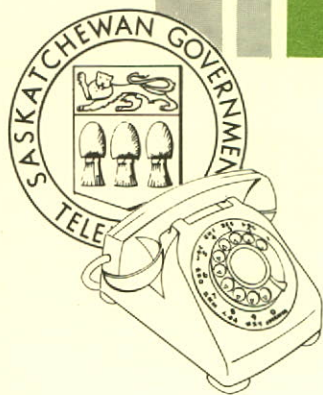
*Telephones*





A S.G.T. craftsman makes final connections on equipment in one of the corporation's new Community Dial Offices which will bring automatic service to many Saskatchewan telephone users in 1962.

1961



ANNUAL  
REPORT

SASKATCHEWAN GOVERNMENT

*Telephones*

FOR THE YEAR ENDED DECEMBER 31

HEAD OFFICE: 2350 ALBERT STREET, REGINA, SASKATCHEWAN



Regina, Saskatchewan,  
March 9th, 1962.

To his Honour,  
The Honourable Frank Lindsay Bastedo,  
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, 1961, 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

HON. C. C. WILLIAMS.....	Chairman
HON. R. A. WALKER.....	Vice Chairman
D. H. F. BLACK, ESQ.....	Regina
C. BROUGHTON, ESQ.....	Froude
J. W. W. GRAHAM, ESQ.....	Weyburn
D. D. TANSLEY, ESQ.....	Regina

## MANAGEMENT

General Manager.....	S. B. MEDHURST
Manager—	
Operations and Engineering.....	C. W. SPARROW
Manager—	
Public & Employee Relations.....	G. W. R. CLARKE
General Counsel and	
Secretary of the Board.....	T. A. HOWE
Chief Engineer.....	S. F. LEE
General Plant Manager.....	G. D. McCORMICK
General Commercial Manager.....	R. D. McLEOD
Comptroller.....	A. L. M. NELSON
General Traffic Manager.....	T. J. PRIEST





A cable laying machine speeds up the modernization of S.G.T.'s city telephone distribution systems. This machine was in operation in Prince Albert in mid-winter.



## ANNUAL REPORT

*This report of Saskatchewan Government Telephones for the year 1961 is the 15th report as a Crown Corporation and covers the activities of the System in its fifty-third year.*

**A**LTHOUGH the drought in 1961 adversely affected the general economic conditions in the province, the demand for the services offered by the Corporation continued at a relatively high level.

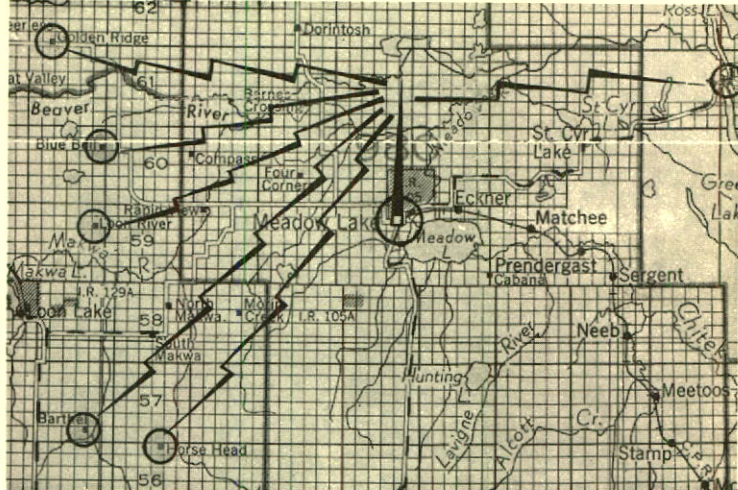
The year's operations resulted in a surplus of \$3,253,555. New capital in the amount of \$7,000,000 was obtained to finance the construction program during 1961. Total assets at the year end amounted to \$107,458,457.

Satisfactory progress was made on the program of converting manual offices to dial operation.

The planning stage was completed and preliminary steps were taken to enable the introduction of Customer Distance Dialling to a large group of subscribers in the near future.

More detailed comments on the year's operations follow.





With a control base at Meadow Lake long distance service by radio is made available to six communities in north-western Saskatchewan.

## Local Telephone Service

There was a net increase of 9,819 installed telephones during the year. This brings the total number of system-owned telephones at the end of 1961 to 193,120 compared with 183,301 at the end of the previous year. Coloured telephones in service increased by 6,304, to a total of 29,302.

During the year the manual offices at Meadow Lake and Outlook were converted to dial-operated toll centres. Unattended community dial offices were established at Wilkie, Unity and Maple Creek replacing the former manual facilities at these points. Local dial telephone service was introduced to the northern community of Buffalo Narrows. Approximately 80.9% of the telephones in service at the year end were dial-operated.

Twenty-four hour a day service was extended to the following seven communities during the year: Canwood, Colonsay, Fox Valley, Kenaston, Meota, Pangman, Regina Beach and Tompkins. Approximately 97% of the Corporation's subscribers now receive continuous telephone service.

The telephone numbers at Melfort, Rosetown, Prince Albert and in the Nutana section of Saskatoon were changed from the two-letter, five number designation to the recently adopted 7 digit numbering. These changes are being made coincident with the issuance of new directories and it is expected that the changeover of all dial offices in the province will be completed in 1963.





## Rural Company Telephones

During the year the Corporation provided local and long distance switching facilities for 878 rural telephone companies. At December 31, 1961 there were 51,268 rural company telephones connected to Saskatchewan Government Telephones' offices, 84.1% of which are receiving continuous service.

In addition there are 66 rural and 3 independent companies with approximately 6,538 subscribers who provide their own local switching service.

## Long Distance Service

A total of 9,978,945 originating long distance calls were handled during the year. This is a decrease of 2.58% from the previous year's volume and reflects the relatively low level of agricultural production in 1961. However, improved traffic volumes of the last few months of the year indicated that the downward trend may have been reversed.

Long distance service was introduced to the communities of Barthel, Blue Bell, Golden Ridge, Green Lake, Horse Head and Loon River by means of a radio link to a base station at Meadow Lake.



Operator instruction has high priority in the Corporation's training programs to maintain fast, efficient long distance service. Here a trainee handles her "first call", with an experienced operator working by her side and backed up by her supervisor.



S.G.T.'s mobile telephone services continue to be expanded through its General Mobile Service operation in the Estevan-Weyburn area; Direct Dispatch in Regina and Saskatoon, and Private Mobile services elsewhere.



The long distance facilities in the province were further extended and improved during the year. The offices at Kindersley, Meadow Lake, North Battleford and Outlook were added to the continental dial network. As a result the majority of the key toll centres in the province are now equipped for operator distance dialling. This is a prerequisite to the introduction of customer distance dialling.

Programming for the introduction of Customer Distance Dialling neared completion at the year end. This service will enable telephone subscribers to dial their own long distance calls with little or no assistance from the operator. Resulting operating economies are substantial and will permit the Corporation to handle an increasing volume of long distance traffic at a reasonable cost.

## New and Expanded Services

The latest addition to the services being provided by the Corporation is Direct Wire Television. This was provided for the first time by Saskatchewan Government Telephones at the national convention of the Canadian Public Health Association at Regina in June. The proceedings in the main meeting were relayed by television to overflow audiences accommodated elsewhere in the hotel. This service has many possibilities for use in security procedures, in medical training and hospital administration, in education, in transportation, in merchandising and in industry.





Saskatchewan Government Telephones also introduced a School-to-Home communication service during the year. This service is designed to permit a child to keep pace with classroom studies while temporarily incapacitated at home or in hospital. The special installation provides two-way communication facilities enabling the absent student to listen to and participate in classroom discussions and lectures.

A radio base station was established at Midale to extend the General Mobile Telephone Service in the Estevan-Weyburn area.

In response to customer demands compact telephones with lighted dials were made available in a wide range of colours.

## Financial Results

The financial results of the operations of Saskatchewan Government Telephones during 1961 are reflected in the financial statements included in this report.

The Statement of Income shows a Net Income for the year of \$3,253,555 compared with \$1,955,640 for 1960. Total Operating Revenues amounted to \$22,403,716 compared with \$20,259,164 for the previous year. The increase is due in part to the revised rate schedule introduced in late 1960 as well as to an increase in the number of local telephones in use.

Operating expenses amounted to \$16,092,793 compared with \$15,591,717 for the previous year. This is a percentage increase of



Attending school by telephone made it possible for his boy, who was recovering from a spinal operation, to keep up to date with his class.



3.2% accounted for mainly by increased depreciation charges resulting from a larger investment in telephone property. However, increased wages and an increase in the amount of commissions paid to agents also contributed to the higher operating expenses.

Fixed charges of \$3,769,172 show an increase of \$249,827 over the previous year's amount. The major portion of this increase is due to interest charges on the additional capital required to finance the construction program.

Grants in lieu of taxes paid to municipalities during the year amounted to \$251,166, an increase of \$17,603 over the previous year.

## **Construction Program**

The current expansion and modernization phase of the Corporation requires a continuing high level of capital investment. In 1961 total capital expenditures amounted to \$9,843,260, which, after taking into account plant removed from service, resulted in a net increase in telephone property of \$5,842,390 for the year.

Major projects completed during the year included the dial conversions mentioned earlier in this report as well as extensions to central office facilities at Humboldt, Kindersley, Melfort, North Battleford, Outlook, Swift Current and Yorkton. Larger switchboards were installed in twenty-three exchanges and extensions to existing switchboards were made at eleven other offices. Telephone facilities at Colonsay, Fox Valley, Kenaston and Pangman were acquired during the year.

In the dial conversion program, work was undertaken toward the conversion of 19 offices to automatic operation. This 1961 segment of the program saw the completion of brick and block buildings at Esterhazy, Fort Qu'Appelle, Gull Lake, Perdue, Regina Beach, Rosthern, Rouleau and Shellbrook. Steel buildings were completed at Arcola, Bateman, Birch Hills, Hodgeville, Neidpath and Webb. Nearing completion at the year end and continuing as winter works projects were the buildings at Carlyle, Gravelbourg, Herbert, Kinistino, LaFleche, Saltcoats, Star City and Stoughton.

Building extensions are in progress at Indian Head, Moosomin, Prince Albert and Yorkton. Construction of a district garage and workshop was commenced at North Battleford.





Training courses in the Plant Department too, played an important role in S.G.T.'s program to maintain high quality telephone service. These members of the Corporation's district staff are being trained in the theory and operation of long distance facilities.

## Employee Relations

The training programs were continued and expanded for the various groups of employees throughout the System.

The Corporation wishes to acknowledge the ability and application of its employees who have contributed to a successful operation during the year.

Harmonious relations existed between the Union, represented by the Communications Workers of America, and the Corporation.



## Projects for 1962

Following are the major items planned for 1962.

- Proceed with the dial conversion of the following 26 exchanges:

Aberdeen	Leroy
Alsask	Lumsden
Balcarres	Luseland
Bienfait	Mossbank
Cabri	Oxbow
Carlyle	Preeceville
Davidson	Radville
Herbert	Stoughton
Hudson Bay	Strasbourg
Kelvington	Sturgis
Kerrobert	Wakaw
Lanigan	Watson
Lake Lenore	Whitewood
- Provide expanded network services for radio programs.
- Provide microwave facilities for Canada's second television network.
- Participate in Canada's security program through the provision of facilities for SAGE and for the Emergency Measures Siren Control System.
- Provide long distance service to La Ronge.
- Establish, in co-operation with Alberta Government Telephones, long distance service to Uranium City.
- Commence construction of a new Head Office Building.
- Proceed with a more intensive program of marketing communication services.





1961

## 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, 1961. 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.

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, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, 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, 1961 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 of the Corporation.

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

Regina, Saskatchewan,  
February 16 1962.



1961

## SASKATCHEWAN GOVERNMENT TELEPHONES

### ASSETS

#### TELEPHONE PROPERTY

Land and Buildings  
Telephone Plant and Equipment

Less: Accumulated Depreciation

Construction in Progress

#### SINKING FUNDS AND OTHER ASSETS

Equity in Government of Saskatchewan  
Sinking Funds  
Sundry Other Assets

#### CURRENT ASSETS

Cash and Temporary Cash Investments  
Material and Surplus (at cost)  
Accounts Receivable  
(less allowance for doubtful accounts)

#### DEFERRED CHARGES

Prepayments (Insurance, Directories, etc.)  
Unamortized Discount and Expense on  
Government Advances  
Deferred Maintenance Charges  
Other Deferred Charges

	1961	1960
	\$ 12,142,717	\$ 11,789,271
	98,010,414	92,487,297
	\$ 110,153,131	\$ 104,276,568
	30,295,889	26,872,158
	\$ 79,857,242	\$ 77,404,410
	1,517,446	1,551,619
	\$ 81,374,688	\$ 78,956,029
	\$ 11,916,030	\$ 9,109,702
	79,224	86,095
	\$ 11,995,254	\$ 9,195,797
	\$ 6,772,437	\$ 3,665,031
	2,909,645	2,988,813
	2,525,435	2,310,133
	\$ 12,207,517	\$ 8,963,977
	\$ 200,937	\$ 208,414
	1,342,879	1,169,511
	248,974	352,283
	88,208	64,403
	\$ 1,880,998	\$ 1,794,611
	\$ 107,458,457	\$ 98,910,414



# BALANCE SHEET

AS AT DECEMBER 31st, 1961

## LIABILITIES

### CAPITAL LIABILITIES AND SURPLUS

	1961	(1960)
Liability for Advances made by the Government of Saskatchewan	\$ 83,330,817	\$ 76,614,264
Surplus—Accumulated Appropriations for Capital Expenditures	18,489,190	18,489,190
	<u>\$ 101,820,007</u>	<u>\$ 95,103,454</u>

### CURRENT AND ACCRUED LIABILITIES

Interest Accrued on Government Advances	\$ 1,050,231	\$ 978,979
Accounts Payable	873,146	414,626
Dividend—Government of Saskatchewan	3,253,555	1,955,640
Service Billed in Advance	284,103	286,640
	<u>\$ 5,461,035</u>	<u>\$ 3,635,885</u>

### RESERVES AND DEFERRED CREDITS

Reserve for Fire Losses	\$ 10,000	\$ 10,000
Provision for Exchange on Bonds payable in New York	140,500	140,500
Other Deferred Credits	26,915	20,575
	<u>\$ 177,415</u>	<u>\$ 171,075</u>
	<u><u>\$ 107,458,457</u></u>	<u><u>\$ 98,910,414</u></u>

# STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 1961 (1960)

<b>OPERATING REVENUES</b>	<b>1961</b>	<b>1960</b>
Local Service	\$ 9,345,636	\$ 8,362,594
Rural Companies Connecting Fees	372,566	367,204
Toll Service	12,465,199	11,338,129
Miscellaneous	248,355	216,594
	<hr/>	<hr/>
	\$22,431,756	\$20,284,521
Less: Provision for Uncollectible Accounts	28,040	25,357
	<hr/>	<hr/>
<b>TOTAL OPERATING REVENUES</b>	<b>\$22,403,716</b>	<b>\$20,259,164</b>
	<hr/>	<hr/>
<b>OPERATING EXPENSES</b>		
Maintenance	\$ 3,868,360	\$ 3,933,572
Traffic	4,595,068	4,574,823
Commercial	1,546,575	1,409,529*
Depreciation	4,606,188	4,330,844
General Administration	899,473	838,719*
Superannuation and Workmen's Compensation	330,131	315,957
Insurance	74,614	43,957
Other Operating Expenses	172,384	144,316
	<hr/>	<hr/>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$16,092,793</b>	<b>\$15,591,717</b>
	<hr/>	<hr/>
<b>NET OPERATING REVENUE</b>	<b>\$ 6,310,923</b>	<b>\$ 4,667,447</b>
	<hr/>	<hr/>
<b>OTHER INCOME</b>		
Interest and Miscellaneous	\$ 212,507	\$ 320,014
Sinking Fund Interest	499,297	487,524
	<hr/>	<hr/>
	\$ 711,804	\$ 807,538
	<hr/>	<hr/>
	\$ 7,022,727	\$ 5,474,985
	<hr/>	<hr/>
<b>FIXED CHARGES</b>		
Grants in Lieu of Taxes	\$ 251,166	\$ 233,563
Interest and Exchange on Government Advances	3,423,968	3,194,518
Amortization of Discount on Government		
Advances Outstanding	90,348	87,136
Other Fixed Charges	3,690	4,128
	<hr/>	<hr/>
	\$ 3,769,172	\$ 3,519,345
	<hr/>	<hr/>
<b>NET INCOME FOR YEAR</b>	<b>\$ 3,253,555</b>	<b>\$ 1,955,640</b>
	<hr/>	<hr/>
<b>DISPOSITION OF NET INCOME FOR YEAR</b>		
Dividend—Government of Saskatchewan	\$ 3,253,555	\$ 1,955,640
	<hr/>	<hr/>

\* Responsibility for the billing of Long Distance Messages was transferred from the Commercial Department to the Accounting Department effective January 1, 1961. The 1960 comparative expense figures for Commercial and General Administration have been revised to reflect this change.



1961



## SASKATCHEWAN GOVERNMENT TELEPHONES

## SCHEDULE OF TELEPHONE PROPERTY

	Total as at December 31, 1960	Increase for Year Ended December 31, 1961	Total as at December 31, 1961
Land	\$ 818,993	\$ 24,358	\$ 843,351
Buildings	10,970,278	329,088	11,299,366
Telephone Plant	90,323,644	5,446,611	95,770,255
Construction in Progress	1,551,619	(34,173)	1,517,446
Office Furniture and Fixtures	454,543	27,318	481,861
Mechanical Office Equipment	241,087	16,373	257,460
Tools and Other Work Equipment	754,955	(22,722)	732,233
Vehicles	713,068	55,537	768,605
	<u>\$ 105,828,187</u>	<u>\$ 5,842,390</u>	<u>\$ 111,670,577</u>



1961

# STATISTICS

## SASKATCHEWAN GOVERNMENT

	A CROWN CORPORATION SINCE 1946. (YEAR END)				
	1961	1960	1959	1958	1957
<b>Number of Telephones</b>					
System Owned	193,120	183,301	172,769	159,555	147,395
Rural Company Owned (Connecting to System)	51,268	50,661	50,568	50,682	50,316
<b>TOTAL</b>	<b>244,388</b>	<b>233,962</b>	<b>223,337</b>	<b>210,237</b>	<b>197,711</b>
Percent Dial (System)	80.9%	79.7%	79.4%	79.7%	78.9%
<b>Number of System Offices</b>					
Exchanges	366	362	364	362	362
Toll Stations	118	125	136	141	153
<b>TOTAL</b>	<b>484</b>	<b>487</b>	<b>500</b>	<b>503</b>	<b>515</b>
<b>Long Distance Messages</b>					
Origin in Saskatchewan	9,978,945	10,243,297	9,729,999	8,924,926	8,504,381
Increase over previous Fiscal year	-2.58%	5.27%	9.02%	4.9%	1.2%
<b>Finance</b>					
Telephone Property (at cost)	\$111,670,577	\$105,828,187	\$98,312,834	\$90,629,860	\$80,048,340
Total Revenue	23,143,560	\$ 21,092,059	\$19,651,266	\$17,230,824	\$15,738,790
Total Expense	19,890,005	\$ 19,136,419	\$18,037,210	\$16,052,125	\$13,850,220
Net Income	3,253,555	\$ 1,955,640	\$ 1,614,056	\$ 1,178,699	\$ 1,888,560
<b>Employees (at year end)</b>					
Men	875	890	904	868	833
Women	1047	1121	1089	1134	1220
<b>TOTAL</b>	<b>1922</b>	<b>2011</b>	<b>1993</b>	<b>2002</b>	<b>2053</b>
<b>Total Payroll</b>	<b>\$ 8,699,153</b>	<b>\$ 8,244,564</b>	<b>\$ 8,090,317</b>	<b>\$ 7,288,771</b>	<b>\$ 6,763,600</b>



# 1910 - 1961

## GOVERNMENT TELEPHONES

DECEMBER 31st)		A DEPARTMENT OF GOVERNMENT (YEAR END APRIL 30th)					
1956	1951	1946	1941	1936	1926	1916	1910
135,561 50,600  186,161 78.2%	85,455 46,039  131,494 73%	52,346 39,278  91,624 72%	39,276 33,555  72,831 74%	32,811 31,371  64,182 71%	32,852 41,389  74,241 57%	15,677 9,196  24,873 48%	3,412 2,298  5,710 0%
363 162 525	352 199 551	330 230 560	316 237 553	314 202 516	304 153 457	104 213 317	20 100 120
8,399,420 9.7%	6,226,042 9.4%	4,122,878 13.1%	2,433,287 5.3%	1,934,361 - 10.0%	3,082,086 15.7%	1,179,169 31.6%	
\$68,335,398 \$14,277,869 \$11,512,233 \$ 2,765,636	\$29,741,280 \$ 7,395,313 \$ 5,830,899 \$ 1,564,414	\$17,028,686 \$ 4,109,297 \$ 3,208,075 \$ 901,222	\$15,518,315 \$ 2,640,096 \$ 2,472,235 \$ 167,861	\$14,946,506 \$ 2,032,483 \$ 2,049,832 \$ -17,349	\$10,955,661 \$ 2,341,829 \$ 2,341,829	\$ 5,270,932 \$ 779,650 \$ 779,650	
747 1153 1900	539 997 1536	367 637 1004					
\$ 6,079,561	\$ 3,482,310	\$ 1,496,626					

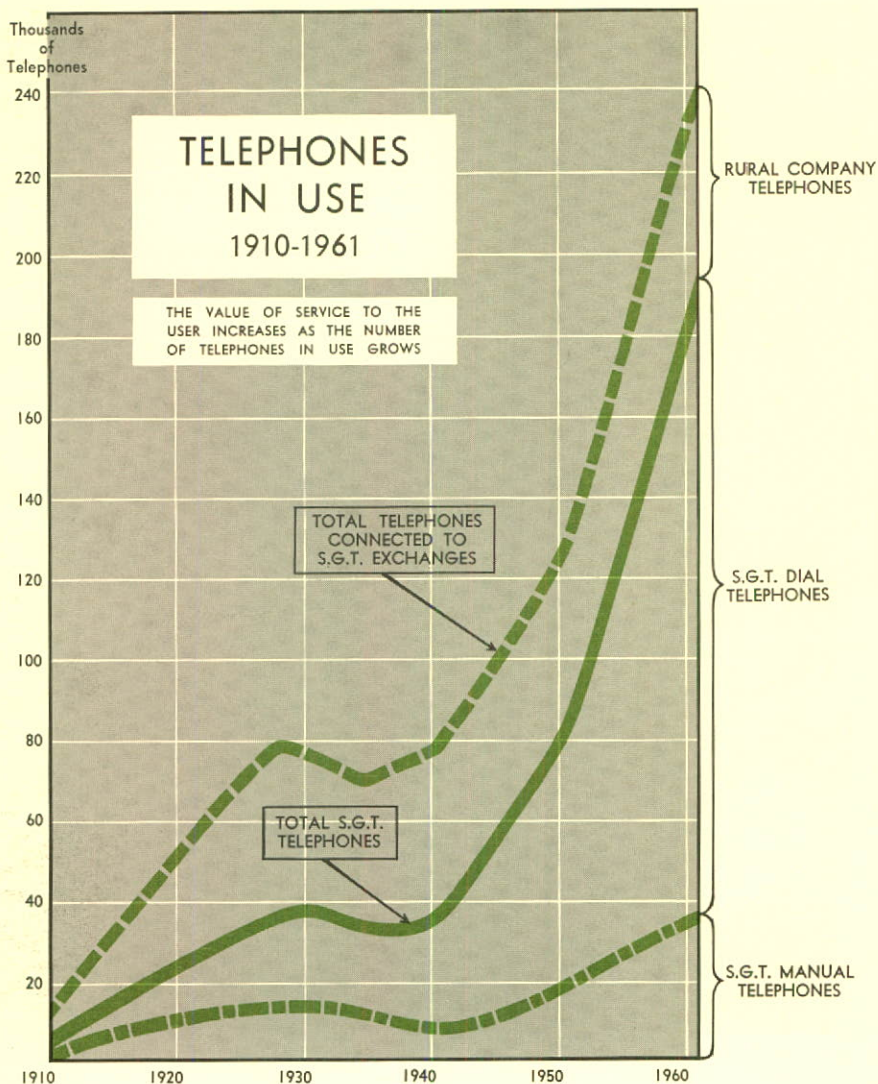


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REGINA:

PRINTED BY LAWRENCE AMON, PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY, 1962







Hundreds of wires from subscribers' telephones are terminated on a distributing frame at Rouleau, one of the first Community Dial offices to be completely installed by S.G.T. craftsmen.





A MEMBER OF THE  
TRANS-CANADA  
TELEPHONE SYSTEM