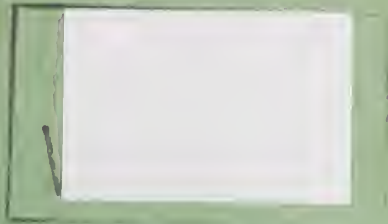


CA2 ALGT  
A56  
1947/1948  
c.1

ALBERTA LEGISLATURE LIBRARY



3 3398 00437 2438



ALBERTA GOVERNMENT TELEPHONES

A N N U A L R E P O R T

April 1st, 1947  
to  
March 31st, 1948

Edmonton, Alberta.



Edmonton, Alberta.  
September 23rd, 1948.

To His Honour,

J.C. Bowen,

Lieutenant Governor of the Province of Alberta,  
Edmonton, Alberta.

Sir:

I have the honour to transmit the Thirty-Sixth  
Annual Report of the Department of Telephones for the year end-  
ing March 31st, 1948.

I have the honour to be, Sir,

Your obedient servant,

D.B. MacMillan

Minister of Railways and Telephones



Edmonton, September 23rd, 1948.

Hon. D.B. MacMillan,  
Minister of Railways and Telephones,  
Province of Alberta,  
EDMONTON, Alberta.

Sir:

I beg to submit herewith the Thirty-Sixth Annual Report of the Alberta Government Telephones covering the fiscal year ending March 31st, 1948.

The year under review has produced higher volumes of business offered than was anticipated with the result that revenues are considerably higher than our estimates. At the same time our Plant, particularly our Toll Plant, has been taxed beyond capacity. This has resulted in a deterioration in the standard of our Toll Service.

Following is a more detailed report on our operations.

#### TOLL SERVICE

The very large amount of work involved in moving poles due to the widening of highways resulted in a substantial part of our program of Plant Replacement and Plant Additions not being completed. Experienced construction men (linemen and foremen) have not been available, due to the exceptional demand for this class of workmen in the Cities and also on Rural Electrification work. It was our thought that we could complete our construction of lines for the Trans-Canada Telephone System during the winter months but the severity of the winter in the southern part of the Province forced us to close down this project at the end of January.



During this year the volume of Toll Business offered has been much greater than estimated, with the result that we have not had sufficient toll lines, central office equipment and experienced staff to give even a fair grade of service. An indication of the poor grade of service is shown in the fact that our lost toll calls totalled 10.1 per cent.

Our net Toll Revenue for the year was \$2,769,538.07. This figure represents an increase of fifteen per cent over the previous year and is more than three times the revenue of ten years ago.

A special word of commendation should be given to our more experienced operators. Owing to the shortages mentioned above these employees have been obliged to carry a work load far greater than was good for either their health or for the good of the service. They have willingly carried the extra burden and have also been a great help to the Management in the training of new employees.

Six new east-west circuits have been added during the past year to the Trans-Canada group of lines but the calls offered have also increased in like proportion with the result that our speed of service on long haul traffic has not been materially improved. Plans for 1949 call for four additional circuits from Eastern Canada to Calgary.

Indications at the end of this fiscal year are that our toll business will increase at an even higher percentage rate during the ensuing year.





EXCHANGE SERVICE

During the year we have had a net increase of 6,141 tele-  
phones. Of these, 3,789 were at Automatic offices and 2,352 at  
Common Battery and Magneto offices. We have approximately 1,000  
applications for service at Common Battery and Magneto offices and  
6,000 at Automatic Offices, many of whom have been waiting two years  
or more for telephone service.

The System had in service at March 31st, 1938 a total of  
32,190 telephones. Three years ago at the conclusion of the war this  
figure had risen to 44,155 telephones in service. At the end of this  
fiscal year we had 55,506 telephones in service, the increase over the  
ten year period being 72.4 per cent. This phenomenal growth has been  
general in all parts of Canada, the result being that the manufacturers  
of telephone equipment and material even after enlarging plant facilities,  
have not kept pace with the demand.

We have on order equipment and material amounting in value  
to approximately two millions of dollars. The Department should be  
able to finance these purchases from negotiable securities of the  
Depreciation Reserve. If, however, the demand for additional service  
should continue at the present level it will be necessary to increase  
our borrowings from the Provincial Treasury for capital expenditure.  
The purchase price of all items of equipment and material is constantly  
rising. This condition will eventually lower the margin of net profit.

Digitized by the Internet Archive  
in 2018 with funding from  
Legislative Assembly of Alberta - Alberta Legislature Library

## BUILDINGS

Our new Toll Terminal and District Office building at Edmonton is nearing completion. It should soon be possible to relieve to some extent the congested condition in our head office as it is the intention to move the Northern District staffs to the new building.

We have completed an extension to our Louise office in Calgary which will permit of an increase of 3,000 lines of equipment.

An up-to-date office building was erected at Edson to serve this community and district where our business is rapidly expanding.

Plans have been completed for an addition to our Hill Office in Calgary which will more than double the present capacity. This addition is scheduled for completion before the arrival of equipment on order for this office.

It is also our intention to erect a garage building on 11th Avenue West in Calgary, adjacent to our Stores building. This has been made necessary by the ever increasing difficulty of securing accommodation for our large fleet of trucks.

## TELEPHONE REVENUE

For the first time in the history of the System, Revenues have exceeded five million dollars. Gross Toll Revenue has for the first time exceeded three million dollars. Total revenue showed an increase of 11.6 per cent over the previous year.

Telephone Revenue was derived from the following sources:-



Exchange Service	\$2,139,020.79
Toll Service (Net)	2,769,538.07
Connecting Company Service	146,663.35
Miscellaneous Revenue	<u>254,958.35</u>
Total Revenue	<u>\$5,310,180.56</u>

FINANCIAL STATEMENT

After providing for Operation, Maintenance, Interest and Depreciation charges, we appropriated \$282,678.38 to reserve for repayment of the long term debt. The remaining surplus which amounted to \$1,618,385.68 was applied toward the reduction of the deficit which now stands at \$1,280,650.55. This deficit should be entirely liquidated during the next fiscal year.

During the year we added \$1,781,695.23 to our Plant in Service. This increase in capitalization was divided as follows:-

Land and Buildings	\$ 216,326.62
Equipment	814,773.87
Exchange Lines	394,626.22
Toll Lines	<u>355,968.52</u>
	<u>\$1,781,695.23</u>

DEPRECIATION RESERVE

The net increase in the Depreciation Reserve account amounts to \$446,822.85. Appropriations to reserve have exceeded expenditures, principally for the reason that we have not been able to secure new equipment to replace equipment which has served its normal life.

The Depreciation Reserve of \$4,517,572.42 represents approximately 24 per cent of the Plant in Service.



RURAL TELEPHONE SERVICE

The Rural Mutual Telephone Companies have installed 1892 telephones and disconnected 1143 showing a net gain of 749 installations.

The policy of assisting the Mutual Companies in every way possible has been continued.

PENSION FUND

There were 820 employees (367 males and 453 females) contributing to the Pension Fund as at March 31st, 1948.

During the fiscal year 7 male and 2 female employees retired on pensions and 3 pensions were granted to widows of employees who died while in our service, bringing the total number of pensioners to 103.

The total amount paid during the year for pensions was \$61,865.20.

The Department's share of the fund now amounts to \$1,988,538.79.

STAFF

At March 31st, 1948 we had on our payrolls 991 regular employees, 399 males and 592 females. This compares with the totals of March 31st, 1947 of 884 employees, 348 males and 536 females, and shows an increase in male employees of 51 and of female employees of 56, totalling 107 or 12.1%.

Deductions made from employees' salaries for Income Tax amounted to \$92,943.42.





The staff donated through payroll deductions a total of \$4,984.90 for Red Cross and Community Chest purposes, an average contribution of over \$5.00 per person.

The continued loyalty of the staff to the Management and their willingness to give service, which has been a great contributing factor to the success of the year under review, is sincerely acknowledged.

Respectfully submitted,

W.B. Ferguson  
Deputy Minister of Telephones.



C O M M E R C I A L

CONDENSED STATION REPORT - Year ended March 31st, 1948.

Exchange Subscribers' Stations	43,731
Exchange Subscribers' Extensions	5,240
Exchange P.A.X. Sub-Stations	834
Exchange P.B.X. Sub-Stations	4,045
Pay Stations	719
Toll Stations	210
Private A.B. Line Stations	97
A.G.T. "X" Line Stations	<u>630</u>

Total Alberta Government Telephone Stations 55,506

Number of Rural Mutual Telephone Company and other  
Private Owned Party Line Stations 21,382

STATEMENT OF EXCHANGE & TOLL OFFICES IN THE PROVINCE

Year ended March 31st, 1948

Number of Alberta Government Telephone Exchanges	300	
Number of Alberta Government Telephone Toll Offices		210
Number of Alberta Government Telephone Exchange Stations		54,666
Number of Alberta Government Telephone "X" Line Stations		<u>630</u>

55,506

Number of Rural Mutual Telephone Companies	789	
Number of Rural Mutual Telephone Company Stations		20,671
Number of other Private Owned Party Lines	31	
Number of other Private Owned Party Line Stations		711
Number of Connecting Exchanges, Edmonton & Banff	2	
Number of Connecting Exchange Stations		<u>28,274</u>

Total 105,162



P L A N T

TOLL WORK UNDERTAKEN AND COMPLETED

April 1st, 1947, to March 31st, 1948.

Constructed

Toll Pole Miles	-	117.00
Wire Miles	-	1,011.95

Rebuilt

Toll Pole Miles	-	136.00
-----------------	---	--------

EXCHANGES REBUILT

Completely Rebuilt-	11
Partially Rebuilt -	8

NEW EQUIPMENT INSTALLED DURING YEAR

April 1st, 1947, to March 31st, 1948.

Automatic	3,000 Lines
Common Battery	360 Lines
Magneto	648 Lines
Remote Control	30 Lines - 1 Exchange

STATISTICS

Number of Automatic Exchanges	11
Number of Common Battery Exchanges	9
Number of Magneto Exchanges	282
Number of Remote Control Exchanges	13

Miles of Poles

Exchange	730
Toll	<u>4,983</u>

Total 5,713

Miles of Wire

In Underground Cable	59,487
In Aerial Cable	53,665
Open Wire	<u>56,131</u>

Total 169,283 Miles



T R A F F I C

General Statistics for Year Ending  
March 31st, 1948

Traffic Payroll Offices .....	42
Offices giving Continuous Service .....	138
Toll Centers .....	78
Tributary Offices .....	440
Number of Cities, Towns & Hamlets in Alberta having tele- phone connection ) .....	1,074
Number of "Out" tickets completed and billed .....	4,474,542
Offices using Teletype for departmental business .....	3
Number of Physical L.D. Lines .....	377
"    " Phantom " " " .....	59
"    " part Phantom & part Physical L.D. Lines .....	28
"    " Carrier L.D. Lines .....	68
"    " Morse " " " .....	15
Physical L.D. Circuit Mileage .....	22,112.19
Phantom " " " " .....	3,950.5
Carrier " " " " .....	14,912.3
Morse " " " " .....	5,026.8

Included in the above is the Peace River District, which is composed of the following:-

Traffic Payroll Offices .....	2
Offices giving Continuous Service .....	6
Toll Centers .....	5
Tributary Offices .....	57
Number of Physical L.D. Lines .....	15
"    " Phantom " " " .....	1
"    " part Phantom & part Physical L.D. Lines .....	1
"    " Carrier L.D. Lines .....	1
"    " Morse " " " .....	1
Physical L.D. Circuit Mileage .....	794.75
Phantom " " " " .....	35.3
Carrier " " " " .....	144.6
Morse " " " " .....	48.5





GOVERNMENT OF THE PROVINCE OF ALBERTA  
OFFICE OF THE PROVINCIAL AUDITOR

Edmonton, July 6, 1948.

Hon. D.B. MacMillan,  
Minister of Railways and Telephones,  
BUILDINGS.

I have audited the books and records of the Alberta Government Telephones for the year ended March 31, 1948. The following statements are submitted for your information:

<u>Statement</u>	<u>Particulars</u>
A.	Balance Sheet
B.	Condensed Statement of Income
C.	Deficit Account
D.	Depreciation and Renewal Reserve Fund
	Alberta Government Telephones Pension and Death Benefit Fund:
E.	Balance Sheet
F.	Statement of Operations

Operations for the year resulted in a surplus of \$1,618,385.68 after providing \$984,598.48 for debt charges, \$680,000.00 for depreciation and renewal reserve and \$52,471.93 being net operating cost in respect of Radio Station C.K.U.A. The surplus has been transferred to reduce the accumulated deficit as set forth on Statement C.

Accounts receivable shown on the Balance Sheet are summarized hereunder:

Current subscribers' accounts	\$347,310.55
Unbilled tolls	<u>90,600.29</u>
	\$437,910.84
Less: Reserve for doubtful accounts	<u>30,385.90</u>
	<u>\$407,524.94</u>

The reserve for doubtful accounts is considered to be adequate.



Pension and Death Benefit Fund assets are subject to the comments contained in the certificate attached to the Pension and Death Benefit Fund Balance Sheet.

Depreciation and renewal reserve fund assets are set forth on Statement D. Investments consist of Dominion of Canada Bonds having a par value of \$3,051,000.00.

Special contingency reserve fund assets are represented by:-

Cash in bank	\$ 36,949.02
Dominion of Canada bonds at cost	510,000.00
Accrued interest	<u>5,611.36</u>
	<u>\$552,560.38</u>

The Alberta Government Telephones have the following estimated contingent liabilities which were not reflected on the Balance Sheet as at March 31, 1948:-

In respect of uncompleted building contracts	\$ 220,000.00
In respect of commitments for purchase of equipment for future delivery	1,600,000.00

Subject to the foregoing remarks, I certify that, in my opinion, the attached Balance Sheet is properly drawn up so as to show the true financial position of the Alberta Government Telephones, as at March 31, 1948, according to information and explanations given to me and as shown by the books of the Alberta Government Telephones, and the accompanying Condensed Statement of Income correctly sets forth the result of operations for the year ended at that date.

C.K. HUCKVALE, C.A.  
Provincial Auditor



ALBERTA GOVERNMENT TELEPHONES

BALANCE SHEET AS AT MARCH 31, 1948

ASSETS

Capital:

Plant in service:-

Real Estate	\$ 1,457,300.73	
Equipment	5,706,672.98	
Exchange Lines	4,212,888.82	
Toll Lines	<u>7,422,707.42</u>	
		\$18,799,569.95

Inventories:

Office furniture and fixtures	\$ 141,284.58	
Tools, vehicles and sundry equipment	149,224.67	
Supplies	<u>521,362.99</u>	
		<u>811,872.24</u>
		\$19,611,442.19

Current:

Cash on hand and in bank	\$ 774,659.91	
Accounts receivable, less reserve	407,524.94	
Unbilled custom work and sundry debtors	19,989.07	
Prepaid expenses	<u>57,738.16</u>	
		1,259,912.08

Reserve Funds:

Depreciation and renewal reserve fund, Statement D.	\$ 3,100,177.33	
Pension and Death Benefit Fund, Statement E.	2,616,371.24	
Special contingency reserve fund	<u>552,560.38</u>	
		6,269,108.95

Deficit:

Accumulated deficit on operations, Statement C.		1,280,650.55
---	--	--------------

Trust:

Cash	\$ 391.80	
Dominion of Canada debentures	<u>46,833.27</u>	
		<u>47,225.07</u>
		<u>\$28,468,338.84</u>



LIABILITIES

Capital:

Advance from Provincial Treasurer \$19,655,866.07

Current:

Accounts payable	\$109,526.30	
Accrued interest, not due	229,318.43	
Unearned revenue	<u>51,174.73</u>	390,019.46

Reserves:

Depreciation and renewal reserve	\$4,517,572.42	
Pension and Death Benefit Fund)		
reserve )	2,616,371.24	
Special contingency reserve fund	552,560.38	
Reserve arising from repayment of)		
capital advance )	<u>688,724.20</u>	8,375,228.24

Trust:

Employees' savings funds	\$ 26,351.21	
Dominion of Canada debenture		
instalments payable	<u>20,873.86</u>	<u>47,225.07</u>

\$28,468,338.84

This is the Balance Sheet referred to in my report of July 6, 1948, addressed to the Minister of Railways and Telephones.

C.K. HUCKVALE, C.A.  
Provincial Auditor





ALBERTA GOVERNMENT TELEPHONES

CONDENSED STATEMENT OF INCOME

FOR THE YEAR ENDED MARCH 31, 1948

Telephone Operating Revenue:

Exchange earnings		\$ 2,139,020.79
Connecting Companies rentals		146,663.35
Toll earnings	\$ 3,033,272.08	
Less: Toll interchange	<u>263,734.01</u>	
		<u>2,769,538.07</u>
		\$ 5,055,222.21

Other Revenue:

Directory	\$ 78,780.16	
Leased line rentals	70,306.96	
Installations, moves, etc.	57,665.68	
Miscellaneous	<u>56,200.50</u>	
		<u>\$ 262,953.30</u>

Gross Telephone Earnings

\$ 5,318,175.51

Telephone Operating Expenses:

Operation	\$ 1,519,816.10	
Maintenance	455,375.25	
Provision for depreciation and renewal)	<u>680,000.00</u>	
		\$ 2,655,191.35

Debt Charges:

Interest	\$ 696,042.56	
Commission and exchange)	<u>5,877.54</u>	
		\$ 701,920.10
Debt retirement	<u>282,678.38</u>	
		\$ 984,598.48
Pension Fund contribution	<u>60,000.00</u>	
		<u>\$ 3,699,789.83</u>

Net operating income for the year ended  
March 31, 1948

\$ 1,618,385.68



ALBERTA GOVERNMENT TELEPHONES

DEFICIT ACCOUNT

AS AT MARCH 31, 1948

Deficit as at April 1, 1947	\$ 2,899,036.23
<u>Deduct:</u>	
Net operating income for the year ended)	
March 31, 1948 )	<u>1,618,385.68</u>
Deficit as at March 31, 1948	<u>\$ 1,280,650.55</u>

THE UNIVERSITY OF CHICAGO  
LIBRARY

1950  
1951  
1952

1953  
1954  
1955

ALBERTA GOVERNMENT TELEPHONES

DEPRECIATION AND RENEWAL RESERVE FUND

FOR THE YEAR ENDED MARCH 31, 1948

Reserve as at April 1, 1947 \$ 4,070,749.57

Add:

Provision during year	\$ 680,000.00	
Interest earnings	<u>90,314.14</u>	
		<u>770,314.14</u>
		\$ 4,841,063.71

Deduct: Charges to reserve:

Plant displaced, net	\$ 164,687.48	
Cost of removing plant	36,100.53	
Cost of extraordinary repairs	9,699.26	
Cost of repairs, rearrangements, etc.) on reconstruction estimates	) 58,341.17	
Supervision, engineering and other) associated costs chargeable to reserve	) 33,020.30	
Loss on sale of lines	17,835.51	
Inventory adjustment	568.34	
Other charges to reserve	<u>4,375.38</u>	
		<u>323,491.29</u>
		<u>\$ 4,517,572.42</u>

Represented by:

Fund assets:		
Cash in bank	\$ 24,411.26	
Investments, at book value	3,051,000.00	
Accrued interest	<u>24,766.07</u>	
		\$ 3,100,177.33

Amount not transferred from general funds 1,417,395.09

\$ 4,517,572.42



ALBERTA GOVERNMENT TELEPHONES

PENSION AND DEATH BENEFIT FUND

BALANCE SHEET AS AT MARCH 31, 1948.

ASSETS

Cash on hand and in bank	\$ 4,576.40
Investments, at book value	2,527,089.95
Bond interest receivable, deferred	62,203.92
Accrued interest	<u>22,500.97</u>
	<u>\$ 2,616,371.24</u>

LIABILITIES

Pension and Death Benefit Fund Reserve:		
Employees' contributions	\$ 607,952.63	
Alberta Government Telephones	<u>1,988,538.79</u>	
		\$ 2,596,491.42
Undistributed earnings		<u>19,879.82</u>
		<u>\$ 2,616,371.24</u>

Edmonton, Alberta,  
July 6, 1948.

I have audited the books and records of the Alberta Government Telephones Pension and Death Benefit Fund for the year ended March 31, 1948.

Investments in debentures as at March 31, 1948, are summarized hereunder:

	<u>Par Value</u>	<u>Book Value</u>
Dominion of Canada	\$ 1,564,000.00	\$ 1,564,000.00
Province of Alberta	801,300.00	801,300.00
Province of Alberta special) adjustment coupons            )	43,711.80	40,789.95
City of Edmonton	93,000.00	93,000.00
Edmonton Separate School District	<u>28,000.00</u>	<u>28,000.00</u>
	<u>\$ 2,530,011.80</u>	<u>\$ 2,527,089.95</u>





The approximate market value of the above securities amounted to \$2,544,000.00 at July 6, 1948.

No actuarial survey of the Fund has been made since March 1944. The deficiency existing as at that date was fully liquidated as set forth in my report of May 31, 1947.

I certify that, in my opinion, the above Balance Sheet is properly drawn up so as to show the true financial position of the Alberta Government Telephones Pension and Death Benefit Fund as at March 31, 1948, according to the information and explanations given to me and as shown by the books of the Fund, and the accompanying Statement of Operations correctly summarizes the transactions for the year ended at that date.

C.K. HUCKVALE, C.A.  
Provincial Auditor



ALBERTA GOVERNMENT TELEPHONES

PENSION AND DEATH BENEFIT FUND

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 1948

	<u>Employees'</u> <u>Account</u>	Alberta Government <u>Telephones'</u> <u>Account</u>	<u>Total</u>
Pension fund as at April 1, 1947	\$ 574,511.29	\$ 1,910,631.35	\$ 2,485,142.64
Add: Contributions and earnings for the year:			
Fund contributions	58,707.04	60,000.00	118,707.04
Earnings	25,132.69	47,829.53	72,962.22
Transfers in respect of employees retiring on ) pension )	<u>31,943.11</u>	<u>31,943.11</u>	<u>                    </u>
Sub-total	\$ 626,407.91	\$ 2,050,403.99	\$ 2,676,811.90
<u>Deduct:</u>			
Withdrawals	18,455.28		18,455.28
Pension payments	<u>                    </u>	<u>61,865.20</u>	<u>61,865.20</u>
	<u>\$ 18,455.28</u>	<u>\$ 61,865.20</u>	<u>\$ 80,320.48</u>
Pension fund as at March 31, 1948.	<u>\$ 607,952.63</u>	<u>\$ 1,988,538.79</u>	<u>\$ 2,596,491.42</u>

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY  
RECORDS

DATE	DESCRIPTION	AMOUNT	INITIALS
1952-1-15	...	...	...
1952-2-10	...	...	...
1952-3-20	...	...	...
1952-4-15	...	...	...
1952-5-10	...	...	...
1952-6-20	...	...	...
1952-7-15	...	...	...
1952-8-10	...	...	...
1952-9-20	...	...	...
1952-10-15	...	...	...
1952-11-10	...	...	...
1952-12-20	...	...	...



