

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
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**EXPLORE
CANADA'S
ARCTIC**
NORTHWEST TERRITORIES

YELLOWKNIFE PUBLISHERS LTD.

PUBLISHERS OF "NEWS OF THE NORTH" AND JOB PRINTERS
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BRIEF TO THE NORTHWEST TERRITORIES COUNCIL

January 6, 1969

The purpose of this brief is to request the Territorial Council to examine in detail the Governments policies and procedures in regard to:

1. The position of publishers, printers and CBC in the Territories.
2. Government printing.
3. The Government Information Service.
4. Assistance to business in general.

We maintain that strong, efficient, reasonably profitable, and independent news services are of vital importance in the Northwest Territories. The need is every bit as great in the Territories as in Southern Canada because of the dominating position of all Government in the North.

To quote the Inuvik Drum:

"Without meaningful communication between the governed and the governors democracy withers. Even though the Territorial Government is now in the Territories there is only a trickle of information reaching the public.

What goes on in the Committees of Council? Debates no longer provide these exchanges and deliberations.

What do our Councillors do between sessions? What is the administrative arm of the Territorial Government doing besides coming and going?

There is a communication gap in the North."

The development of all business in the North should be most actively encouraged by Government by all reasonable means. This principle has largely been accepted in regard to co-operatives, but hardly at all in regard to secondary industries promoted by conventional private enterprise, whether in tourism or newspapers or anything at all.

Government has a duty to buy as cheaply as possible so long as it does not interfere with other objectives to do so. In particular, the Federal Government would not be expected to have its printing done in Japan, however much improvement in price could be obtained, because to do so would on balance do more harm than good for Canada on account of the effect on the balance of payments situation. We maintain that there similar special considerations for placing all Government printing from the Territorial Government through recognized publishers and printers in the Territories. Protection of Canadian manufacturing industries has been part of Canadian national policy since the country came into being. While the case for protection is almost obsolete in Southern Canada, this is definitely not the case in the North.

For a large number of reasons, however good a job may be done in the North by CBC, this medium alone cannot adequately serve as a substitute for a Northern press. On looking closely at the press in the Territories, one can readily see that we are not doing as good a job as is required by the need for dissemination of information. All the newspapers in the Territories are understaffed and we believe that none of them has a very good record financially. The News of the North seems to be pulling round after a substantial infusion of new capital, but it should be pointed out that even this paper has a very poor financial record with accumulated losses in excess of \$10,000.00 carried forward at the end of 1967. The Inuvik Drum has been forced for financial reasons to publish only every second week instead of weekly as previously, and this is certainly a great loss to the Territories.

There is no way that the Government should subsidize the press as such, for to do so would be most detrimental to the independence which is required for it to operate primarily in the interest of the public and not of any government, bureaucratic or otherwise.

This is quite different from our proposition that the Northwest Territories Government has a special duty to give reasonable encouragement to this branch of industry.

We totally reject the concept that it is necessary for the Territorial Government to maintain its own printing establishment when there exist printers in the Territories who could handle most government work right in their own shops.

The Territorial Council has questioned, rightly we believe, the need for the RCMP to maintain their own aircraft in the territories. We should not expect the Government to go out and buy its own aircraft when there is already such a range of aircraft available from private enterprise so that the Government can go out and buy the plane it needs for a specific job when it needs it without tying up capital or overhead expenses, which we believe would eat away any possible savings.

The Government of Saskatchewan did not set up its own printing unit until 1945. From reading the Report of the Royal Commission on Government Administration in Saskatchewan, of which Professor Lloyd Barber was a member, it is by no means obvious that that province should ever have set up its own plant. In 1963-4 average deliveries achieved by the Saskatchewan Government Printing Company were 30 days; while bought out printing averaged 20 days.

We maintain that the Territorial Government is not even saving money by maintaining its own plant.

The Royal Commissioners in Saskatchewan figured that the true cost of one man hour in the Government Printing Company was \$6.00, including all overhead expenses. We maintain that the true cost of one man hour in the Territorial Government print shop is likely to be at least \$8.00.

We maintain, furthermore, that it is exceedingly expensive and inefficient for what the Government gets out of it.

We maintain that the true cost of the Government print shop, not including the cost of paper, runs with four employees at around \$65,000.00 p.a., based on the figures of \$8.00 per man hour. This is roughly in line with our own average cost per man hour, but we believe that our time is used nearly twice as efficiently so that it would be possible to do a substantial amount of government printing at no greater cost than is presently being paid, probably appreciably less; and that in so doing we should also be able to turn a useful profit and give quicker delivery.

We maintain that it is quite untrue to say that printers in the Territories cannot cope with the seasonal and rush nature of much of the business.

It has been customary for the News of the North to do all printing for the Recreation Division of the Territorial Government, and although much of this work has been needed at very short notice, there do not seem to have been any complaints with the way that this account has been handled. Frankly this is a very small account, but it has still proved highly satisfactory to both sides for it to be given the personal touch of direct communication and prompt delivery. Now the Government is in Yellowknife all we need is to be paid quickly for this work.

Recently we were alarmed to find that the Government print shop wanted us to produce a plate so that they could do a job which we had always been accustomed to doing. We ended up doing the job, because it happened that we had just completed for a mining company a job in the same colour as was required and it was pointed out that for to change back to black and the Government print shop to change to green when we were already on green was hardly sensible. This incident, however, diminished more than somewhat our confidence in the policy clearly explained to us that all jobs would be done outside the Government print shop which did not reasonably belong there.

We have had the good fortune to have been chosen to do much of the printing at the election last year and were able to deliver satisfactorily to the Returning Officer and three political campaigns. This was achieved without any addition to our staff, although a very considerable bonus was paid in lieu of overtime.

The Royal Commissioners in Saskatchewan found that the confidential nature of some government material has very little bearing on the question of whether they should do their own printing or buy outside. They found that there is no reason to suppose that the ethics of the printing trade will not permit confidentiality to be preserved as effectively in a private firm as in a Crown Corporation. The same has been found true of the printing of election ballots, which, while not confidential as such, require the most careful possible handling.

We maintain that there is almost nothing so confidential that it requires to be handled in such large quantities that cannot be handled by a photocopier.

There is no such thing as a printing plant that can handle every single job in its own shop. We heard through the trade that the Territorial Government was considering buying a camera for making plates, whereas we have been accustomed to do that kind of work for them because we have the equipment. The machine would cost around \$5,000.00, but they do not spend \$1,000.00 a year with us for plate-making. If our price were doubled it would still not pay them to buy this piece of equipment, but we do not propose to double our price because we want to stay in business at a fair price.

There is a further compelling reason for us to maintain that there should not be a government print shop. If all government printing were handled by the private sector it would be possible for much better facilities to be available to both government and other private businesses. Right now the Government has facilities which are not available to outside customers because it is not customary for government to compete outside with private business however little the particular facilities may be required. If everything is concentrated in the private sector, then everything is available to everyone.

We know that there is much work being done in the Government print shop, which by any reasonable definition does not belong there. This includes letterheads in particular. In 1968 tenders went out for 75,000 letterheads. We came in just higher than the lowest bidder in Edmonton, but were given to understand that we should be doing the work. All that we got was the work of producing the plate because the Government had decided that it would allow its own print shop to submit a late bid, on same basis which has never been explained to us, but which, we are sure, takes no account of overhead expenses.

We have noticed that there is a very strongly marked tendency among printers in Southern Canada to come in on Government tenders at prices substantially lower than is available to other small customers and far below their own association price books. For instance, the tenders put in by Commercial printers in Edmonton come in tens of percentage points lower than the price guide of the Edmonton Branch of the Graphic Arts Association. It may be possible for them to utilize surplus capacity this way and just soak the private customer, but the ethics of the situation are not satisfactory at all from the point of view of Northern printers whose prices are generally very fair, especially when you consider the cost differential between here and Southern Canada. We were recently able, for instance, to turn a satisfactory profit quoting \$12.50 per thousand letterheads on a large order, and we were able to do so because we have an efficient operation.

There is all the difference in the world between the kind of bids that we have to put in when bidding on such Territorial Government work as is put out to tender and the fixed scale of fees for Government election printing. The tariff for election printing by no means allows lavish profits, but it is possible for an efficient plant such as ours to turn a profit on this business. We recently came in low bidder on a Territorial Government tender for 50 forms such as birth certificates. Our price was consciously arrived at knowing that by strict accounting we were certain to lose money, but we knew that we were certain to lose even more money in our printing section if we did not do the work.

It has been said that the main reason that the Territorial Government set up its own print shop was that the experience in the Yukon was that performance by the private sector was not satisfactory. We maintain that there is sufficient pressure on printers in the Northwest Territories to see to it that they do produce, both from existing competition and the threat that in these fast changing times other people could come in as additional competition. This is why the News of the North has changed over to computer typesetting for the newspaper, which still has not arrived in the Yukon although the business here is far less developed.

We do not wish to place ourselves ahead of other printers in the Territories. It is just as important to have newspapers in Hay River or Inuvik or Frobisher Bay. In some cases there are problems of freight and communication. It seems that printing for North of Yellowknife should be done in Inuvik and the Government should accept the extra cost and freight expense.

There has been some controversy concerning the Northwest Territories Gazette. The present system of publishing in Yellowknife, Hay River, Fort Smith and Inuvik seems to be satisfactory except that apparently rates vary considerably. We would suggest a flat rate to be established by the Council of \$7.50 per entry. If the Government were to put out its own Gazette, then we should suggest it still be mandatory to publish in at least one newspaper either in the capital or the place of the office of the Company. The public has an absolute right to read in a newspaper what Companies are setting up in this area.

There is a considerable volume of printing going out of the Territories which is not going out to any tender so far as we are aware. This includes almost all printing for the Tourist Division. We maintain that it is against every principle of Government tendering for this not to be tendered through local printers as well as those in Southern Canada, if indeed tenders are sought from more than one Company.

It is quite probable that a private Company could afford to have in the Territories the equipment to handle this kind of work if the Company were getting the work for the Travel Division.

It would be of great assistance to the understaffed newspapers of the Territories if there were an appreciably greater flow of news releases. We should like to see the total output expanded quite

appreciably from what we are getting. Lately we have been getting about one press release weekly, averaging 500 words. The quality of what we have been getting has always been quite good and we are not complaining about the co-operation that we always get from this section. We are not fully aware of what other duties are involved in the section apart from putting out news releases, but we would point out that the projected budget amounts to double the 1967 gross revenue of the News of the North, and we figure that you should be able to do quite a lot with that kind of money.

At the Council Session in November immediately following the move of the Government to Yellowknife in 1967 press releases were put out daily by the Information Service on the previous day's business at the Territorial Council Session. These were a very great help, but the practice seems to have started and ended with that Session. Instead releases at subsequent sessions have covered only the high spots which hit the national press anyway, which often was not concerned with more fundamental problems in the Territories.

There is also a severe problem for everyone except us, that press releases simply are not getting out in reasonable time. The Information Service has been very good at letting us have carbon copies of what it sends over to the print shop. We sometimes get in the mail the printed version some three weeks later, and a week delay is quite normal.

We do not believe that the Territorial Council has put all the pressure it might have on the Federal Government to implement the economic recommendations of the Carrothers Report. We would urge you to pass a motion of censure worded in the strongest possible terms for the failure of the Federal Government in this regard. There exist facilities in other parts of Canada for helping the likes of the newspaper industry, such as are simply not available in the Northwest Territories. If this newspaper had been located in certain other parts of Canada such as the Okanagan Valley, it would have qualified for non-repayable capital grants up to around \$7,500.00 on account of the new equipment that has been installed in the past year. Other publishers have also installed new equipment, and some might install still more if there were incentives to build bigger and better businesses.

Conclusions:

1. Abolish the Government printing unit.
2. Sell the equipment by tender.
3. Enter into blanket contract, with Territorial printers to cover routine work and use the scale of fees of the Graphic Arts Association Edmonton Branch plus freight charges at cost.
4. Put non-routine work out to tender to printers in the Territories only, including work for the Travel Division. This should cover even work that has to be placed outside.
5. Revamp the Information Service.
6. Put the Fear of God into the Federal Government regarding the economic recommendations of the Carrothers Report.

We should be pleased if you would receive this brief as the constructive comment which it is intended to be. While we maintain that by the Territorial Government duplicating in printing a service already available in the private sector, we shall certainly not let you construe this brief as the whimper of some farmer with wet corn. All the publishers and printers in the Territories are here by choice, and Government business probably does not account for more than a very few percentage points of our total business.

By the way, if you do away with the government print shop, then you almost certainly end up making some more housing available, because there is no way that all your printing staff will be needed in printing, and anything you can do to help ease the housing shortage will be welcomed by everyone. All those engaged in printing in the Territories may be considered Northwest Territories residents first and printers secondly, while the reverse is true of the government operation.

Respectfully submitted,

Colin Alexander
For Yellowknife Publishers Ltd.,
Colin Alexander.