

PAGE 1

PUBLIC ACCOUNTS COMMITTEE

MR. CHAIRMAN:[not recorded] for this morning. There are one or two items I would like to clear with the committee before going on.

Number one, it was decided at the last meeting that we would ask the AGT commission to be present this morning. However, when I contacted the minister, he advised that he had to be out of the province today and requested that he come on a little later on, which seemed like a normal request. So I contacted the Bureau of Public Affairs further down on the list, and the hon. Mr. Schmid and Mr. Bill Payne, the chief executive officer, agreed they would come this morning. I trust that substitution is satisfactory to the members.

The next point I would like to raise is the suggested agenda for public accounts. I'm going to suggest that we do not have a meeting next Wednesday morning. The House reconvenes in the afternoon, and it appears that many members will not be back in time for the 10:00 o'clock meeting.

Is that satisfactory with the committee? The next meeting will be on April 28, when the Alberta Export Marketing Agency will be continued. On May 5 I have the AGT commission down. on May 12 Fort Saskatchewan Correctional Institute, and May 19 Rural Gas Program. That is subject to change in case we hold over any group.

Is that satisfactory?

MEMBERS: Agreed.

MR. CHAIRMAN: Good. There is one other point I'd like to mention. Mr. Clark?

CLARK: Just while we're talking about the agenda, perhaps this might be as good a time as any to raise it. I would like to request that during the fall session we have the cultural affairs people in to look at the public accounts from last year. But I prefer to do that in the fall session, frankly.

MR. CHAIRMAN: We will note that in the minutes. Is that satisfactory to the members? You definitely want it in the fall session. Thank you, Mr. Clark.

The next point I'd like to mention -- last week we had difficulty with the minutes because the Hansard machines seemed to break down, and our secretary had difficulty following some of the discussion because it wasn't given loud enough. It seemed to be cross talk instead of to the chair. I'm wondering if we could ask all members to speak a little louder so that we can make sure we get the minutes. We'd appreciate that if you'll do that.

I'll now come to the minutes which have been circulated. They are a little late this week, but the minutes are now open for adoption or otherwise.

Moved by Mr. Batiuk the minutes be adopted. Seconded by Mr. Hansen.

[Motion carried]

One or two members have spoken to me about the content of the minutes. We have been putting quite a bit of the material into the minutes. In order to try to simplify the thing for our hard working secretary and in order that everybody will know what to expect in the minutes, I have suggested the following guidelines for the secretary's benefit:

1. that all motions will be recorded;
2. that all announcements will be recorded;
3. that all requests for information, whether to the Provincial Auditor or to the delegation, will be recorded;

PAGE 3

4. that the topics under discussion will be recorded, with some elaboration of the topics.

Would any members like to add anything to those suggested guidelines for the minutes? If not, a motion that those be used would be in order.

Moved by Mr. Shaben the guidelines be accepted. Seconded by the hon. Mr. Schmid.

[Motion carried]

We can now get down to the business of the meeting. The Bureau of Public Affairs very co-operatively agreed to attend the meeting this morning. First of all, I will ask the Provincial Auditor to deal with the public accounts insofar as it refers to the Bureau of Public Affairs.

I might mention one other point. The Provincial Auditor will be dealing with the leftovers -- or the holdovers, I mean -- for the Alberta Export Agency just prior to the representations by the export agency on April 28.

Mr. Rogers on the Bureau of Public Affairs.

MR. ROGERS: Thank you, Mr. Chairman. Mr. Chairman, members. If I could refer to Volume 1 of Public Accounts, 1974-75, page 120. Bureau of Public Affairs is over a little half way down the page. Appropriation 1446.

The amount in the estimates for the bureau was \$2,431,000. Executive [not recorded] special warrants, executive appropriations, \$145,698, with total funds available, therefore, of \$2,642,810 of which \$2,639,398 was expended.

If we now turn to page 124, the second column gives the details of this expenditure out of Appropriation 1446 broken down by code. On page 126, the details of certain revenues are shown.

PAGE 4

Because the Queen's Printer operation is under the control of and associated with public affairs, perhaps we should refer to Volume 2 also. On page 147 in Volume 2 is the Auditor's report. On page 148 is the balance sheet of the Queen's Printer advance. Statement of operation and surplus on page 149, and on page 150, I would draw your attention particularly to note 2, which has an affect of course on the statement regarding the transfer of the servicing of office equipment and the supply of stationery, which was previously Queen's Printers advance operation being transferred to public works stock advance.

Mr. Chairman, I think those are the relative matters.

MR. CHAIRMAN: Thank you, Mr. Rogers. Any comments on the points raised by Mr. Rogers? If not, I would like to welcome the delegation, the hon. Horst Schmid, the Minister of Culture. I'm going to ask the hon. Mr. Schmid to make an opening statement and to introduce the delegation. Following that, I will then ask the chief executive officer to make a short opening statement. Then we will proceed with the questioning. Satisfactory?

MR. SCHMID: Mr. Chairman, members of the Public Accounts Committee. First of all, I would like to introduce my people here with me. Mr. Bill Payne is the Assistant Deputy Minister of public affairs, and therefore Assistant Deputy Minister of the Department of Government Services. With him is Betty Cortrell, the budget officer of public affairs. Next to Mrs. Cortrell is Steve Kurylo, my executive assistant.

The Public Affairs Bureau is responsible for the co-ordination of all information between government and the public within varicus segments of government. It is also responsible for developing communications channels between the public and government -- for instance, the RITE system.

PAGE 5

The bureau supervises all publications and brochures issued on behalf of all government departments, boards and corporations, all advertising and promotion on that behalf, and all public relations functions designed to better inform the public of services available, policies, and directions of government. Therefore, it is of course also responsible, as mentioned before, for the Queen's Printers operations as well as the RITE telephone system.

Thank you, Mr. Chairman.

MR. CHAIRMAN: We'll ask for an opening statement from Mr. Bill Payne, the executive officer of the bureau. Mr. Payne please.

MR. PAYNE: Mr. Chairman, members. I'm of course reluctant to simply duplicate, or repeat, what Mr. Schmid has said by way of opening comment. Suffice it to say that most of my working career has been in the area of communications. For the past four years, including the year under review today, I've been associated very closely with the Alberta government's communications.

In so saying, I'm not unaware of traditional suspicion that is associated with a governmental communications function. The shadow of Goebels still stalks in the corner. Notwithstanding that traditional suspicion, I'd like you gentlemen to know that I feel my colleagues and subordinates in public affairs are discharging a valuable function, and I welcome the opportunity today to answer any questions you might have of how we discharged that function during the year 1974-75.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The meeting is now open for questions.

PAGE 6

MR. CLARK: Mr. Chairman, perhaps we might start with asking Mr. Payne to outline to us -- he talked in terms of having a career in public communications. Mr. Payne, perhaps you could outline to us your involvement in the private sector before you got involved in the public sector, if you would.

Then we could go on two areas I'm interested in. The variety of publications that come out from the government, and then we'll proceed from there.

MR. PAYNE: My academic [inaudible] is in the area of language. I have a degree in English Literature from the University of Alberta. I graduated 13 years ago. Following graduation, I went to a very fine newspaper, the Edmonton Journal, and gained one year's experience in the reporting function. I then went to the Workers' Compensation Board of Alberta as their public relations officer for a two year period. Then to gain some corporate PR experience, I went to Winnipeg and was the PR supervisor of Great West Life for one year. I then decided to get into consulting, and for a six year period I was a principal of Francis, Williams, Johnson & Payne, an Alberta-based advertising and public relations firm. Four years ago I left the consulting firm to join the public affairs bureau.

MR. CLARK: I was just following that along, and you may find this -- I was going to say painful question, but I didn't really mean it that way, Mr. Payne. Are you still associated with Francis, Williams in any way, shape, or form?

MR. PAYNE: No, I am not, Mr. Chairman and members. When I made the decision to leave Francis, Williams, I of course was faced with that conflict of interest possibility as a shareholder of that company, and at that time it was a major supplier to government and to

PAGE 7

a lesser extent still is a major supplier to government. So when I left the company in June 1972, I relinquished all my equity in that company and have none today.

MR. CLARK: Just following that along, Mr. Chairman. Mr. Payne, I wonder if you could outline to us, and in some detail if you would, the publications that flow out through your agency. I'm primarily concerned about -- well, let's think in terms of the new publication that now comes out from the Alberta Housing Corporation. There's the profile one that comes out, just to name a few.

Specifically, Mr. Payne, if it isn't possible to do it now, to give us a list of every publication that comes out through the Bureau of Public Affairs.

MR. PAYNE: Mr. Chairman, if you can appreciate, that's a big question. I'll try to make a concise answer.

MR. CHAIRMAN: Apparently the loudspeaker is not picking you up. Perhaps you could stand and speak right into that . . . If you can stand, maybe that would help.

MR. PAYNE: I'd be happy to stand, Mr. Chairman.

Perhaps it might be useful to respond by putting publications in a wider context and very briefly summarize the role of the public affairs officer.

When a department of government develops a program, some of their programs or program components have communications implications, or aspects. As the role of our departmental public affairs officer to examine a department's program, I slate those components that have communications implications and develop a communications program. The elements comprise a definition of objectives, publics -- that is, who is the target audience. Is

PAGE 8

it high school kids, tourists, senior citizens, MLAs, civil servants, civic administrators, upper middle class suburbanites, and so on. Then a definition of messages. That is, what needs to be communicated to a particular audience or public to accomplish a communications objective associated with a broad, departmental objective.

Having thus defined objectives, publics, and messages, the next question -- which I'm sure is apparant to you -- is the determination of media. What is the best communications medium, or technique, to communicate that message to that public to accomplish that communications objective? Then, having done that, putting it together in a proposal, cost it out, prioritize it, and present it to departmental management. Then present to management the responsibility, if you like, for prioritizing that presentation along with all the other operational considerations of the department.

In that program, Mr. Chairman, in that section media -- by what means are we going to communicate that message to that public -- the public affairs officer frequently may decide that a publication is appropriate. We can mail it. It has a staying power. It affords a better opportunity to provide statistical or complex information, perhaps more so than a radio commercial, for example. So our public affairs officers are making those kinds of brochure judgments across government. Hence, there are a great many publications, not only for the Alberta Housing Corporation as raised by Mr. Clark, but every department of government. Many branches have communications needs that frequently, but certainly not always, are at least partially satisfied by a publication. Our public affairs officer, once he's obtained approval of the funding from his departmental manager, then proceeds to do the research, writing, obtain the art work, photography, and supervise its production through to distribution to the intended audience.

I recognize that's a broad answer, but it was a broad question.

PAGE 9

MR. CLARK: To narrow the question down a bit, Mr. Chairman. Can you give us a list of the publications that are done by your bureau monthly?

MR. PAYNE: Yes, Mr. Chairman, that is possible. We have a full-time publications cataloguer librarian by name of Robert Wetherick. One of his tasks, beginning last year, was to put out a periodic inventory, or catalogue, of publications. We are under a great deal of -- I won't call it pressure, but I got a lot of mail in recent years from librarians. For example, saying, how can we find out what publications are being put out so that we can make them available to our students, or to our library users, and so on? Yes, we do have a fairly comprehensive catalogue of departmental publications.

MR. CLARK: Perhaps I didn't make the point clear, Mr. Payne. What I'm really interested in is the milieu of publications that come out from the bureau and from government departments on a monthly basis. I recognize you won't have this -- at least if you have it at your fingertips I tip my hat to you, if I wore a hat kind of thing. If you have it at your fingertip -- and I recognize that may not be possible today -- but if we could have it, a list of all publications that come out on a monthly basis. Then I'd like to get to the weekly kind of thing, too, like the thing that comes out from agriculture. We'll use that as an example.

MR. PAYNE: Mr. Chairman, the answer is yes. That is not difficult. It is possible. In fact, by implication, because we are putting out a computerized catalogue, it comprises monthly and weekly data. So that is possible, yes.

PAGE 10

MR. CLARK: Could I ask the question of what kind of direction does the Bureau of Public Affairs take from the Executive Council with regard to timing of articles in various publications? What is the relationship between the Executive Council and the Bureau of Public Affairs with regard to, let's say the announcements such as the ones which were made a couple of weeks ago by the Minister of Housing and Public Works with regard to Alberta Housing Corporation? We'll start there.

MR. SCHMID: Mr. Chairman, regarding the release of information like the Minister of Housing and Public Works made a couple of weeks ago -- for that matter, in fact any one of the programs -- naturally will be timed to the release, if it's made in the Legislature, the release would then be timed with the publications being issued after the minister has made the announcement in the Legislature.

Then, of course, it would be then a direction to state that pamphlets will be prepared and held until the announcement, or the news release, is prepared by the minister's office. The pamphlets are then sent out accordingly.

MR. CLARK: [inaudible] and would the same kind of policy follow along with regard to publications when the Legislature isn't in session?

MR. SCMID: Naturally, of course, Mr. Chairman. The idea is that until the actual announcement is made to the media telling us of the program, pamphlets would of course have to be ordered sometime ahead of time because of printers' deadlines. They would then be held until the minister makes the announcement and then the pamphlets will be released to the public or to the different -- depending now, on which kind of authority or

PAGE 11

institution would require the full, detailed information. They would be released when the minister has made his announcement.

MR. CLARK: Could I ask specifically with regard to the publication entitled -- I think it's "Profile"? Very candidly, the reason I ask is that the publication from the Bureau of Public Affairs under Mr. Schmid's direction, on December 18 last year came out with a most glowing story of a visit with the hon. Horst A. Schmid, exactly the same day that the Premier chose to release the Provincial Auditor's report.

MR. PAYNE: Mr. Chairman, I'm very happy to answer that question. The editor of that publication, "Profile" and its predecessor "Rapt", is Terry McGail. He is a free lance editor and takes no direction from any member of Executive Council, because we had never intended that that become a management rag.

The fact that Mr. Schmid's story appeared coincidental with -- I'm just taking this assumption from what you said -- a statement of the Premier is sheer coincidence. That story would have been written by Terry McGail I'd say at least four to six weeks before, because it is a feature.

Mr. McGail takes no direction from any member of Executive Council. In fact, he doesn't even take it from me. I wish he'd take more from me.

MR. CLARK: Mr. Chairman, that's the kind of response I expected. It was a well-known fact, even with the Bureau of Public Affairs, that the auditor's report was in the works, that the report would be available some time toward the end of the year or the first of the year. I suppose it was just a coincidence that the Bureau of Public Affairs and this director or printer who takes no direction from anyone, just happened to be doing a story

PAGE 12

on an area that the auditor had been asked to look at by the Premier. That's a little thick.

MR. FARRAN: On a point of order, Mr. Chairman. I don't think the hon. Leader of the Opposition can make insinuations like that. I think that's completely improper. This wasn't a question of a land for living magazine, or features on a particular member of the government to gain votes or support.

You've had the honest reply from the official concerned. Are you suggesting that he is not telling the truth?

MR. CLARK: I'm just saying that I don't believe it.

MR. CHAIRMAN: Well, Mr. Farran, I think we have to accept the statements. If you don't believe them, I don't think it is necessary to say so because, as a public account, it's going to fail entirely unless we accept people on their own honor.

MR. YOUNG: Mr. Chairman, I noticed there is about \$329,000 worth of what I take to be fees and commissions. With reference just being made of Mr. McGill being a freelance, I suppose payment for his employment falls under that category.

How many people or agencies are involved in that fees and commissions? Are they all fees and commissions for services of the nature Mr. McGill apparently provided?

MR. PAYNE: Mr. Chairman, perhaps I could give you several illustrations of the kinds of expenditures made which are charged against fees and commissions.

PAGE 13

There are several employees on contract salaries at any one time. Our temporary staff took \$99,000 of that \$300,000. We do some survey research. There are some consulting fees, and freelance writing and outside clipping services would be typical of the kinds of services covered under the fees and commissions code.

MR. YOUNG: Mr. Chairman, I wonder if it's possible at some other occasion to get a breakdown of that amount of funds in the categories that you've mentioned to us. I wasn't aware, for instance, that up to now temporary staff came under fees and commissions category.

MR. PAYNE: Yes, it is possible to provide you with that information. Would you make a note?

MR. STROMBERG: Mr. Chairman, I was wondering if Mr. Payne could give an outline of how the weekly advertising is handled in the papers. Is it done by areas, or is it done to every weekly paper in a given area even if those two papers are in towns five miles apart?

MR. PAYNE: Mr. Chairman, in reply I'd like to emphasize our reliance on the private sector advertising agencies in the development of advertising campaigns. We may or may not include weekly newspapers in the media schedule. So, initially there is a reliance on the professional judgment of the media buyers and strategists in the advertising agencies retained to create and implement advertising campaigns.

Having worked for a number of years in an advertising agency, let me expand the reply by suggesting that just as our public affairs officer tries to analyse what is the message and what is the target audience and what is the best way to say it, the same kind of

PAGE 14

process goes on in an advertising agency. So if there is a message that needs to be communicated to a geographic area, then the advertising agency media buyer and our public affairs officer make the judgment as to what is the most affective way to reach that audience. On occasion, it is agreed that the weekly newspaper in a particular community is considered to be, in effect, a medium. Sometimes that judgment is not made.

Perhaps I could just illustrate why a decision may be made against a weekly newspaper on occasion. The daily newspapers -- there are seven daily newspapers in this province, and their readership blankets better than 75 per cent of this province's citizens. You can buy a line in those seven daily newspapers for \$2.99 -- let's say \$3.00 per line. To buy that same line in the 118 weekly newspapers, listed in Canadian Advertising Rates and Data, would cost \$17.55. So you can see a cost effectiveness consideration also that may work against, or in favor of, the weekly newspaper.

If there were two weeklies five miles apart would the add go in both? The answer is, if I got that kind of recommendation from the media buyer in an agency, I think I'd start looking at another agency.

MR. STROMBERG: A supplementary. I think I wrote a letter to you one time where the press in Viking published an add by the Department of Recreation, Parks and Wildlife as to regulations pertaining to muskrat hunting. But that's 60 miles from Bashaw, and the Bashaw weekly didn't get this add. I think there are times when maybe we should review what is going into the weekly papers, especially what is pertaining to that district.

MR. PAYNE: Mr. Chairman, I'm not insensitive to that observation. I would not want to imply or leave the impression that I think media buyers in metropolitan advertising

PAGE 15

agencies are infallible in their judgment. They're not, and they're fallibility is drawn to my attention periodically.

However, I would like to emphasize our use of the weekly newspapers in terms of dollar expenditures. Our expenditures through the weekly newspaper exceeds that of radio or television.

MR. SHADEN: Mr. Chairman, a question to Mr. Payne along the same lines, only it doesn't concern the paid advertising. The computer printout of the news that is provided by the Bureau of Public Affairs -- I was wondering what the timetable is for the delivery of this, or the mailing of this, to particularly the weekly newspapers. The complaint I get from the three weeklies in my area is that an item will be dated in your printout. For example, March 16 and they will receive it on March 26. I was wondering what the logistics are for delivering this sort of information to the weeklies.

The second part of my question deals with straight news releases. Do they come out of the bureau, or do they come directly from the department?

The comment I would make is that it seems to me that those which come directly from the department are closer in time from the date of the information to the receipt by the weekly newspaper to those items which come from your department.

MR. PAYNE: Mr. Chairman, with the introduction of the Alberta Communications Network, a system of teletype printers which links the newsrooms of the radio and television stations and daily newspapers in 1972, we met with a representative number of weekly newspaper editors who would have liked to have had an ACN printer in their newspapers. That just wasn't economically feasible, particularly in view of the fact that their deadlines were weekly in nature, as opposed to hourly in the case of broadcast, or daily in the case of a

PAGE 16

newspaper. As a compromise, we proposed to them that we simply make a photocopy of the ACN copies that comes off our transmitter, bundle that up and mail it to them. They all agreed that that would be desirable.

Several logistical questions then pose themselves. For example, when do you mail it, because the weekly newspapers in this province have deadlines of Monday, Tuesday, Wednesday, Thursday or Friday, depending on who you're talking to. So we went with the majority. Roughly two thirds appeared to have -- this is going back three years. I'm fuzzy on the details. But we made a judgment and started a weekly mailing. Six months later, we sent them all a questionnaire, and asked: is it useful? Would you like the service to continue? Do you have any suggestions?

At that time the vast majority said yes, we like it. But quite a number said, you're mailing it on the wrong day. At that time we were mailing it on the Friday, so they could get it on the Monday or Tuesday for Tuesday makeup and Wednesday printing. Wednesday at that time appeared to be the prevailing issue date. We got a very substantial response back saying, mail it on Wednesday so we can get it on Friday. We began about 18 months ago to mail that package on Wednesday and every six months we ask them how they feel about it.

We recognize it represents a compromise situation and we also recognize that a news release that is issued on Thursday, which just misses the previous day's mailing and doesn't get mailed for six more days is going to be late. We just have to live with that liability, if you like. That's my response to the first part of your question regarding the makeup of the ACN package and why it's mailed when it is.

As to your question about news released emanating from the department, there is no such thing as a bureau release. Let me put it that way. That is, the public affairs bureau doesn't create things. All we are is the conveyor of it. So when a department issues a

PAGE 17

news release, it comes to the ACN transmitter for simultaneous transmission to the radio, TV, and data newspapers around the province. Those are departmental releases that we are mailing once a week to the weeklies.

I don't know of a economical or realistic solution to that dilemma, other than to strike a compromise and periodically gage the newspaper editor's reaction to the compromise.

MR. BATHUK: Mr. Chairman, you mentioned before that you send out questionnaires when would be the most suitable time for them and so forth. Do you not take the majority of the requests?

You know, of the weekly newspapers I subscribe to, most seem to come out on a weekend, so they must be published around Tuesday, I would say. [inaudible] I was just wondering if you do not take the majority.

MR. PAYNE: Mr. Chairman, although I personally don't get involved in the evaluation of those return questionnaires, I'm sure that the majority viewpoint would be an over-riding consideration for those who are making the judgments. However, prompted by this line of questioning, I will discuss it with a couple of my colleagues today to ensure that the intent of your question is in fact being realized.

MR. THOMPSON: I'd like to ask if the bureau is in charge of placing government job opportunities advertisements in the papers in different areas.

MR. CHAIRMAN: Yes, Mr. Chairman. The recruiting advertising of personnel administration is placed via the bureau and its advertising agency -- it's currently Goodis, Goldberg &

PAGE 18

Sorren -- for placement in newspapers, primarily dailies, in Alberta and on occasion in other parts of the country.

I hasten, though, to make a qualifying judgment here that that's the one advertisement account that isn't handled by the way I indicated earlier that media judgments were made. The media strategy is devised in concert with the personnel recruiters in central personnel. They make the judgments, because they know where the demand and supply are for various skills, trades, and professions.

MR. THOMPSON: I have quite a few complaints that in the south there are very few government jobs advertised. In fact, you can look at the Calgary and Edmonton papers and see page after page of them. Down there, if it's a local situation it's advertised, but as far as any jobs out of the local area, there are very few advertised. The people down there don't really have a chance to know that these opportunities are available. I suppose if they made an effort they could go to some office and find out, but as far as advertising in the paper is concerned, we don't seem to get the same type of consideration in the south. When I'm talking south, I'm talking Lethbridge, Medicine Hat area -- that they get up in central and northern Alberta.

MR. CHAIRMAN: Mr. Chairman, because of the unique situation with recruiting advertising where the media strategy is developed not by public affairs officers but by officers of personnel administration, it is difficult for me to explain their rationale. I am sure they are looking at the cost/benefit ratio, among other things, of advertising.

Recruiting advertising is a very costly proposition, and one that Goodis, Goldberg & Sorren and we are now discussing with central personnel with a view of trying to define more economical ways to find people. It's a costly proposition to take a great deal of

PAGE 19

their advertising outside of the metropolitan dailies. It would probably be just too costly. I suspect that is the reason, but I do not know that.

I'd like to make two other comments. That is, you're quite right that personnel administration, in addition to the placing of an advertisement, does post career bulletins in public buildings which would give the people of Lethbridge or other centres the opportunity to comprise themselves of what is currently being sought.

A final thought. It might be useful for you to convey that either to me, and I'll convey it to the officers of personnel administration who on a daily basis are making those kind of judgments. I would be happy to do that.

MR. McCRAE: A supplementary, Mr. Chairman. Does the bureau determine in what publications sale notices for energy and natural resources will be used? That is, the weekly or monthly, or whatever it entails.

MR. PAYNE: Mr. Chairman, you've now identified another unique kind of advertising, what we call the legal or tender type advertising. That and personnel are handled a little bit differently.

The advertising agency functions primarily as a placement agency, rather than a creative agency whose creative responsibility includes media strategy. So, sane logic follows. Legal or tender type advertising media schedules are determined primarily by the knowledgeable officers of the line department, as opposed to the media buyer of the advertising agency or the public affairs officer attached to that department.

MR. McCRAE: Could I interpret that fairly as saying the department would itself determine what publications the advertisement would appear? Is that the gist of your answer?

PAGE 20

MR. PAYNE: In the matter of legal and tender advertising, the departmental judgment would be the over-riding or dominant consideration in the media strategy.

MR. HANSEN: Mr. Chairman, I would like to know if the weekly papers are all paid at the same rate for the space that you put in, per line or per word, or whatever it is rated at. Or, do some weekly papers receive more money than others for the same advertisement?

MR. PAYNE: Mr. Chairman, if I could just mention a publication called "Canadian Advertising Rates and Data". It's a monthly publication and looks like an Eaton's Catalogue without the pictures. There are lots of words and columns of data. In there you will find two pages at the top headed "Alberta Weekly Newspapers". It has each weekly newspaper with production information. That is, column width, what are its production deadlines; is it an offset paper or lighter press, and so on. One of the right hand columns indicates the cost of advertising, that is, how many cents per line -- a line being 1/14 of an inch. Advertising is sold at a line rate.

The answer to your question is that the line rate varies from publication to publication, and the primary variable is its circulation. That is to suggest a weekly newspaper with 5,000 readers is perhaps five times as valuable to the advertiser as the weekly newspaper with 1,000 readers. So there is a direct correlation between circulation and line rate. These circulation figures are audited by specialized agencies and that data, as you can appreciate, is very useful to those who are determining which media to use in an advertising campaign.

MR. FARRAN: Mr. Chairman, I have something of a sense of loyalty to my former profession. I thought I should make a few observations and perhaps get a reaction. For many years I

PAGE 21

battled the national advertising agency approach, and I'm a little alarmed to hear that it still persists in terms of philosophy and the Bureau of Public Affairs.

Would you agree that the line rate and circulation are not the only criteria that a media buyer should pay attention to? In the large metropolitan dailies, especially in the Canadian situation where there are many one-daily cities, there is an enormous amount of reader loss because of the very thickness of the papers. A few page for some reason has more readership, believe it or not, than a position on a sports page. That's the first thing, reader loss.

The second consideration is retention. The retention of a daily newspaper is much less than the retention of a weekly newspaper or magazine. It's in the house one evening and in the garbage next morning. This is not to say that one shouldn't advertise in metropolitan dailies, because they have a very important audience. But it is to say that circulation is not the only yardstick of value.

Some years ago, I can remember challenging the stampede board in Calgary to run a coupon ad on advanced bookings for the grandstand. They ran equivalent size ads in my weekly that time with a circulation of only one third of the Calgary Herald. It ran the same ad in the Calgary Herald and the Calgary Albertan. We outpulled in coupons the combined two metropolitan dailies two to one. So this only demonstrates that circulation is not the only yardstick, and it particularly pertains to rural weeklies, the rural weekly being thinner and having perhaps a lower level of reader appeal which is more widely read. When talking about a lower level, I'm talking about a lower level as compared with the international news of what might be going on on Moscow or Berlin as compared with what is going on in Didsbury or Cardston. What the advertising agency might consider to be trivia, is really important news and very much read in Didsbury where somebody sprains an ankle or goes next door to a wedding, or even goes to Banff on a holiday. This is read in

PAGE 22

Didsbury. It would not be of wide interest to the world at large, but it is in that particular area.

That is why -- reader loss and retention factors -- the supermarkets pay so much attention to the weeklies. If you measure the grocery ads line by line that are carried in the weeklies, you'll understand why people like Safeway, IGA, and so forth use weeklies to shout out of the crowd. If you shout in the crowd, your voice is less likely to be heard than if you're shouting in a smaller group.

The next point is this, that another demonstration of the weakness of just following this circulation and line cost yardstick is the constant resort to direct mail by all sorts of advertisers who want to get out of the crowd and shout alone. Sometimes they're wrong, because there is the passing eye that's reading a story and then looks on the other side of the page and inadvertantly reads an advertisement. But the thought is there. The reason they go so often for direct mail and the so-called junk mail, is that they want to shout out of the crowd, they want to shout alone. They are hoping for better retention than the present retention pattern for daily newspapers.

If market and circulation were the only yardstick, why is that any knowledgeable media buyer would pay special attention to trade magazines, which have the highest lineage rates in the country for the smallest markets, but a specialized market? So if you wanted to advertise to the oil industry, you wouldn't go for the largest circulation, you'd go for "Oil Week", "Roughneck", or for one of these magazines that are directly beamed for that specialized segment of the market.

I maintain that if you are trying to appeal to rural Alberta, you'd be much better advised to go through the weekly newspapers than the thick metropolitan dailies, despite the comparison of circulation and lineage rate.

PAGE 23

To conclude on this note, I wondered if the bureau had considered factscom to the larger weeklies. If the larger weeklies were prepared to rent factscom from AGT, why couldn't a central factscom be installed in the bureau for rapid dissemination of news releases as opposed to telex and the orthodox styles? The rent for factscom from AGT is not very great and it is instant facsimile transmission over the telephone. Some of the larger weeklies already have factscom. So I would have thought that there is a possibility of filling this void in the delay of news releases going to the weeklies through the mail, by encouraging the installation of factscom as opposed to telex.

A MEMBER: What is factscom?

MR. FARRAN: Factscom is a little box that's rented by AGT. You put the telephone in the box and you can feed in a letter or printed material, and it comes out exactly the same in a box at the other end. It's done via the telephone, called facsimile transmission.

A MEMBER: What is the cost?

MR. FARRAN: I forget the actual monthly cost. It's on a monthly rental basis and it's a very popular machine.

MR. PAYNE: Mr. Chairman, I trust it would not be inappropriate for me to suggest that Mr. Farran's line of questioning very closely resembled a commercial at times. I would like to emphasize that he said nothing today that I would disagree with.

It's quite obvious that the media judgments are not made strictly on a column of numbers in "Canadian Advertising Rates and Data". I mentioned it only to suggest that there are

PAGE 24

some statistical or measurable indexes useful in making those judgments. I would hope that I have not left the misimpression that we either ignore, or do not make use of the weeklies, to repeat a comment made earlier. We spend more on weeklies than we do on television, and there might be some who would say that's crazy. So we are converted to the principle of the use of the weekly newspaper.

As far as your suggestion regarding factscom is concerned, in 1972, when we were working with AGT, it in fact was some AGT people whose recommendations resulted in our existing equipment. We are now being converted gradually to a less expensive machine called the ex-tel. I will get a more current, up-to-date report on the factscom's implications and capabilities.

MR. CLARK: Mr. Chairman, I wonder if Mr. Payne would perhaps elaborate a little bit with regard to fees and commissions, the question Mr. Young asked -- the \$329,000. Especially, Mr. Payne, with regard to that portion you talked about surveys and research. Could you elaborate there and perhaps give us a bit of a breakdown of the kind of surveys and research the bureau was involved in.? During 1974-75.

MR. PAYNE: Mr. Chairman, I'm happy to admit that I am an advocate of survey research, not unlike the public relations field and perhaps not unlike the computing systems area. It's been difficult to win an audience for a comparatively new field. But when a major advertiser spends several million a year on advertising, I think it's a pretty good investment to spend perhaps tens of thousands of dollars to make sure that the use being made of paid media is, in fact, effective. So the primary use of survey research is to clarify the message requirement. What is the misunderstanding? What are the knowledge

PAGE 25

gaps? What needs to be communicated to help resolve this problem or to reach this departmental objective that I referred to at the outset?

In devising these communications programs we have, on occasion, opted for some survey research to get better data, to get a clearer picture of the task at hand. In the fiscal year of 1974-75, this survey research included a study of travel attitudes for Travel Alberta and public attitudes to drinking and driving, which data was extremely useful in our initial programming for check stop.

If my memory serves me correctly, in that year we also undertook a survey for lands and forests, again to get a better grasp of the public perception of those issues and programs that were of importance to that department. For example, attitudes to parks and wildlife officers, and so on.

I think that's all we did in 1974, Mr. Chairman. To put it into perspective, I think the total amount was something like \$40,000 or less, and by today's rates that is not a great sized investment for survey research.

MR. CLARK: Perhaps I should ask this of the minister, Mr. Chairman. Would it be possible for the committee to get copies of the work that was done in those three areas?

MR. SCHMID: Mr. Chairman, maybe I should mention the hon. Leader of the Opposition might be aware, I think there is a motion for return in the Legislature anyway that might probably contain that. We could go from there and see what kind of further information the Leader of the Opposition may desire. There's a motion of return on there. I'm not sure of the dates are on that one but I think it might refer to that year.

PAGE 26

MR. CLARK: I'll check it out then. It was my recollection that it didn't, but I certainly could be wrong.

A second question, Mr. Payne, with regard to this question of the involvement of the Bureau of Public Affairs with advertising firms. Candidly, one of the complaints brought to my attention from time to time is the amount of the advertising that's done through national advertising firms as opposed to the amount done by firms through head office in Alberta.

What kind of priorities are given to Alberta-based firms? When I say Alberta-based, I mean firms with head offices here. The second question: Could you give us some kind of breakdown as to how much is spent with firms with headquarters here, and how much is spent on firms with headquarters outside Alberta?

MR. PAYNE: Mr. Chairman, we did prepare quite a bit of data in response to that specific question. I think it came up in the last session. But just to make a summary comment here, the Alberta residency and ownership is a primary consideration.

If I could illustrate that point. For example, my former company, Francis, Williams, to my knowledge all of its shareholders and staff are Albertans, and it would be either the first or second on the basis of volume. The other major agency here is Baker, Lovic. Baker, Lovic, I believe, is headquartered in Vancouver but its officers here have equity in the company, so in effect it is close to the preference for Alberta ownership. The third and fourth agencies would probably be Wally Strang Advertising and Jom Ford Advertising. Those are both Alberta companies. The fifth, with the recent award of the personnel count, would be Goodis, Goldberg & Sorren. Although that's a Montreal headquartered company, the account was given to Goodis, Goldberg & Sorren (Alberta) Ltd.,

PAGE 27

a certain percentage of which is owned by Albertans. So the observation that much of our work goes to national agencies is not founded in fact at all.

MR. CLARK: Can you give us some kind of a breakdown? Does 30 per cent go outside the province to firms with headquarters outside the province? Or is it 10 per cent?

I recall a motion for return which you alluded to and at that time it was much higher than 30 per cent.

MR. SCHMID: Mr. Chairman, for your information, that's only a rough position concerning Baker, Lovic. Outside there were national company or . . .

MR. CLARK: [inaudible] where the headquarters.

MR. SCHMID: The reason I'm asking is because the Social Credit party in the last government used them exclusively as advertising agents. This government is trying at least to place the advertising as much as possible in the province of Alberta.

MR. CLARK: We're pleased in that area that you've seen one of our major areas.

MR. PAYNE: There may be an experience that would explain this apparent difference of opinion. In the Alberta RCMP century celebrations, that committee -- the century celebrations committee acting independently of the public affairs bureau -- awarded the advertising for that year -- and it was a massive account -- to Vickers & Bensen. At the time of that award, Vickers & Bensen were in fact a Toronto headquartered ad agency. But I was very sympathetic to that committee's point of view, because Vickers & Bensen handled

PAGE 28

the previous year's advertising for the RCMP celebrations and had gained a great deal of expertise in that area. Of course, with the termination of that celebration and that committee, the Vickers & Bensen factor is not now in the mix. So I still hold with my general observation that in excess of 90 per cent of our volume -- I don't know of anything that's going east. I can't think of an agency off the top.

MR. CLARK: I'm wondering, Mr. Chairman, could Mr. Payne give us a rundown as to the relationship between the bureau and the various government agencies. I'm thinking in terms of the drug alcohol abuse commission, women's compensation.

The second area would be specifically with the Department of Agriculture. I have had the feeling for two or three years that agriculture has sort of a different relationship with the Bureau of Public Affairs than does the other departments. So if you could perhaps explain the two areas.

MR. SCHMID: Mr. Chairman, before Mr. Payne gives a reply to that question, may I inform the Leader of the Opposition that the order of the Assembly to issue a return showing for the fiscal year 1973-74 and 1974-75, each public opinion survey commissioned by the Government of Alberta listing the department agency of the government for which each survey was conducted; the person, persons or company conducting the survey; the subject of each survey; and the cost of each survey.

This is the information the hon. leader would require.

MR. CLARK: I stand corrected.

MR. CHAIRMAN: Did you want to answer, Mr. Payne?

PAGE 29

MR. PAYNE: Yes, if I may, Mr. Chairman. I'd like to reply to Mr. Clark's two questions about the bureau's relationships with commissions, boards, and agencies.

I might, if I may, draw your attention to Order in Council No. 555/73, which delineates our terms of reference and our relationship with the departments, as specified in the Order in Council -- that our relationship, if you will, is a passive relationship with the agencies and commissions. That is, we're there at their invitation. In the past three years, presumably because we've demonstrated at least a modest capability, we've done a fair amount of work.

For example, AADAC, the drug abuse commission. We have provided some training for their information staff and have provided some consultant services for some of their public communications needs. The Alberta Disaster Services would be another good example. Alberta Housing Corporation. There have been some agencies, boards, and commissions that have come to us, but it wasn't because of the authorities inherent in OC555 but rather on a passive basis, as I say.

As to the second part of the your question, you're quite right. There is a different relationship with the communications branch of the Department of Agriculture, but I don't regard that as a serious difficulty. Historically, the reason is this.

In 1972, when public affairs began to assimilate, if you like, the communication branches around government, most of them were one and two man jobs. All of them were, and some of the departments had none. But in the Department of Agriculture, it was a very large, well-established communications function. It was just simply a judgment made on what are the benefits and what are the risks, losses, of moving such a large communications component. So rather than make the judgment, for example, to transfer their staff or move them physically, that branch was left in tack but built into what I regard as a very effective ongoing liaison. That is, their advertising is placed with

PAGE 30

public affairs assistants -- likewise printing. Similarly, the communications planning for more complex programs. We are invited to participate in discussions. John Andrew, the head of that branch, sends me a copy of his monthly report. These are just a few of the examples to suggest that our working liaison is good, but is admittedly different from the communication components of other departments.

MR. CLARK: To follow that along, would it be fair to say that basically with regard to other departments, it's a matter of the bureau having the -- perhaps I shouldn't say the final say but really supplying the major input. With regard to the Department of Agriculture, it's really a matter of the bureau being consulted, but the communications people in the department and the department itself I guess having the major input, and perhaps the final decision.

Is that a fair assessment of the way the thing sits in comparison between agriculture and other departments?

MR. PAYNE: Mr. Chairman, when set in the context of comparing it to other departments, that's a fair statement.

MR. SCHMID: Mr. Chairman, it should be mentioned that information officers, even though they are assigned by public affairs to different departments, really the departments do supply the information of the respective departments with information that is necessary to be directed to the public. Therefore, whether it's agriculture or for that matter the Solicitor General's office, if there is general information to give out regarding programs or information on motor vehicles licences, I'm quite sure that that public relations officer relates to the department, rather than to public affairs.

PAGE 31

MR. CHAIRMAN: Mr. Gogo is not a member of the committee. Do we have approval for Mr. Gogo to now ask a question?

MEMBERS: Agreed.

MR. GOGO: Thank you, Mr. Chairman, and I thank members of the committee for allowing me an opportunity to ask a question.

First of all, I don't own a newspaper and never have, and based on the Prowse Commission, it's not likely I ever will. My questions are directed that way.

Recognizing that the bureau's responsibility is really to inform, as opposed to other people involved with papers to sell. For example, when the department is faced with the problem of informing the public in the same publications that other people are concerned about selling a product, I think I recognize the difficulties the bureau has in getting across the message of government or particular departments.

I think the Solicitor General made the case very strongly about weeklies versus dailies. I can only speak from personal experience. I really don't read more than one newspaper a week while I'm here which is, I suppose, extremely unusual for a politician. But, I always read the weeklies that I subscribe to when I go home.

I would like to make a rare statement in that I think compliments are in order in two areas. Recognizing that it's extremely difficult within the daily paper to compete with retail merchants who are selling to get across your message, I have had reaction to two areas. One is The Temporary Rent Regulations Measures Act. I think whoever is responsible -- be it your department, be it the Department of Consumer Affairs, be it the agency you do business with -- I think they have done an extremely good job in the

PAGE 32

uniqueness of those ads getting the message across when they use a quarter page versus three quarters of a page by somebody else.

In addition, the SHIP -- or as the Premier would say, the Senior Citizen Home Improvement Program -- I think the uniqueness of that add is really awakening, certainly to me, to see there is creativity going in these ads to inform the people. I suggest that whoever they may be should be congratulated, whether it's the minister of the department and so on.

My question, Mr. Payne -- and I'm taking a long while to get to it -- is when we deal with things like rent regulation and weekly papers rather than the daily paper, do you go to the department? For example, not consumer affairs which controls that act, but the housing and public works who have all the facts and figures about where the renters reside in Alberta to determine the distribution of those ads into weekly papers. Or is it done through an agency? In other words, I guess I am suggesting that Mr. Yurko's department is best qualified to advise your department where the renters are in the province because he has those facts.

My question is: do you use that route in determining where it should go, or is it done by an agency?

MR. PAYNE: Mr. Chairman, that's really not an either/or question or answer. It's both. None of those kinds of judgments is made in utter isolation.

If I could use the example of the Senior Citizens Home Improvement Program and the related department, Housing and Public Works, the three components involved in that decision making -- that is, what are we going to say to whom, and how -- those kind of communications judgments -- are made by the public affairs officers. In this case there are two, Mike Wormingfromn and Molly Basaraba, who are attached to public affairs to

PAGE 33

housing and public works. Their advertising agency, which in this case is Jim Ford Advertising, and the program officers within the department all participate in those judgments, and all bring to bear the expertise or knowledge they have that will result in effective advertising.

I think we're getting effective advertising. My colleagues across the land tell us it's effective. One of the reasons is that we're not just a bunch of creative hotshots but we are bringing together the resources available in the agency, in public affairs, and in the lined departments.

MR. D. SCHMIDT: Mr. Chairman, my question is: do publications such as "The Birds of Alberta" come directly under the bureau? The publication.

MR. PAYNE: Mr. Chairman, the answer to the question as phrased is no. Perhaps I could elaborate on our involvement with a publication such as "The Birds of Alberta".

We are a service agency. If a department were to consider in a communications program for the year or in any program for the year that a book were desirable, our public affairs officer would participate in the judgment as to yes, maybe that is an effective way to reach that audience with that particular message. Initially, the bureau would be involved in a consultant role as to the initial recommendation or the ratification of that choice of media.

Secondly, once that affirmative judgment was made and the funds appropriated for it, our professional expertise -- that is, we do have a creative director, for example, who is very knowledgeable in the area of photography and art. We have people who are knowledgeable in printing and the requirements of the printing and publishing industry. So, in a consultant capacity and as a servant, if you will, we assist the departments in

PAGE 34

making publishing judgments and then getting those publications not only produced, but distributed.

To refer to the specific title that you mentioned, "The Birds of Alberta", that publication of course pre-dates the public affairs bureau. But we have been involved in a consultant capacity as recently as last week with the sponsoring department -- the Department of Culture -- in making those kinds of judgments as to a new edition of that publication.

MR. YOUNG: Mr. Chairman, my question relates to the amount of money expended for the Alberta Communications Network. Does that appear here? How much did it cost to operate that network in the fiscal time-frame we are looking at?

MR. PAYNE: Mr. Chairman, I don't have the public accounts page before me, but it's probably included in code 495-605. I'm sorry, 825-826, Telephone and Telegraph. In there I think there is an expenditure of \$74,000. Approximately \$53,000 of that was for the Alberta Communications Network cost.

MR. YOUNG: A supplementary, Mr. Chairman. In view of the comments this morning about factscom, could someone give us some information as to whether this could be an alternate method of disseminating information? Is it something that is sufficiently new that it wasn't a viable alternative at the time the communications network was established? What are the pros and cons and costs, et cetera?

PAGE 35

MR. PAYNE: Mr. Chairman, as I indicated earlier, in 1972 factscom hadn't developed the experience in the market place that it has today. At that time it was not the way to go, either in terms of operational efficiency, or in terms of cost.

As I indicated earlier, I am quite prepared to reopen that because we are looking at a modified version of the equipment we are presently using, a piece of equipment called extel. I'll commit today to carry out an examination of of the factscom.

MR. YOUNG: Mr. Chairman, if it would be possible to give a thumbnail sketch of the advantages of disadvantages as you see them now, just so that some of us who have no background at all in this area would have a vague understanding of what is going on. I don't mean anything more than two or three minutes.

MR. PAYNE: Mr. Chairman, I don't think I'm capable of a reply longer than two or three minutes, but I think I can. I'm obviously more familiar with the Alberta Communications Network, that is teletype. Teletype is simply a question of an operator taking a news release when it comes in manuscript form from the department. She sits down at a little box with a keyboard and keys that in on the punch tape. At the agreed release time, she inserts that punch data in a hole at the top of the teletype transmitter, keys in the addressees -- that is to say to the radio stations, all of the dailies, or just the southern Alberta media -- and pushes a button and away it goes. It goes down a wire to a receiver in a news outlet and comes out as hard copy. They tear it out, as they do with Canadian Press, UPI, Reuters, and the other wire services.

For us that was an advantage. At a time in 1972 within the major dailies, there was a latent mistrust of a government-owned newsprinter in the newsroom. It was useful to us

PAGE 36

for it to be perceived as innocently as the other wire services. That was one reason we went to teletype. They were accustomed to that medium.

Factscom is a different process where you take that peice of paper typed on a particular kind of paper, open up a cylinder, put it in the cylinder and close the flap, dial in the addressees, push a button and it is again transmitted down the wire and comes out as hard copy off the drum.

That is the best I can do as an explanation of those two media, Mr. Chairman.

MR. YOUNG: It's a question now of knowing just what kind of wires we're working frcm. Is it telephone wires, teletype wires, or what kind of wires? If it can be communicated over telephone lines, then obviously it can be communicated all over the province to almost anywhere.

MR. CHAIRMAN: It could be haywire.

MR. YOUNG: It could be. Let's find out, Mr. Chairman.

MR. PAYNE: Mr. Chairman, yes. Your observations regarding telephone lines is correct. Again, I agree with the premises which have been made and am more than happy to pursue the matter further.

MR. CLARK: A supplementary question, Mr. Payne. You indicated you're looking at some molifications of Alberta Communications Network now. You used a term of some new equipment that you were looking at.

PAGE 37

Could you enlighten us as to what you're thinking of there, and what advantages this equipment will have?

MR. PAYNE: Yes. Those of my associates in the Bureau of Public Affairs who have this responsibility under tow, are looking at a more up-to-date version called ex-tel. It has two inherent advantages. It is cheaper and it is quieter. We're always interested in reducing the cost, and we're interested in reducing the noise level as well.

MR. CLARK: It will be a teletype kind of operation? Is that right?

MR. PAYNE: That's correct.

MR. HANSEN: What it would cost a newspaper to be equipped this way at their end so they could receive these ads going through at this fast pace?

MR. PAYNE: Mr. Chairman, there are several reasons why it isn't practical for a weekly newspaper to have a teletype printer on the ACN network. There are two cost components. One is the rental of the actual box that sits on the desk which costs \$70 to \$100 per month. The major cost is the line rental, which is a function of distance. The longer the message goes down the wire, the more costly it is so that in remote centers the cost is prohibitive.

When you have regard to the fact that a weekly newspaper in fact has a weekly structure, as opposed to a daily or hourly news requirement, perhaps it isn't practical.

PAGE 38

MR. SCHMID: Mr. Chairman, since the matter of factscom and teletype did come up, we are going to undertake a survey of the cost factor. I think the hon. member refers to the access of telephone lines, and factscom of course would be placed into a weekly news editor's office no matter where the person would be, would be much easier than having a line rental for a teletype. Mr. Chairman, I think we could look into the cost factor of both and then come back with propositions accordingly.

MR. FARRAN: Mr. Chairman, there are snags in both system. In the telex, twix, teletype system you have to have an operator. With factscom you don't. With factscom you can only go telephone call by telephone call. You can't have wide dissemination. So, if you put in a factscom system, somebody in the Bureau of Public Affairs would have to make 30 or 40 telephone calls. They'd be fairly lengthy telephone calls because you're on the telephone for the whole time the factscom message is going over.

A MEMBER: It takes two minutes for it to go over.

MR. FARRAN: So there are pros and cons. It needs careful examination.

MR. CLARK: Mr. Chairman, I wonder if Mr. Payne could just outline what is involved in the \$223,000 in the area of entertainment.

MR. PAYNE: Mr. Chairman, the bulk of that expenditure was for official hospitality through the offices of the chief of protocol, John Wally and Laverne Salone, director of hospitality.

PAGE 39

Approximately \$100,000 of that was in the form of hospitality grants to national and international conventions being held in the province, and Major Wally's expenditures are for the entertaining and hosting the official government department delegations.

MR. YOUNG: Mr. Chairman, I'm curious as to the number of employees. That's always a fair question. I'd like to know how many employees are employed centrally, that is, in the central office core. How many are located in departmental positions, or associated directly with departments, or assigned to departments, if you want?

MR. PAYNE: Mr. Chairman, I will start on the premise that you are more interested in our current structure, rather than the structure associated with the fiscal year 1974-75.

I'm reluctant to use the words "central office core", but if we had one it's the ninth floor of Petroleum Plaza where we have a staff of about 60. Over on Kingsway, the Queen's Printer plant has a staff of 35 or 40 in the central duplicating plant which is the main floor. Then there would be perhaps 30 on the second floor in our film and photo section, the provincial film library, our audiovisual services, action statutes, the book store and so on. We have about 60 switchboard operators around the province in small towns manning our telephone inquiry service system. Then we have about 30 professionals if you like, public affairs officers, physically located in their departments around government.

I haven't been adding those up mentally, but certainly that would be the bulk of our stuff. Well, there's more than that.

For example, there are the two major switchboards. There is the Edmonton switchboard which has 14 operators. There is the Calgary switchboard which has eight.

PAGE 40

MR. SCHMID: Mr. Chairman, at this time it should be mentioned that the savings which accumulated to the government because of the RITE system alone, we eliminated about 37 switchboards, if I recall correctly. Some of the RITE operators act as receptionists at the same time. I think the overall savings that we had in the RITE system because of the elimination of long distance calls is something like \$2.7 million.

Also at this time it should be mentioned, as is obvious from the excellent replies received from Mr. Payne, we are just delighted with the operating staff we have been hire for the government in the Bureau of Public Affairs.

As an example, the gentlemen in charge of the Quick Print Centre -- as it is being called -- of the printing of government, along with one of his amalgamation of the different xerox machines, we have a saving I understand of about \$447,000. Let me explain.

At one time departments had xerox machines and as their accumulation of xeroxing was being built, if they were under a certain number for usage, we had to pay more. All these xerox machines are now under one billing program. Therefore, we have the benefit of having large xerox volumes through all the machines and we get much cheaper production from the xerox machines we are using.

Another great saving has occurred because of the installation of Quick Print Centres. Before each department had its own little printing bureau, these have now been again amalgamated into Quick Print Centres which are strategically located and we thereby save the Alberta taxpayer huge amounts of money.

All in all, the Bureau of Public Affairs not only is there for information to the public of the programs of government, but also in this case very much so as far as printing is concerned, as far as RITE is concerned. That saves great sums of taxpayers money because

of the outstanding operation they have, and the outstanding personnel we have been able to acquire.

MR. YOUNG: Mr. Chairman, a triple supplementary, the first portion of it being: how many persons in the employment of the government working in public relations and in an information context are there who are not considered to be employees of your office? I'm thinking of the one exception at least, being identified as the Department of Agriculture. How many others?

Secondly, how many persons or man-year equivalents do we currently have on contract that come under that fees and commissions division? If you could give us a handle on that.

The third facet of my question is: have we reached a level of no further increase or are we anticipating further increases in staff?

MR. PAYNE: With the exception that has already been discussed with Mr. Clark, I'm unaware of any public affairs staff in other departments of government, with perhaps one exception -- now I'm excluding the commissions, boards and agencies when I say that -- within the departments, there is a communications officer attached to the museum who at this point in time is still shown as an employee of the Department of Culture. I'm unaware of any public affairs staff, with the exception of the Department of Agriculture, who are not affiliated with or associated with public affairs.

As an extension of that, I might point out we have a very good working relationship with central personnel and when a department is expressing an interest in a communications capability, central personnel are quick alert us so that we can meet with the department and find out from what motivation comes this interest. For that reason, we've able to contain it, if you like. Not to imply that it needed containing, but that is a result.

Secondly you've asked for the number of contractual employees. We have one.

Thirdly, do I foresee any growth? My general approach for at least the next three or four years is, let's not get more. Let's just do what we're doing better.

MR. YOUNG: One additional supplementary. I take it from the response which you've just given with respect to your relationship to other departments that with that response you've caused me a bit of confusion in my understanding of an earlier response which had to do with the implications of OC555/73. I had the impression, perhaps incorrectly, from your mention of OC555 that in fact that OC in some manner directed that the departments would not be developing their own staff in this way. Perhaps I'm confused because it sounded to me like there's a very strong persuasive element involved in containing that sort of development.

MR. SCHMID: Mr. Chairman, maybe it should be mentioned that the person who was talked about at the museum actually, at the time when the information officer was assigned to public affairs, was really the information officer for the public visiting in the museum.

In the meantime, however -- our assistant deputy minister may not be aware of this because it just happened a couple of weeks ago -- Mrs. Wood has now been reassigned through culture as an information officer in general and therefore is not reporting probably to the public affairs bureau. She is no longer in the museum.

That is the only exception he had mentioned. I just wanted to make sure this was not being misunderstood.

MR. PAYNE: I wonder if I could reply to that question. The order in Council that I referred to, Mr. Young, does not prohibit departments but rather is phrased positively.

That is to say, it charges the public affairs bureau with the responsibility for advertising, public relations, printing, and so on.

At the present time we discharged that responsibility through a liaison with the communications branch of agriculture, rather than through a reporting relationship such as we have with the other departments. For the time being it seems to be an appropriate way for us to discharge that responsibility.

I would not interpret this present relationship as in violation of, or in contradiction of, this Order in Council.

MR. YOUNG: I'm sorry, Mr. Chairman, I don't mean to be misinterpreted on this. I'm not suggesting that there is with respect to the Department of Agriculture. I'm just trying to get at the control mechanism to assure that even with the public affairs we don't have departments developing people who function in a public affairs manner, perhaps under a different title.

MR. PAYNE: Mr. Young, I think I referred earlier to the mechanism that accomplishes that. That mechanism is a reporting relationship with senior people in central personnel. On receipt of that kind of information, they immediately contact me. I then usually contact the responsible ADM or deputy and we talk about it. It seems to work.

MR. SCHMID: Mr. Chairman, maybe I should also say that the function of the [inaudible] committee of cabinet in the budget procedure would really take a very serious view if one of the departments would develop within their own capacity another public relations or information function. I don't think that this kind of occurrence would be allowed by budgeting procedures.

MR. CHAIRMAN: Hon. members, we have now reached the hour of adjournment as it appears the questions are over.

I would like to thank the hon. Horst Schmid, his assistant deputy minister, Mr. Payne, Mrs. Betty Cortrell, and Mr. Steve Kurylo for being with us this morning and for giving us the information that you did.

The next meeting will be two weeks from today when we will have the Alberta Export Agency back with us.

I would now entertain a motion for adjournment.

Moved by Mr. Butler that the meeting adjourn. Seconded by Mr. Thompson.

[Motion carried]

[The meeting then adjourned]