

*Supply*

money, and when we have complied absolutely with the guidelines in every way, shape and form, how can those Hon. Members have the gall and temerity to suggest that this House has non-confidence in that kind of performance? That is absolutely absurd.

The list of examples from that bunch of Liberals over there, who are not there at the moment, and that bunch of New Democrats over there—

**An Hon. Member:** And they are not all there either.

**Mr. Andre:**—who are not there either, is really something to behold.

In the few moments I have left to me, Mr. Speaker, I just want to take advantage of this debate to mention another factor which I hope those Hon. Members opposite will be generous enough to recognize with respect to the performance of this Government. I refer to the area of advertising in general. I have explained in this House—I do not have time to repeat the explanation—the improvements we are making in the situation which inherited. But I also want to say for the benefit of Hon. Members of the House and others that the over-all advertising—

**The Acting Speaker (Mr. Charest):** May I respectfully, for the benefit of the Minister, inform him that he is making his closing remarks. He has a couple of seconds.

**Mr. Andre:** I thought it was two minutes, Mr. Speaker.

Not only have we done a better job since September 17 of managing advertising, as evidenced by the performance of companies like Lawson Murray, but we are putting in a process which is better. We are reducing the over-all levels very significantly. In the current fiscal year just starting, advertising will be reduced by 30 per cent over that contracted for by the previous administration. There will be no geese flying into the sunset and friends of the Liberal Party collecting ridiculous fees for ridiculous ads needed by no one and serving no taxpayer at any time.

**Mr. Tobin:** Mr. Speaker, methinks the Minister doth protest too much today. Surely, the Minister cannot—

[*Translation*]

**The Acting Speaker (Mr. Charest):** It being one o'clock I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

**AFTER RECESS**

The House resumed at 2 p.m.

[*English*]

**The Acting Speaker (Mr. Charest):** Questions and comments? The Hon. Member for Humboldt-Lake Centre (Mr. Althouse).

**Mr. Althouse:** Mr. Speaker, today we have heard two stories from the Government side of the House with regard to the issuing of contracts for media work and advertising. The Member for Simcoe North (Mr. Lewis) pointed out that there is a very standard process throughout the industry whereby the various advertising firms simply add 15 per cent on to the bids for their services. He suggested that, had the contract been tendered, the Government would have had 10 identical bids. Yet when the Minister made his speech, he indicated that he had somehow succeeded in saving almost \$.5 million, which puts the analysis of the industry by the Member for Simcoe North into some doubt.

Would the Minister please try to clarify the situation? Was he talking about the same kind of savings, that is, savings on the share that the various advertising agencies would have taken for their services? Or was he simply talking about a reduction in the amount of advertising that the Government proposed to do?

**Mr. Andre:** Mr. Speaker, actually I mentioned all three in terms of advertising, the agency fees, how much goes to the advertising agency, and how much goes to the newspapers, television, or media outlet. Standard practice for generations has been that if you or I buy a half page ad in a newspaper for \$4,000, that is what it costs. However, when an advertising agency does that it gets a 15 per cent discount. That discount is to pay their costs of composition, creativity, billing and overhead. That 15 per cent is standard. When the Government undertakes an advertising program on behalf of Tourism Canada, for example, it is contracting for so many minutes of television time, so many pages of magazine space, and so on. The commission goes to the advertising agency. There is no opportunity for cost competition. It is a professional service like any other, be it lawyers, physicians, or accountants. You are looking for quality.

I said in the House as early as last January that we are in the process of introducing a new process under which quality assessment for big contracts or departments that have large advertising budgets will be made by a panel of civil servants. With regard to the Lawson Murray contract specifically, that was a small contract. The commission to Lawson Murray was only \$26,000, I think. You cannot really have a competition in a situation like that because the cost of pitching, if you brought in three, four, or five bidders, would exceed the total profit available. It would be a terrible waste of funds. You allocate that based on trust, knowledge of the individuals, and their experience.

This firm was experienced in handling financial institutions. They undertook to carry on this program which had been underway for years. They picked it up, carried it on, and said that they could reach 100 per cent of the market that we were trying to reach with these information ads with far less advertising. They showed us a new procedure for doing it. Because that advice was new to the Government, we were able to accept it and save \$500,000 a year as a result of that particular judgment.