

Supply—Labour

Mr. Pickersgill: And that the vote was \$297,500?

Mr. Fleming (Eglinton): Yes.

Mr. Pickersgill: Can the minister tell us how much was spent out of the unforeseen vote?

Mr. Fleming (Eglinton): I propose to do that. I am dealing now with the amount actually expended: newspaper publicity, \$29,350.40; radio, \$33,860.02; television, \$31,507.64; films, \$250; posters, streamers, stuffers, postal dies, recording tapes, etc., \$32,611.36, making a total of \$127,579.36. The commitments to the end of this month—that is the end of the fiscal year—including those sums actually expended amount to \$295,000 at this present time. That sum is divided as follows: newspaper publicity, \$121,000; radio, \$38,500; television, \$33,500; films, \$8,000, and posters, streamers, stuffers, postal dies, recording tapes, advertising production costs, \$94,000, making a total of \$295,000.

This total of \$297,500 estimated to be required to March 31 is proposed to be provided as follows. The sum of \$62,300 was transferred within this item from surpluses from other allotments within the scope of the vote at the last session. That has left actual requirements of \$235,200. I pointed out last night that in the main estimates an aggregate of \$140,200 had been provided, and we are now proposing to add \$95,000 to this sum by the present item.

The remaining question was as to the advertising agency which had been engaged for this purpose. That agency is the McKim agency of Toronto, and the expenditures to March 20 are \$95,140.06 for their work in relation to the program. The expenditures for the publicity undertaken and arranged by them and the commitments to March 31 through that agency will amount to \$242,500. The balance of the proposed aggregate appropriation is being spent by the department itself on outlays through the queen's printer, unemployment insurance offices, and media of that nature.

Mr. Pickersgill: Could the minister tell me at what date the department first engaged the services of the McKim agency?

Mr. Fleming (Eglinton): I cannot give my hon. friend the date on which they were retained for this particular purpose, but I will find out and communicate with him.

Mr. Fisher: Mr. Chairman, may I ask what is the percentage on which McKim is working on this particular contract?

Mr. Fleming (Eglinton): I think my hon. friend is aware that advertising agencies do not make any charge or fee direct to the

[Mr. Fleming (Eglinton).]

person who engages their services. In all these cases their services are recompensed by arrangements which they make with the medium with which they deal. There is a standard percentage, but that is no part of any agreement which the government has made with the agency.

Mr. Fisher: Mr. Chairman, I feel that this is a fundamental part of the cost. I understand that there are different rates not only for a single campaign but for different media within the campaign, and I am wondering whether any consideration has ever been given to checking or establishing a set rate for government work in that regard.

Mr. Fleming (Eglinton): The government does not pay any fee for this service. It is standard practice in the advertising business, I am informed, that the regular charges are made by the various publicity media, in this case to the government, and the advertising agency simply collects its fee by arrangement with those who are proprietors of the media themselves.

Mr. Benidickson: Just to clarify this point, Mr. Chairman, if the minister would inform me, I understood he said that the figure of \$295,000 would cover not only commitments but expenditures made in the past, and commitments to March 31 of course, under the items of newspapers, radio, TV, films, posters, and so on. Is that correct?

Mr. Fleming (Eglinton): Yes. The figure of \$295,000 represents commitments made to March 31, including expenditures already made. This will leave \$2,500 out of the \$297,500 aggregate to take care of any possible additional commitments that might be made between now and the end of the month. But at the present time it would appear that the \$295,000 will cover all commitments up to March 31 which have been entered into at this time.

Mr. Benidickson: The detail in the main estimates at page 258 presented the original forecast for newspaper, radio, film and other publicity as \$140,200. The \$295,000 which we refer to will be made up of this \$140,200 plus the portion for that item which comes in this item for \$100,000. Is that correct?

Mr. Fleming (Eglinton): There is the sum of \$95,000 in this item for that purpose.

Mr. Benidickson: Yes, \$95,000 plus certain surplus funds which were not used for other functions within the item?

Mr. Fleming (Eglinton): Yes.

Mr. Benidickson: That being so, I did not understand when the minister said that under this item \$95,000 had already been paid for services which were handled by the McKim