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Canadian
Consumer
Council

ANNUAL REPORT '71

OTTAWA DECEMBER 1971



Consumer
Council

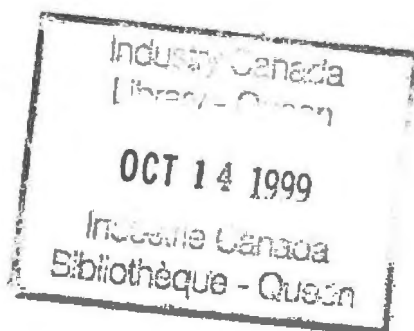
Conseil
de la consommation

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A. MEMBERS OF THE CANADIAN CONSUMER COUNCIL

Chairman: *Mr. Harold Buchwald, Q.C.
Winnipeg, Manitoba

Vice-Chairman: *Mrs. Claire L'Heureux-Dubé, Q.C.
Quebec, Quebec

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Etobicoke, Ontario

Mrs. Catherine Brent
Saskatoon, Saskatchewan

*Professor Yves Caron
Montreal, Quebec

Miss Niquette Delage
Montreal, Quebec

Mr. Joseph-A. Dionne
Montreal, Quebec

Mr. William Dodge
Ottawa, Ontario

Mr. Robert Hurlbut
Toronto, Ontario

Mr. David Kirk
Ottawa, Ontario

Mr. André Laurin
Quebec, Quebec

Dr. David S. R. Leighton
Banff, Alberta

Mr. George S. May
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Mrs. Alexa McDonough
Halifax, Nova Scotia

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*Professor William A. W. Neilson
Toronto, Ontario

Professor Peter H. Pearse
Vancouver, British Columbia

Mrs. Margaret McGuire
Moncton, New Brunswick

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Mrs. Bernice Walsh
St. John's, Newfoundland

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(To September 1, 1971)

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(Appointed September 21, 1971)

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B. LETTER OF TRANSMITTAL

Canadian Consumer Council,
Ottawa,
June 1st, 1972.

The Honourable Robert Andras,
Minister of Consumer and Corporate Affairs,
Government of Canada,
OTTAWA.

DEAR MR. MINISTER:—

It is my pleasure to transmit to you the Third Annual Report of the Canadian Consumer Council, covering the period from January 1, 1971 to December 31, 1971.

In many respects 1971 was very much a transitional year for the Council. The new Chairman and Vice-Chairman were not officially appointed until the end of March. As well the appointment of several Council Members to fill vacancies created by retirements at the end of 1970 also did not occur until that time.

In addition, the Council was without the services of a permanent Executive Director throughout most of the year. When Mr. Gordon Anderson, the Council's first Executive Director, resigned in November of 1970, the task of finding his replacement was delayed until the appointment of the new Chairman and Council Members. As an interim measure, Mr. Leonard Lee, former Executive Assistant to the Deputy Minister of the Department of Consumer and Corporate Affairs, assumed the post in an acting capacity until August 31, 1971. It was not until September that the new appointment was made, effective January 1st, 1972. On that date, Dr. David E. Bond, formerly of the Department of Economics, University of British Columbia, assumed the position. Dr. Bond rendered part-time service until the end of the year, commuting from Middletown, Connecticut, where he was economics scholar in residence at Wesleyan University.

While the Council was ably assisted and supported by Mr. Lee in his temporary capacity, it lacked the commitment and availability of a permanent secretariat to give direction to its research activities. In spite of these hinderances, the Council was able to carry forward most of its continuing activities and even accepted a number of particularly challenging new assignments.

In no small measure this has been due to the sincere and dedicated efforts of individual members. Although serving on an honorary basis, they expended considerable amounts of their personal time and energy assessing research studies and analyzing working papers before adopting reports and advancing recommendations. Besides attending regular Council Meetings, many members were involved in the workings of Council Committees and in special projects undertaken. Their participation not only involved personal attendances but also correspondence, commentary and the like. The Executive Committee met five times between regular Council Meetings.

The full Council held four meetings in 1971. Three of these took place in Ottawa.

On September 26th and 27th, the Council convened one of its more valuable sessions at Vancouver. In addition to conducting its regular business and resolving

a number of important matters, the Council sponsored a public one-half day Seminar on the problems of the consumer-bankrupt at which a broadly representative cross-section of affected and interested individuals from the Vancouver area were in attendance. This meeting not only enabled the Council to acknowledge the celebration of the Province of British Columbia's Centenary of its entry into Confederation, but also resulted in the Council being made known and visible in Canada's third major market. This type of meeting, I believe, is most important in making the Council an effective instrument in advancing the consumer interest on behalf of all Canadians. It is my hope that at least once each year the Canadian Consumer Council will meet in a locale other than the national capital and expose itself directly to and receive specific responses from the communities it visits.

Along with important new items undertaken in 1972, many matters in this Report reflect the completion or near completion of projects initiated in earlier years. The Council's tradition of insisting on qualified research to underlay proposals adopted and advanced has been adhered to and perpetuated.

The year was transitional not only because of new Council leadership and the hiatus of permanent professional staff, but also because the Council itself, I believe, changed course significantly since it first came into being in December, 1968. Clarifying Terms of Reference were enunciated in March at the effective commencement of the Council year and this has given renewed impetus and, in my opinion, a valuable additional dimension to our mandate as the federal advisory body on consumer affairs. As we endeavour to focus primarily on the "frontiers of consumerism", the areas of concern become all the more challenging and we must, perforce, deal less with the immediate and the tangible and more with the philosophical horizons of the consumer interest.

In many respects the positive, co-operative spirit and *esprit-de-corps* prevalent in such large measure amongst Council Members during 1971 is due to this new dimension. We are the beneficiaries of the solid foundations built by the first two Councils, who had already agonized through the initial birth pangs and growing pains. Our relative facility of operation — notwithstanding limited staff support — was in no small part due to my predecessor in office, Dr. David S. R. Leighton. Under his most able stewardship he nurtured and cultivated the Council into the respectable and responsible position I believe it now enjoys, through his personal qualities of self-dedication, quiet balanced leadership and insistence on the highest standards of achievement. Canadians are very much in his debt for his unobtrusive, but nonetheless positive contribution to their general well-being.

In the same vein, many previous members of the Council who retired at the end of 1970 also made major contributions to its endeavours during their terms of service, and I should like to express my appreciation to them. The names which come quickly to mind (amongst others too numerous to mention) are those of Professor Jacob S. Ziegel of Toronto, who gave leadership to almost every Council endeavour, but particularly in matters of consumer credit, misleading advertising and deceptive sales practices; Mrs. Gwen Robertson, of Ottawa, who provided yeoman service in the Council's studies and deliberations on the special problems of the low income consumer; and Mr. G. C. Clarke of Montreal, who was responsible for initiating the Council's studies on consumer education.

The retirement of the Honourable Ron Basford from the portfolio of Consumer and Corporate Affairs requires special comment. As the original Minister of this Department it was he who first breathed life into the Council, and it was he, who,

from time to time, has given it new direction and important assignments. There have, of course, been times when the Council and the Honourable Mr. Basford were not always in agreement on matters of common interest. Such a situation is inevitable, I suppose, when the advisory body is independent and autonomous, the Minister is a positive thinker, and both have a healthy respect for each other. Ron Basford's contribution to advancing the interest of Canadian consumers in so many different areas and improving the atmosphere, operation and integrity of the marketplace will probably never be fully measured. The Council acknowledges its substantial debt to him for the support and assistance he has given to it. At the same time we pay tribute to the achievements accomplished by him on behalf of consumers of all walks of life in this country, as well as on behalf of responsible business concerns.

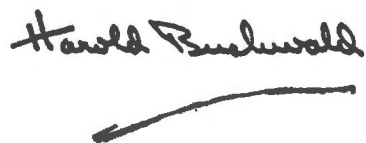
Since the inception of the Council a concerted attempt has been made to involve those members who come from the upper echelons of business leadership and organized labour in its activities and endeavours. Unfortunately, other commitments and priorities have not always permitted the degree of participation desirable. The absence of sustained input on their part has deprived the Council of the valuable contribution they can make to its deliberations, and to the general area of consumer affairs.

I should, indeed, be remiss if I failed to express my thanks, and those of the Council, for the support of Council Staff and particularly our Secretary, Miss Georgine Ulmer, during this period. I must also record our appreciation for the co-operation and help provided on so many occasions by the former Minister, his staff, and members of the Department.

Council Members join me in welcoming you, Mr. Minister, to this important and challenging portfolio and in wishing you every success in your endeavours. We stand ready to offer our continued advice and assistance.

Respectfully submitted,

HAROLD BUCHWALD
Chairman

A handwritten signature in cursive script that reads "Harold Buchwald". The signature is written in dark ink and is positioned above a long, horizontal, slightly curved line that serves as a decorative underline.

C. FOREWORD

Consumer Affairs in 1971: An Overview

If there was one particular aspect which characterized consumer affairs in 1971 more than any other, it would have to be labelled as "confrontation". As the year dawned, impressive strides in advancing the consumer interest were beginning to be seen on many fronts as more and more areas of unsatisfactory market performance found both legislative regulation and business leaders were heard to respond favourably to the call for remedy of legitimate consumer concerns. But, from mid-year on and into 1972, the most organized and vocal forms of hostility and confrontation were at the same time heard across the land in the form of a massive and concerted attack by the business community on the federal government's proposed *Competition Act*.

Notwithstanding some positive efforts on a voluntary basis by many manufacturers, advertisers, retailers and financiers to improve the quality of the marketplace, many of the perennial imbalances and inequalities which have victimized consumers endured, and continued to call for legislative regulation. A busy program of laws enacted to advance consumer interests was pursued both federally and provincially. Quebec, for example, took a giant stride in bringing into force its *Consumer Protection Act*, a code of consumer rights, fair business conduct, and effective redress. The citizens of that province have now been brought up to par with the other provinces, and in certain respects, have "leaped-frogged" them in enlightened and far-reaching advances. Key features which the other provinces might consider adopting include, (a) the doctrine of "*lesion*", which would allow the Court to re-write the terms of a basically unfair consumer transaction; (b) the attack on false advertising or deceptive sales practices by making, through the law, every representation (by a salesman or in an advertisement) a fundamental term of the transaction, giving rise to cancellation or damages for non-performance; and (c) the right to speedy and inexpensive enforcement of consumer rights through binding court action where procedures are both simple and accessible and lawyers are not required.

Many of the other provinces improved existing consumer protection legislation, and a few extended it. The consumer rental relationship, the regulation of the activities of collection agents, outlawing unsolicited credit cards, and regulation of the sale of hearing aids all found their way onto the statute books in Manitoba. Ontario gave indepth study to problems associated with franchising and warranties.

At the Federal level the enactment of the *Packaging and Labelling Act* continues the line of protective legislation designed to provide the consumer with increased safeguards on a wide number of fronts, all of which are aimed at fairer dealings in the marketplace.

Consumer spokesmen continued to call for more participation by the leaders of commerce and industry in the consumer affairs dialogue and, towards the end of the year, some favourable reactions seemed to be forthcoming. Accused, initially, of opting out of the discussion, growing numbers of businessmen and business concerns did begin to show encouraging responses to help remake the rules in the interests of improved integrity in the marketplace. In the evolution of the new standards of business citizenship, business leadership has a critical role to play. The privilege of functioning in society and reaping its economic benefits carries

with it the concurrent obligations to show genuine concern for and exercise meaningful responsibility to all others in society, and particularly those with whom one deals for commercial advantage. But, judging by the ongoing need for corrective measures and standards, too many business leaders aren't involved in the dialogue, or they give it an extremely low priority.

This is an unfortunate continuing attitude. For, undoubtedly, legislation should be the last way in which the cause of the consumer should be advanced. Laws are often not only difficult and costly to enforce, but also not easy to alter, and less amenable to ensuring that the spirit of the enactments is adopted in the application to everyday situations of that quality of judgement, compassion and modification which characterizes so much of the personal dealings and relationships between people. It is to be hoped that a reformed thrust and the embracing of new standards will emerge. Otherwise, it has been suggested by some that the very credibility of the free enterprise market system and its future existence are at stake.

The Great Competition Act Debate: Its Lessons in Practical Consumerism

Whatever progress which may have been made in improving the climate of consumerism in Canada and de-escalating the apparent hostility between consumer activists and those who would advance consumer interests, on the one hand, and producers, marketers and sellers of goods and services for personal use and consumption, on the other, seemed to evaporate during the latter part of 1971 with the reaction and over-reaction of the business community to Bill C-256 of the former Parliament, the proposed *Competition Act*. Almost from the introduction of this, the second most important single piece of federal consumer legislation (the first would have to be the legislation which created the Department of Consumer and Corporate Affairs itself), the atmosphere had been overladen with hostility and invective in the attacks on the Bill and its underlying principles. And these assaults have not been limited to the expression of intellectual differences. They have been punctuated by emotionalism and vituperation.

By year end, no less than 300 briefs and submissions had been forwarded to the Minister of Consumer and Corporate Affairs. Of these, perhaps two or three had come from consumer interest groups; the rest were from industry at all levels and in all sectors.

The great debate on the appropriate Competition Policy for Canada in which the country was involved at the end of 1971, serves to illustrate the handicaps confronting those who would hope to speak out in the consumer interest. The proposed legislation of former Bill C-256 and its underlying thrust and philosophy were extremely complex, lengthy and narrowly refined in legalistic, economic and commercial terms. Nevertheless, industry critics who saw threats to their patterns of business conduct were able to marshal batteries of highly qualified lawyers, accountants, economists and other very able consultants to deluge the Minister with briefs and representations. They were also able to utilize public platforms and harness the news media across the land to mount a substantial, often highly emotional, almost rabble-rousing attack.

But who was there to speak for the consumer advancement aspects of the proposed legislation? Where were their briefs and representations? These would have had to have been prepared at not inconsiderable after-tax cost to individuals and consumer groups in contrast to the tax deductible cost to industry. The major handicap to those who speak for consumers, however, is the lack of both financial and human resources to prepare adequate analyses and presentations.

In the current dialogue, it would appear that this type of inequality in the political marketplace is just as intolerable as consumers' inequality in the commercial marketplace. If it is allowed to continue much longer, we will see repetitions of unbalanced representation and unarticulated concerns at the expense of advancing consumer interest. The result could well be a distortion of the relative merits of the views being advanced in what turns out to be an adversary process. The real loser in the imbalance is not just the right of the public to a truly competitive marketplace, but also its morale when it perceives that once again its interests are made subservient to the special interest advocacy.

The Areas of Concentration For The Future

It might be observed that as comparatively difficult as it has been heretofore to gain a measure of effective legislative balance in consumer affairs, this has up to now been the easiest part of correcting the areas of genuine concern to the consumer, business and government alike. Identifying the broader societal issues and bringing a balanced approach to their correction and adjustment are the major challenges which lie in the immediate future.

The more simplistic and populist efforts of elementary consumerism have in the past presented and will continue to present less of a problem as legislators and the public service can identify the consumer interest fairly readily. But when the issues get complex, who is able to identify the consumer interest and argue and advance it? What is required is an expertise, research and experience to press for better laws and to comment on those which are introduced for adoption at the federal and provincial level.

The addressing by consumer interest groups of their scrutiny to these questions and their extensions, many of which are not yet clearly perceived, will bring into play overlapping assessments of where being a consumer ends and being a citizen begins.

As has been predicted, a rapid realignment of groups and interests in the consumer field is already underway. The Canadian Consumer Council is not only charged with the responsibility of being a fundamental part of this process, but continues to accept its implicit challenges.

HAROLD BUCHWALD

*Chairman
Canadian Consumer Council*

D. THE CANADIAN CONSUMER COUNCIL: ACTIVITIES, 1971

The activities of the Council have fallen into two broad categories:

1. A series of projects on significant and continuing consumer problems, designed to culminate in precise policy recommendations, or in publications of importance to Canadian consumers.
2. Continuing projects to assess the general state of consumer affairs across the nation in order to isolate issues most urgently needing attention.

In a number of instances, the 1971 activities of the Council represent the bringing to fruition of projects commenced in earlier years. Others were continued with further input and Council activity. In addition, new areas or projects have been assumed, either as a direct request of the Minister of Consumer and Corporate Affairs or on the Council's own initiative.

Specific Consumer Problems

Reports and/or recommendations were made to the Minister during the year on Misleading Advertising, a Charter of Consumer Rights, and the Problems of the Low Income Consumer. In addition, interim reports were prepared on Consumer Education, the Consumer Interest in the Self Governing Professions, Unit Pricing, and a listing of regulatory boards and tribunals at the federal level. As well, the Council gave its initial reaction to the Canadian Association of Broadcasters' Code of Advertising Directed to Children.

1. Misleading Advertising and the Proposed Competition Act (Bill C-256)

At its meeting at Vancouver on September 26th, the Council adopted and transmitted to the Minister its Report on Misleading Advertising. Over two years in the making, the Report represents a major effort by the Council. It is the third part of a trilogy of Recommendations by the Council on Competition Policy and Deceptive Sales Practices in Canada. In May, 1970, the Council made recommendations concerning pending legislation in the fields of combines and competition policy. Later that same year, the Council also forwarded a series of extensive recommendations on deceptive selling activities.

The Council's Report on Misleading Advertising is the product of both specific research and direct discussion. It has as its bases the study commissioned by the Council prepared by Ronald I. Cohen, LL.B. of Montreal, *The Regulation of Misleading Advertising in Canada: A Comparative Approach* (1970), and the Council-organized Symposium on Misleading Advertising held in Montreal on December 4 and 5, 1970. In the foreword to the Transcript of the Symposium, this approach is commented upon in the following terms:

" . . . It seemed only appropriate that the Council extend to advertisers, the advertising industry, those charged with advisory and regulatory roles in government (at the federal and provincial levels, as well as in the United States) and individuals with more than a passing interest in the subject, the opportunity to comment on Mr. Cohen's conclusions and to let the Council have the benefit of their thinking on the general subject. The result, of course, was this symposium. It will prove of considerable value in assisting the Council in making its recommendations to the Minister for corrective action.

What clearly emerges from the transcript is a reasonably balanced overview of the subject in a number of its many dimensions: where legitimate persuasion

ends and improper deception takes over; the criminal aspect vs. unintentional, poor business practice features; the effectiveness of industry self-regulation and its limitations; the remedies the individually affected consumer should have available to him and how he can effectively gain redress; and the role of preclearing proposed advertising messages and programs. The consensus expressed was clearly that remedial action was called for, both by industry itself and by government. It now falls to the Council to articulate those courses of action."

A special *Ad Hoc* committee headed by Professor William A. W. Neilson formulated the Council's original proposals. By the time the Council was ready to report, the proposed *Competition Act* (Bill C-256, 3rd Session, 28th Parliament) had been introduced. The committee and the Council then directed their attention to the misleading advertising and deceptive sales practices aspects of the Bill as well as some of the fair competition proposals. The full text of the Report is reproduced as Appendix "A". The main proposals, in summary form, include:

a. *Deceptive Advertising Practices*

Primarily, the Council's Report deals with the full range of problems inherent in misleading advertising. It also contains the initial reactions of the Council to the specific approaches set out in the proposed *Competition Act*.

While the Council welcomes the appropriate sections of the proposed *Act* as extending "... the provisions of misleading advertising to commodities and services in the marketplace", it noted the following reservations:

- (a) The Council questions whether the proposed *Act*, particularly Section 20, would adequately cover the type of advertising that specializes in half truths and omits pertinent qualifications or facts about the commodity or service advertised. The Council is of the view that deceptive omission ought to be more clearly included in the *Act*, "... since it may be questioned whether the phrase 'misleading representation to the public' will cover such situations satisfactorily".
- (b) The Council finds it difficult to understand why 'services' were not covered in Sections 21 and 24. The Council suggests it would be very helpful to keep a consistent approach in including commodities and services in all of the misleading advertising provisions of the proposed *Competition Act*.
- (c) The Council also expresses some doubt as to whether or not the proposed *Act* would provide adequate protection to consumers which form a bloc as distinct from the general public. Citing a recent case in Ontario, the Council noted that the Court had held that regarding holders of credit cards as a special group or captive audience might provide exemption from the general law of misleading advertising. In line with this view, the Council recommends that the provisions of the proposed Section 20(2) of the *Act* be changed to accommodate such "limited" public situations.

b. *Provision of Information*

In addition to these specific recommendations with regard to the proposed *Competition Act*, the Council suggests that the Department of Consumer and Corporate Affairs should make special efforts to keep all sectors of the public informed of developments in competition law generally and in the field of false advertising law, in particular. If the proposed *Act* is to be successful in curbing abuses in misleading advertising, it is imperative that the public be informed of the terms of the legislation. Such publicity would alert the consumer to certain types of deception. Moreover, it would also serve as an educational tool for businessmen who would be constantly in touch with the attitudes of both the government and the courts. News releases issued upon the institution of any and all proceedings,

and the results of such proceedings, could well serve as a serious deterrent to potential offenders to whom bad publicity is anathema.

c. *Government Guidance for "Good Industry Practice"*

The Council is aware that the advertising industry has long sought draft guidance rules which would spell out how federal authorities interpret the misleading advertising laws and indicate how the authorities might apply them in given situations. The Council is of the view that under the existing statutes this type of guidance had *de facto* been available. While Sections 20-26 of the proposed *Competition Act* deal very specifically with different types of misleading advertising practices, it is the Council's opinion that the *Act* ought to provide for the publication of advertising guidance rules by the proposed Competitive Practices Tribunal, a power which the *Act* does not specifically mention. The purpose of such rules would be to determine what is fair and unfair in terms of both definitions and advertising practices in given trades or industries.

The Council noted that at the symposium on the question of misleading advertising it held in Montreal the industry participants appeared to be largely in favour of such a power for such an administrative authority.

d. *Self-Regulation by the Advertising Industry*

The Council noted that the Canadian Advertising Advisory Board was expressly created to act as a vehicle for self regulation in the industry. It welcomes such a public spirited organization. At the same time, the Council drew attention to a rather awesome gap in the C.A.A.B. membership which did not include retail advertisers. Since much of the abuse in advertising is centered in retail campaigns, this coverage gap is, in the Council's opinion, particularly grievous.

The Council felt, furthermore, that in its surveillance and enforcement procedures, the C.A.A.B. lacks the representation of the most important body of individuals — namely, the consumer. The inclusion of representatives from consumer groups in itself may not change the results being achieved under the present system, but the existing system, in the Council's opinion, "... only enhances the suspicions attached to any closed system of appraisal which professes to act in the larger consumer or even public interest." The Council noted with approval the C.A.A.B. decision to include consumer representation in its review structure dealing with advertising directed towards children. The Council hoped that the precedent would spread to the other activities of the C.A.A.B.

More importantly, however, the Council felt that it was essential that once violators of the C.A.A.B. Code on Advertising Practices had been detected and determined, the names of the offenders be publicized even if it meant taking advertising space to spell out the Board's displeasure with a given practise. Such publicity would act as a strong deterrent to malpractice and re-enforce the credibility of the C.A.A.B. Code.

e. *The Substantiation of Advertising Claims*

It was the Council's considered opinion that when an advertiser "directly or indirectly makes any claim or representation as to the efficacy, performance, quality, price or other attribute or characteristic of his product or service, he ought to be prepared to substantiate his claim upon inquiry". Too often, the unwillingness of the advertiser to provide substantiation has been justified on the grounds of competition or that the advertisement had been approved by the Food and Drug Directorate, or the broadcasting network or station.

The Council was of the general view that any consumer has the *right* to ask an advertiser to substantiate claims made for products or services.

While many proposals for dealing with this question have been suggested both in Canada and elsewhere, the concept of self regulation by the advertising industry might be considerably advanced were it to establish some method for storing and making easily available information on claims stated in advertisements.

In line with this recommendation, the Council was concerned with having the onus shifted to the advertiser to substantiate his allegations concerning ordinary price in Section 20(1) (d) of the proposed *Competition Act*. The Council questioned why this provision did not also include warranties, repair or service policies, etc., and it recommended that such coverage be made applicable.

f. *Corrective Advertisements*

In other countries there has been a great deal of consideration given to the question of requiring corrective advertisements by those found guilty of disseminating misleading advertising. The Council called for considerable further study before a definite policy could be recommended or established. At the same time, the Council questioned the response that could be taken against misleading advertising practices found by the courts. The Council, therefore, asked the Minister, “. . . to direct his officials to study the pros and cons of corrective advertisements and report their findings to the particular standing committee of the House of Commons that will hold hearings on Bill C-256”, or its successor or replacing legislation.

g. *Provincial Initiative*

The Council noted that the provinces “. . . are jurisdictionally capable of regulating false advertising, and they must begin to shoulder the responsibility of enacting and enforcing legislation in this area”. Without a doubt, the most crucial legislative vacuum in the area of misleading advertising resides in the provinces. The Council recommends that:

“While uniform provincial legislation is desirable, in the short run, at least, it is important that action be taken by the provinces in an effort to combat consumer fraud. For example, where provincial registrars or similar officials exist, they should be given the power to enjoin deceptive trade practices, allowing, of course, appropriate relief through the courts to offenders. Provincial legislation could provide penalties, perhaps even punitive damages, as well as to confer authority to annul or dissolve corporate charters or revoke licenses of companies to do business in the relevant province.”

To these deterrents the Council felt added provisions might be enacted that would allow provincial authorities to take on consumer actions in the civil courts. Since all too often it is uneconomic for an individual consumer to press his rights in the courts, the Council felt this might be a major factor in advancing the cause of the individually aggrieved consumer.

A further area which, in the opinion of the Council, deserves careful joint study by the provincial and federal governments is the question of class actions. The problems involved in this type of litigation and its impact upon the economy and the business community are only dimly perceived, and much work still needs to be done before it can either be adopted or rejected.

h. *Consumer Participation in the Enforcement of Misleading Advertising Laws*

The present *Combines Investigation Act* contains a unique feature which allows any six citizens to compel the federal government to commence an enquiry

to determine if the legislation has been apparently violated. This power of consumer petition, in the opinion of the Council, has not been abused (indeed, probably rarely used), and the Council commended its incorporation in the proposed *Competition Act*. The Council stated that this basic provision be made known to all citizens in the widest possible way. It permits the responsible and concerned citizen to participate directly in a fundamental way in seeing that the law is enforced.

i. *Subsidizing Consumer Participation in the Committee System Examining Bill C-256*

The Council states its belief in its Report to the Minister that the proposed Bill C-256 is the most important piece of legislation of direct concern to the consumer in many years. In the words of the Council's Report, "The Bill is nothing less than the official blueprint of public policy on the type of market system that will be sought to serve the needs of all Canadians."

If the Committee System of Parliament is to be effective in evaluating the Bill, the Council underscores that it was imperative that the consumers' voice be heard. But simply providing a hearing would, in the Council's opinion, be a hollow procedure unless these voices were backed by technical expertise that would make their statements meaningful and effective. It is the Council's opinion that it was in the public interest, and more particularly in the consumers' interest, to have an effective and informed group representing the consumer before the Committees. The Council, therefore, recommends to the Minister that he and his Department give careful consideration to providing a research subsidy for consumer representation during Parliamentary Committee hearings on Bill C-256 or its successor. The Consumers' Association of Canada would be the logical recipient. While the size of the subsidy could be worked out after discussions with the C.A.C., the Council is concerned that the principle of such a subsidy be accepted without delay.

The Council's Report has prompted a considered exchange of views between the Council and the Minister, the Canadian Advertising Advisory Board and the Consumers' Association of Canada, all of whom (amongst others) were invited to comment on its proposals.

Appended as part of Appendix "A" are the texts of the Council's earlier recommendations on Combines and Competition Policy and Deceptive Sales Practices.

The Council will continue to keep the proposed *Competition Act* under surveillance as it undergoes changes in the process of responding to representations, and the Council will, no doubt, be commenting on these changes and their net effect in 1972.

2. Charter of Consumer Rights

At the inaugural meeting of the Canadian Consumer Council in December 1968 the then Minister of Consumer and Corporate Affairs, the Honourable Ron Basford requested the Council to endeavour to enunciate a Charter of Consumer Rights for Canadians. While the Council was divided on the appropriateness of such a document in the current consumer climate, it nevertheless set about obtaining background material and studies. Two important documents emerged from Council commissions:

- (a) *Consumer Satisfaction Study* — Early in 1970, the Council received a study in depth of Canadians' attitudes with regard to consumer rights, attempting

to assess the areas of consumerism and consumer rights that are of most concern to the Canadian consumer. This study was conducted for the Council by the Social Survey Research Centre in Toronto.

- (b) *Consumer Attitudes About Consumer Rights* — This study was also conducted for the Council by the Social Survey Research Centre. Done in September 1970 it was received in November. It was designed to give a valid picture of prevailing consumer attitudes towards a number of specific "rights" as well as who should be responsible for protecting them and how effectively that responsibility is being discharged.

At the Council meeting on April 26, 1971, the Honourable Mr. Basford again renewed his request for the Charter:

"I would like first, if I may, to urge you to try to complete the task with which I charged you at the first meeting of the Council way back in December 1968, and I refer to the drafting for my consideration of a proposed Declaration of Consumer Rights. I know that this is mentioned in the Second Annual Report and the work that is being continued under that heading. I know, frankly, that there are members of the Council who were somewhat skeptical at this proposal — that we endeavour to draw up a Declaration of Canadian Consumer Rights. I, myself, must admit to having some reservations about sweeping declarations in the manner of any bill of rights, but I now feel, and I felt when I referred it to the Council, that they do have some purpose, that such a declaration, if it could be drawn, would have value to Canadian consumers and to me, that all the truths which any declaration contains are not necessarily self-evident, but they can constitute an agreed base, or a point of departure from which further progress can be made in more specific fields.

As I said at the first meeting when I asked that an effort be made to draw up a Declaration of Consumer Rights, that such a declaration would serve as a very useful guide to industry and to the public, and above all to government in working out consumer protection programs. I think some of you may think that it is all agreed on what consumer rights are, because you are involved in consumer affairs. Let me assure you that it is not agreed. Every time that we take something to Cabinet, every time we take something to Parliament, there is a great argument and a great debate whether in fact this is sensible, whether in fact this should be done, and whether in fact consumers have that kind of right. Surely, that's a wasteful effort — if we could agree on some declaration, that these were in a general way consumer rights, then we could hopefully eliminate a great deal of that initial wasteful effort which has to be engaged in every time we try to do something on behalf of the consumer. Some of you thought that such a declaration was sort of a pious hope and sort of window-dressing. I do not regard it as such, to be perfectly honest. It may well be that when you set down to try to put something on paper that it can't be put on paper, and on that I have an open mind — it's not the easiest thing in the world to try to write rights. It may well be that it can't be done. I certainly hope that we would not do it for want of trying, because I think that it would be useful; it would serve a very practical purpose in this country and I would urge the Council to continue working on that request to see whether in fact we could not state, in a rather general way, a Declaration of Consumer Rights for the benefit of the Canadian consumer . . .".

Based on the two studies prepared for it by the Social Survey Research Centre, the Council concluded that there were, indeed, basic rights and expectations of Canadian consumers in 1971. Today, consumers expect to be given reasonable access to goods and services, and not to be victimized as part of a captive market. They are entitled to obtain accurate facts about those goods and services in order to make informed decisions. They expect their purchases to be at fair value and that they will not be taken advantage of as to quality and price. No consumer

should be unfairly pressured or unlawfully disadvantaged when buying goods or services. Nor should these goods and services expose a user to unexpected hazards. And, to give it all reality and meaning, each consumer should receive prompt and full redress for any product or service that does not perform as explicitly or implicitly warranted.

Having eventually arrived at concurrence, the task which really tested the Council's mettle was agreement on the statement of the Charter in clear, straightforward and meaningful wording. The services of perhaps the foremost professional communicators in Canada were made available to the Council. Problems of facility of the French language translation had to be overcome. What has emerged, while still not the product of unanimous agreement, represents, as the Chairman said in his transmittal letter to the Minister at the very end of the year, "... the best effort the Council has been able to produce in this matter."

The text of the Council's proposed Canadian Charter of Consumer Rights is annexed as appendix "B". The Minister has the Charter under consideration.

3. Interim Report on the Problems of the Low Income Consumer

In November of 1970 the Council conducted a Forum in Winnipeg on the problems unique to the low income consumer. The results of that Forum together with various research projects undertaken by the Council, led the Council to send to the Minister an Interim Report late in 1971. It is only an interim report because the Council believes that its work on this question should be of a continuing nature. Given the substantial amount of new material recently made public, including the *Report of the Senate Committee on Poverty*, the need for study and comment is obvious. The Council does not believe that its comments and recommendations will provide all the answers to the problems of the person with limited income. Indeed, the question covers many different fields, but for these problems of particular relevance to the low income consumer, the Council hopes that its work will be beneficial. Moreover, the Council has been reluctant to dissect the consumer body into stratified groups. While the problems of the low income consumer are in many ways unique, they share in common with all consumers, regardless of their incomes, a substantial number of problems. Thus, while the Council may be concerned with some of the unique problems of the low income consumer, it is also mindful of its obligations to all consumers.

The Report is regarded as an "internal" document reflecting Council views to date on the problem. The Consumer Council believed it important, however, to indicate to the Winnipeg Forum participants where it is directing its efforts, and copies of the Report were accordingly forwarded to them.

4. Broadcast Code With Respect to Advertising Directed to Children

At its meeting on November 29, 1971, the Council gave its initial reactions to the Broadcast Code promulgated by the Canadian Association of Broadcasters in October with respect to advertising directed to children. Based on the preliminary reaction of the Council, the Chairman wrote to the President of the Canadian Association of Broadcasters on December 14, 1971, in the following terms:

"At its meeting of November 29th, 1971, the Canadian Consumer Council gave preliminary consideration to the Code for Children's Advertising on radio

and television, and while our study of it is not by any means completed, I was instructed to communicate to you the Council's interest in what has been done by you in this most important area of consumer concern and our initial reactions to the Code.

These might be summarized as follows:

1. We commend the underlying principles and spirit of the Code in dealing with a most important matter that has been called for by parents and concerned consumers for some time and is, in our view, long overdue. At the same time, we record that the thrust of the Code properly should extend to *all* forms of advertising in all media — not just broadcasting.
2. We note with approval the appointment of public representatives (to be nominated by the Consumers' Association of Canada) on the enforcement bodies for this Code. This is in accordance with the Council's recommendation with respect to industry self-regulation in its Recommendations on Misleading Advertising submitted to the Honourable the Minister of Consumer and Corporate Affairs on September 26th, of this year.
3. At the same time the Council has asked me to draw to your attention its concern at the very outset that the enforcement procedure itself leaves much to be desired, and the apparent sanctions are far too weak to be realistically effective. In our view, continued violations by both advertisers and broadcasters should result in public exposure of them by the CAB. There should be a commitment by the Code authority that it will make a public accounting from time to time of its stewardship of its responsibility in this critical area, including, particularly, names of offending advertisers, advertising agencies and broadcasters.

The Canadian Consumer Council has committed itself to study the Broadcast Code for Advertising to Children in more detail and will pass on to you its considered views and reactions in due course. However, we did want you to have these initial observations and would welcome your comments on them."

The Council has struck a special committee, chaired by Miss Niquette Delage to go into the Code in depth and comment further on it.

At the date of the preparation of this Annual Report, no acknowledgement or reply had been received from the President of the Canadian Association of Broadcasters.

5. Consumer Education

In its Second Annual Report (for 1970) the Council stated that it was continuing its studies on the critical matter of improving consumer education. Toward this end the Council had undertaken several research projects including the *Survey of Consumer Education in Canada* done for the Council by the Canadian Association for Adult Education, and published in 1970.

The research consultants assigned to this project and the *ad hoc* committee of the Council, headed by Mrs. A. F. W. Plumpre, submitted several drafts to the Council for its consideration. Each draft was subjected to careful review by the entire Council, and where called for, additional research and reporting was undertaken to assure that the report and recommendations, when issued, will be as comprehensive in scope as is possible.

The entire question of how to inform the consumer of his rights and responsibilities under existing legislation is of utmost importance in the opinion of the

Council. While the final report should be adopted early in 1972, the Council's interest in the topic will be of a continuing nature and towards that end additional research on the various aspects of the problem is already well underway.

Some of the approaches being considered are of a unique and innovative nature. Many of them will call for continuing efforts by governments, business and consumer groups of every type to undertake even more intensive efforts than has been the case in the past. The aim will be for a more informed and, therefore, articulate and responsive consumer in the future.

6. Personal Consumer Bankruptcy

At its April meeting, the Honourable Mr. Basford requested the Council to let him have its reactions to the recommendations with regard to consumer and wage-earner bankruptcies contained in the special federal government study, *Bankruptcy and Insolvency: Report of the Study Committee on Bankruptcy and Insolvency Legislation, 1970*. In many respects this was a matter on which the Council had already expressed its concern in its first communication to the Minister, in 1969, the Council's *Report on Consumer Credit*.

An *Ad Hoc* committee of the Council under the chairmanship of Mr. George S. May was established. Its initial effort was to organize a one-half day seminar on behalf of the Council in Vancouver on September 27 in conjunction with a regular Council meeting being held at that time. Approximately 125 persons attended, and they and Council members were exposed to the thinking of experts on the question associated with consumer insolvency.

The keynote address was given by Professor Jacob S. Ziegel of Osgoode Hall Law School, York University, Toronto, a former most-active member of the Council. Panelists included Mr. Phillip Gibeau, Chairman of the Debtor's Assistance Board, Edmonton; Mr. George Penfold, Executive Director, Metropolitan Toronto Debt Counselling Service, Toronto; and Mr. Louis Van der Gracht, General Manager of the Richmond Savings Credit Union, Richmond, B.C.

The committee is assessing the results of the seminar and other developments. It is expected that its report will be available to Council in mid 1972.

7. Representation of the Consumer Interest in Regulatory Boards, Agencies, Tribunals and the Self-Governing Professions

Perhaps the most challenging project to be undertaken by the Consumer Council since its inception is the request made to it by the Honourable Ron Basford at its April meeting to study the representation of the consumer interest in the wide range of government appointed regulatory boards, agencies, tribunals and commissions at all levels. The study envisioned by the Council will involve not only the regulatory bodies, marketing agencies and the like, but also licensing and disciplinary professional and occupational self-governing bodies which are accorded a semi-official status and authority in all areas of direct concern to the consumer.

Mr. Basford focused on the broad issues in the following terms:

"I would like your views and your recommendations on what I think is a very important area of activity when one sees that more and more of our Gross National Product really emanates, or is in some way controlled and regulated, by regulatory bodies, licensing bodies, marketing boards . . . It is essential that we exam-

ine now just how effectively they represent the consumer, how effectively they take into account in their decisions the consumer interest.”

In accepting this assignment, the Council appointed a special committee headed by Dr. Peter Pearse to co-ordinate the research activity. As an initial step, the committee saw the scope of its activities in four distinct areas:

1. Regulatory Boards and Commissions
2. Product Marketing Boards (those dealing with specific goods)
3. Licensed Professions
4. Public Utilities

During the summer of 1971, the committee had prepared for it an inventory of the relevant federal regulatory boards, agencies and tribunals by Mr. Benoit Tremblay, a Montreal student. The committee has now established its priorities and areas of concentration.

During 1972 the initial work on the project will be undertaken and from this should emanate the first of three or four interim reports, each dealing with a separate aspect. Indeed, during 1972 a major portion of the Council's research budget will be directed towards this project.

Continuing Projects

1. "The Consumer Interest"

In 1971 the Council continued its support for the publication by the University of Guelph of a bi-monthly newsletter on consumer affairs, *The Consumer Interest*. It is designed primarily for professionals interested in the consumer field.

Prior to its publication, there was no unified publication of the type that *The Consumer Interest* attempts to be. By providing concise information in the field of consumer affairs both of a national and provincial scope, together with reviews and summaries of articles and other published materials, the newsletter hopes to facilitate the dissemination of consumer information to educators and others involved in the field of consumer affairs. To date, six issues of the publication have been produced and it appears that it is on the way to becoming a successful and important supplement of consumer information for Canadians.

2. A Legislative Reporter on Consumer Affairs

Since 1970 the Council has been endeavouring to establish the publication on a regular commercial basis of a legislative reporter on technical and legal matters relating to consumer affairs. The project is under the supervision of Professor W. A. W. Neilson of Osgoode Hall Law School, a member of the Council.

Efforts will be continued in 1972 to achieve publication.

3. Mass Media Consumer Affairs Programming

The Council continued to work closely with the mass media in attempting to increase the coverage of consumer matters. There are indications that some progress is being achieved with greater interest, special articles and programs, and more awareness and receptiveness to items of consumer interest in all forms of the media.

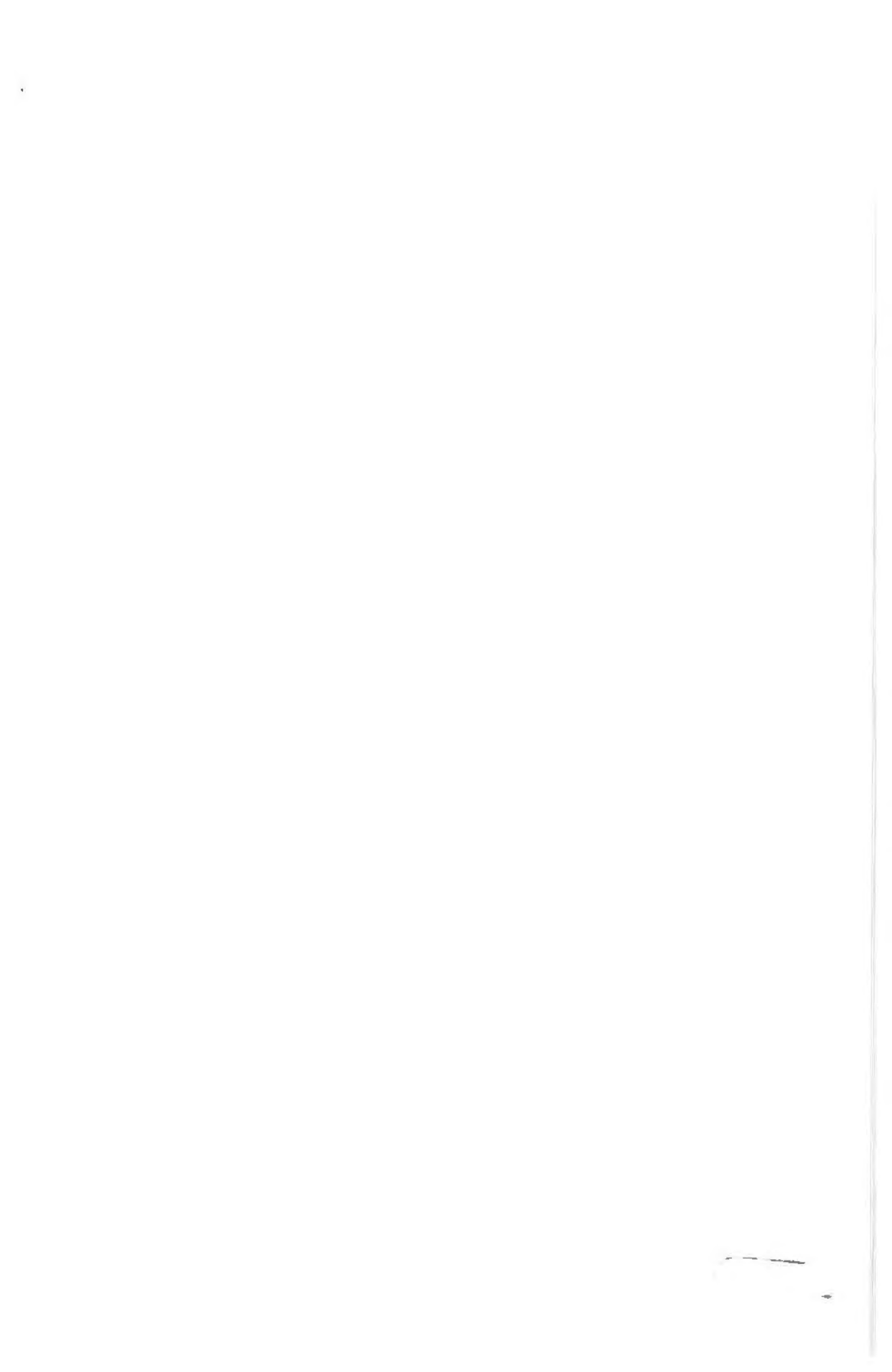
A More Visible Emergence

In its initial years, the Canadian Consumer Council deliberately adopted a low profile, choosing to be judged solely by its activities and achievements. The past year has seen a more visible emergence of the Council as more and more groups and individuals sought it out or invited its Chairman and other Council members to discuss matters relating to consumer affairs or specific aspects, with them.

A listing of the speaking and other assignments accepted by the Chairman in that capacity will serve to illustrate the variety of audiences of Canadians interested in the Council:

1. Viewpoint, CBC National Television Network
Tuesday, APRIL 27th, 1971 — "Corporate Responsibility"
2. Consumers' Association of Canada — Annual Meeting — Halifax, Nova Scotia, JUNE 7th, 1971 — "The Canadian Consumer Council — What Is It Doing for Consumers?"
3. Canadian Toilet Goods Manufacturers Association — Annual Meeting and Convention — Miami, Florida, JUNE 14th, 1971 — "Consumer Involvement"
4. The Canadian Institute of Chartered Accountants — National Convention, Winnipeg, Manitoba, Thursday, SEPTEMBER 9th, 1971 — "Changing Values and The Business Community"
5. Institute of Canadian Advertising — Annual Meeting and Conference, Montebello, Quebec, SEPTEMBER 24th, 1971 — "Trends in the Regulation of Advertising"
6. The Winnipeg Chamber of Commerce — Conference on Bill C-259 — The Canada Competition Act — Winnipeg, Manitoba, OCTOBER 20th, 1971 — "The Act and The Consumer"
7. The Advertising and Sales Club of Toronto, Toronto, Ontario — Luncheon Address — NOVEMBER 9th, 1971 — "The Current Climate of Consumerism: Messages To And From The Marketplace"
8. Junior League of Winnipeg, Winnipeg, Manitoba, Evening Meeting NOVEMBER 9th, 1971 — "The Consumer Revolution"
9. The Rotary Club of North Winnipeg, Winnipeg, Manitoba, DECEMBER 3rd, 1971 — "Consumerism and The Beleaguered Canadian Businessman"
10. Special article for *Canadian High News*, Toronto, Ontario publication — OCTOBER 1971 — "The Consumer As King"

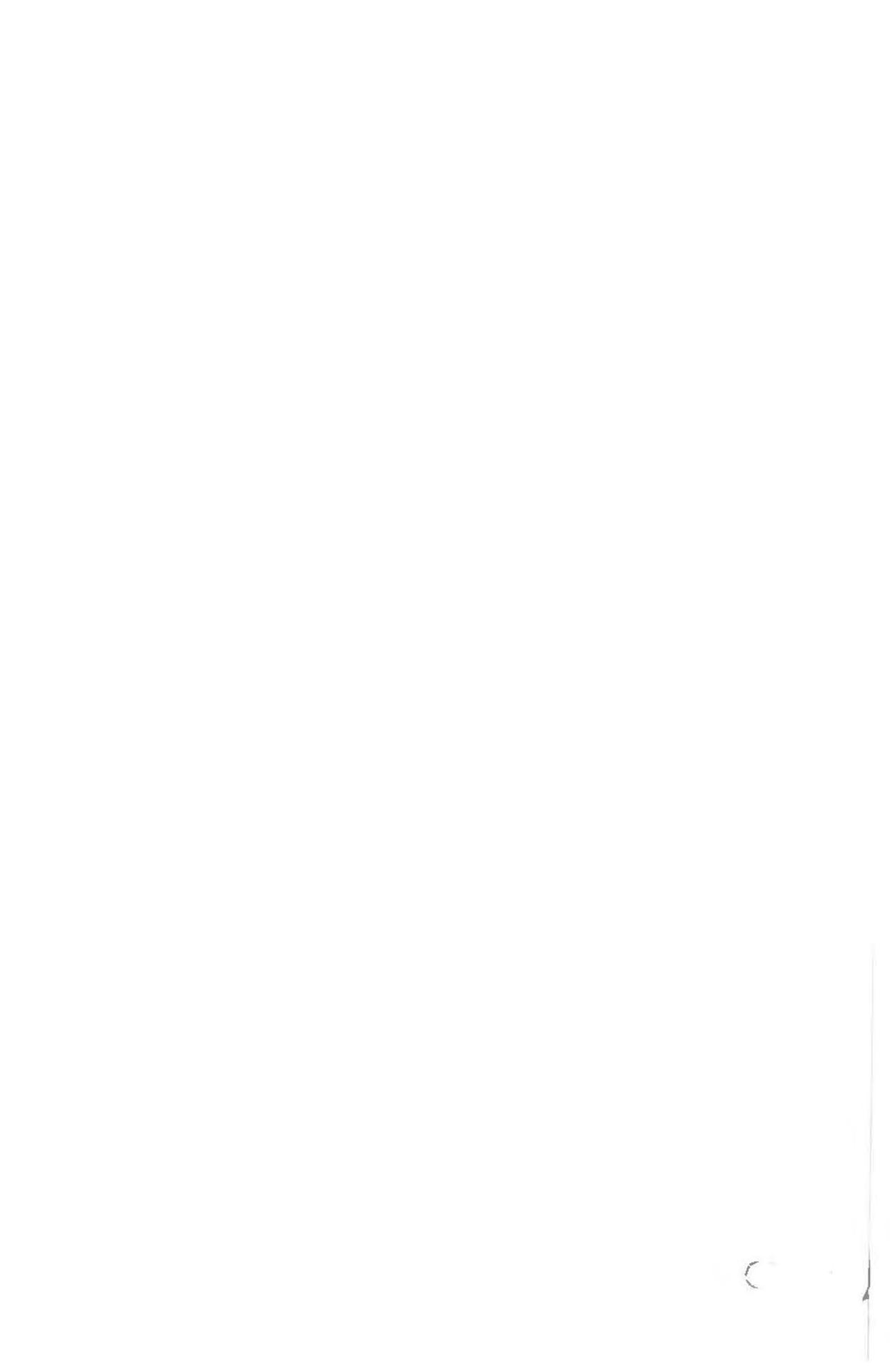
The number of commitments accepted by the Chairman for 1972 are, perhaps, more extensive.



E. CANADIAN CONSUMER COUNCIL: TERMS OF REFERENCE -

The following Terms of Reference were advanced by the then Minister of Consumer and Corporate Affairs in March, 1971, after consultation with the previous and the present Chairmen. They were adopted by the Consumer Council at its meeting on April 26, 1971.

1. The Canadian Consumer Council has been established in accordance with Section 7 of the Department of Consumer and Corporate Affairs Act which states: "The Governor-in-Council may establish a consumer advisory council to advise or assist the Minister or to perform such duties and functions as the Governor-in-Council may specify, and may fix the remuneration and expenses to be paid to the persons appointed as members thereof."
2. The Council shall report to the Minister on such matters as he may from time to time refer to the Council for advice and assistance in carrying out the duties of the Minister pursuant to Section 6 of the Department of Consumer and Corporate Affairs Act and such matters as the Council shall, in consultation with the Minister, see as advancing the interests of the consumer in the Canadian economy.
3. In the course of its work the Council may undertake studies, commission research, hold public meetings, and prepare reports and from time to time shall publish such reports and studies as it deems advisable after first having provided copies thereof to the Minister who may upon reasonable grounds advise The Council that publication is not in the public interest.
4. In carrying out the aforementioned terms of reference, the members of the Council, although sometimes chosen because of their membership in certain groups, will act as individuals drawing on their own experience, interest and wisdom in the consumer field, rather than as representatives of such groups.
5. In planning its program, the Council and the Department of Consumer and Corporate Affairs shall maintain close liaison to ensure that there is no overlap of endeavour and to ensure that the work of the Department and of the Council in carrying out the objectives of Section 6 of the Act can be evaluated in the light of their contribution to the attainment of the Government's consumer affairs objectives, taking into account the fact that public funds provide for the budget of the Council as well as that of the Department.
6. As it is essentially an advisory body to the Minister, it would be inappropriate for the Council to become a member of another organization such as the International Organization of Consumers Unions.
7. The Council members shall be appointed by the Governor-in-Council for a period of two years, subject to renewal.
8. The Chairman of the Council shall be appointed by the Governor-in-Council to hold office during pleasure for a term not exceeding two years.
9. The Council members shall serve without remuneration, but shall be entitled to reasonable travelling and living expenses in connection with Council duties as authorized by the Governor-in-Council.
10. The Chairman shall be paid such remuneration and expenses as are authorized by the Governor-in-Council.
11. The Council may hire such additional staff as they deem necessary, subject to the limits of manpower ceilings and dollar resources approved in the Council's annual budget and in accordance with the Public Service Employment Act and Regulations.
12. The Council shall meet at least three times a year.



F. THE CANADIAN CONSUMER COUNCIL: ITS ROLE AND FUNCTION

Members

There are presently twenty members forming the Consumer Council, whose terms of office are staggered as to retirement dates. They come from all regions of Canada and all sectors of the marketplace.

All Council members serve voluntarily and without remuneration. In 1971, for the first time since the inception of the Council, the Chairman has been designated as "part-time" and is paid an honorarium.

Appointments of the current Chairman, Vice-Chairman and Council members were made by Order-in-Council on March 28, 1971.

Operations

The Council is served by an Executive Director and secretariat who operate from offices located at 207 Queen Street in Ottawa.

First Executive Director was Mr. Gordon Anderson, who occupied that office until November, 1970. Mr. Leonard Lee served as Acting Executive Director until September, 1971, when he was succeeded by the current Director, Dr. David Bond, formerly of the Department of Economics, University of British Columbia.

The day-to-day business of the Council and its activities between Council meetings are carried out by the secretariat under the supervision of the Chairman. Research is conducted through the letting of contracts to qualified individuals and competent agencies throughout Canada. The Council has also from time to time engaged on staff a research associate to concentrate on particular projects, in addition to the research conducted by the Executive Director. Mr. Ken Rubin served in this capacity until January, 1971.

The Council secretariat are members of the Public Service of Canada.

Management of Council activities between Council meetings is delegated to an Executive Committee comprising the Chairman, the Vice-Chairman and three Council members. Special subject areas of concern to the Council are assigned to *Ad Hoc* Committees of Council members who operate as internal "task forces" of the Council. They assess the research and analyze the various aspects of the particular matter referred to them and formulate reports and recommendations which are then reviewed by the full Council before adoption.

The Canadian Consumer Council delivers its recommendations to the Honourable the Minister of Consumer and Corporate Affairs, and then is at liberty (subject to the constraints of public policy) to make them public in whatever manner it sees fit.

Council Consensus

The relevant criterion applied by members in the Council deliberations is that of advancing the overall consumer interest.

Full Council meetings are held only four or five times during the year. Consequently, the process of arriving at the resolution of proposals is not a speedy or cursory one, particularly as proposals receive careful individual and collective scrutiny.

Direction: The Frontiers of Consumerism

With limited time to commit by its members and with lengthy intervals between meetings, the Council has concerned itself primarily with broad policy issues, rather than some of the more immediate problems of day-to-day. Its activities to date reflect this thrust, in the main. At the beginning of the Council's 1971 year of operations, the Honourable Ron Basford articulated this thinking in the following terms:

" . . . It seems to me that a more useful function of the Council is looking ahead to *the frontiers of consumerism*, to those areas where the problems already exist, but for which no solutions have been proposed . . . The Council should be looking ahead to propose to me how we should tackle consumer problems which will remain to be dealt with after we, as a department have dealt with the more obvious, more immediate problems and the more immediate solutions. I want to suggest that the Council should be, I think, in its work trying to constantly suggest to me where we should as a Department of Consumer Affairs be starting to do research, starting to find answers, starting to plan in the legislative sense and should be telling me where we should be trying to find the solutions at *the frontier of our knowledge* and *the frontier of the problems*."

And he augmented these comments at the Council's September 26, 1971 Council meeting in Vancouver:

"At the last time I met with you, I spoke about the role and purpose of the Council, as I saw it. I stressed that it was an advisory body to me, not to my Department, and that it should serve as an extra source of considered advice and ideas on consumer problems. Your very diversity should, I think, lead to balance in your advice, which should lead less to immediate day-to-day concerns than to long-term problems. As I said before, the Canadian Consumer Council should be looking ahead, *beyond the frontiers of consumerism*, to those areas where problems are readily seen to exist, but for which no solutions have yet been proposed."

While the Council acknowledges that the main emphasis of its mandate involves charting these frontiers from time to time, either at the request of the Minister, on its own initiative, or on the basis of suggestions from outside groups and individuals, nevertheless matters of a more current nature and concern are reviewed and recommended upon.

It is this underlying philosophical approach which serves to guide the Council in its activities and the selection of priorities in which to apply its efforts and resources.

Research

Because of its nature, the Council has seen itself as being ill-equipped to deal with the relatively narrow problems of a short-term or current nature, except on a fundamentally "reactive" basis. It has, therefore, confined itself to consideration of recurring and broader matters of public policy.

Budgetary considerations limit the Council to a small staff, and have significantly shaped the direction and nature of the Council's activities. It has been the Council's policy to contract out the bulk of its research requirements and to work actively with and through other individuals and already existing organizations in the field which have greater resources for carrying out programs. In this way, the Council is able to co-ordinate and encourage efforts by other agencies which they are better equipped to conduct in terms of both time and budget. One of the

Council's major roles is seen as helping bring together the many groups active in consumer affairs, providing a vehicle for communication and co-ordination of such activities.

In addition, the Council has undertaken a large number of specific activities and research projects itself.

Research activities by the Council are not limited to contracting for studies and surveys. The Council itself has "gone into the field" to organize forums, symposia, and seminars to expose Council members at first hand to the problems, concerns, and solutions under review. In this context, the Council held a Forum on Low Income Consumer Problems in Winnipeg in November, 1970, and a Seminar on the recommendations respecting consumer bankruptcies of the Federal Task Force on Bankruptcy in Vancouver in September, 1971.

Perhaps one of the ideal methods of research operation has been the Consumer Council's approach to the problem of misleading advertising in Canada. When the Council first embraced this area of genuine consumer concern, it set about its task by initially engaging a study of the precise nature of the problem, what regulations presently exist, how the courts are dealing with them, and the comparative experience elsewhere (particularly in the United States and the United Kingdom). The study, by Ronald I. Cohen, a Montreal lawyer, was over a year in the preparation and has become an excellent resource tool for all who are concerned with the topic.

Following the publication of the Cohen study (*The Regulation of Misleading Advertising in Canada: A Comparative Approach*), the Council organized and conducted a symposium on misleading advertising in Montreal in December of 1970. Advertisers, the advertising industry, government officials, academics, consumer representatives, and those with a special interest in and knowledge of the subject attended and participated. Well-considered presentations were given. A very meaningful dialogue ensued in which views were freely exchanged and challenged. The result has been a further important contribution to recorded thinking on misleading advertising in Canada.

This total exercise formed the basis of the Council's Recommendations on Misleading Advertising in September, 1971, in its reaction to Bill C-256, the proposed *Competition Act*.

(It also was in concert with the Council's concern about dialogue in the marketplace. In the view of Council members, one of the most significant problems in the field of consumer affairs is the lack of communication among consumers, business, government and other organizations in the field. The Council has addressed itself as a matter of high priority to the difficult task of improving such communication, a task for which its members feel the Council is uniquely suited by virtue of its composition and its posture on the Canadian scene.)

Fundamental to the Council's existence is its view that research and publication are important prerequisites to public pronouncements or policy recommendations. A brief catalogue of Council reports, working papers, background studies and publications since the inception of the Council is included in this Annual Report as Appendix "C".

G. FINANCIAL REPORT

FINANCIAL STATEMENT 1971

Personnel and Wages	\$24,291
Transportation and Communication	23,590
Information	1,340
Professional and Special Services	28,019
Rentals	2,579
Utilities, Materials and Supplies	4,676
Other	748
TOTAL	\$85,243

H. THE CANADIAN CONSUMER COUNCIL: A BRIEF HISTORY

Origin

In December 1967 assent was given to Bill C-161 establishing a Department of Consumer and Corporate Affairs. Section 7 of that Act provided for establishment of an advisory council to the Minister, as had been urged by the Economic Council of Canada in its *Interim Report on Consumer Affairs and the Department of the Registrar-General*, July, 1967.

Members

The first members of the Canadian Consumer Council were appointed by Order-in-Council of the federal Cabinet in November, 1968, and held their initial meeting in December of that year. Originally there were twenty-four members, one half appointed for two-year terms and the remainder for only one year. At present there are only twenty.

The first Chairman of the Council was Dr. David S. R. Leighton, formerly Professor of Marketing at the School of Business Administration of the University of Western Ontario, and currently Director of the Banff Centre. He was appointed in the summer of 1968 and served until the end of 1970. Under his guidance and leadership, the Council took shape and form and initiated many of the various studies and projects which began to achieve fruition during 1971. Dr. Leighton continues as a member of the Council.

Vice-Chairman during the Council's two-year period was the Honourable Réjane Laberge-Colas of Montreal, the first woman appointed a superior court judge in Canada.

Previous Council members include Judge Mary Batten, Saskatoon; M^{me} Carmelle Bérubé (Association Coopérative Féminine), Quebec City; Irénée Bonnier (Fédération des Caisses Populaires Déjardins), Lévis, Québec; Arthur J. E. Child (Burns Food Ltd.), Calgary; G. C. Clarke (Standard Brands Ltd.), Montreal; François Cleyn (Cleyn & Tinker Ltd.), Huntington, Quebec; John Fryer (British Columbia Government Employees' Union), Victoria; Mrs. Jean Jones (immediate past president of the Consumers' Association of Canada, Dundas, Ontario; Andrew Kershaw (Ogilvy & Mather Ltd.), Toronto; Senator E. M. Lawson (Teamsters Joint Council No. 36), Vancouver; Arthur Leblanc (United Maritime Fishermen), Halifax; M^{me} Antonio Paradis (Cercles des Fermières), Ancienne-Lorette, Québec; Mrs. Gwen Robertson, Ottawa; Mrs. Glenora Slimmon (former president of the Consumers' Association of Canada), Winnipeg; Miss Anna Templeton (Newfoundland Department of Education), St. John's; Leon Weinstein (formerly with Loblaw Groceries Co. Ltd.), Toronto; and Professor Jacob Ziegel (York University), Toronto.

Guidelines and Procedures

In its early deliberations, the Council evolved certain procedures and policies designed to guide its efforts. These came about from discussions and dialogue between the then Minister of Consumer and Corporate Affairs, the Honourable Ron Basford, with the Council and amongst Council members themselves.

At the time of the Council's meeting in December, 1968, Mr. Basford

offered the following guidelines as an aid to the launching of the Council's program:

" . . . What we in Consumer Affairs are trying to do is right the balance a little and, in doing so, trying to make our mixed market economy work a little better than it does at present.

On that basis, I believe it is possible for men and women drawn from various sectors of our economic life to come together here to discuss the problems facing the consumer and to reach agreement on how to adjust the balance of power between producer and seller. Any improvement that can be made to the consumer's position will make our economic system perform more effectively and thus help everyone."

"Each of you has been chosen for your particular knowledge, in the belief that together you represent our society. I expect that your advice will be tendered on the basis of your personal experience and wisdom. I appreciate the fact that many of you are also leaders in your field and often act as spokesman for a particular organization or section of the economy. However, you have not been chosen for your ability to speak for a special group — be it producer or consumer — but rather you have been chosen on the basis of your own merit. I repeat, it is your personal advice that we are seeking. In my work, I can be governed by only one standard — the standard of the public interest. I know the same will apply to your work and to your deliberations."

"In every statement that I have made about the operation of the Council, I have stressed the independence of its advisory role. In arranging for the establishment of the Council, I have provided for an independent staff and independent funds for research. When I seek your advice, or when you choose to offer your advice to me, I look for your thoughts, your ideas and your recommendations . . . "

"I expect that as an advisory body you will offer your advice to me in the first instance. However, I intend to make that advice widely known, and the Council should also feel free to do so in any way that it sees fit."

" . . . You have the opportunity to explore the whole spectrum of consumer problems, to seek solutions and to recommend action . . . "

" . . . One of your main tasks is to improve the quantity and quality of the dialogue between producer and consumer."

These directives were discussed from time to time by the Council, and a concept of the Council's role and function emerged; the main dimensions of this concept are as follows:

1. The Council is designed to bring a wide variety of viewpoints to bear on issues of concern to consumers. It does not represent any single group or segment within our society.
2. The members of Council, although chosen in some cases because of their membership in certain groups, are not representatives of those groups. The views they express are their own, and are sought because of the individual's personal expertise or experience. The relevant criterion to be applied is that of the overall public interest.
3. The Council is an *autonomous* body, speaking independently of the views of government or other bodies. While cognizant of the problems of different jurisdictions, it does not consider itself limited in its interests by constitutional constraints.
4. The Council, while offering its advice and counsel first to the Minister, retains the right to publish its views in a form and manner which members themselves determine.
5. The fundamental goal of the Council's activities is to improve the consumer environment, and to remove those imperfections which operate contrary to the most efficient and productive allocation of resources.

Early in 1971, as a result of discussions between the Honourable Mr. Basford and the current Chairman, more formalized Terms of Reference for the Council were adopted. They crystalize, clarify and extend the thinking and operational bases of earlier Council activity. (The Council's Terms of Reference are reproduced in full as a separate chapter to this Annual Report.)

Activities

In his transmittal letter to the Second Annual Report, the previous Chairman observed:

"The following report details Council's output from (its) various activities. It is, I think, an impressive list of accomplishments for a voluntary group working with minimal staff and a modest budget. Full credit for this must go to the Council members themselves, for the positive and constructive effort which underlies the many research studies, reports and recommendations. The year's results offer some measure of vindication for the concept of an independent advisory council representing diverse interests.

It should be emphasized that in all these activities, Council members insisted on research and documentation as a basis for their recommendations. As a result of such studies and the work of other organizations in the field, a body of research on consumer topics is beginning to emerge in Canada. This bodes well for the future, for research is surely fundamental to intelligent public policy and its effective administration. One of the very significant functions that Council sees itself performing is the generation and dissemination of such research."

Recommendations by the Council to the Minister of Consumer and Corporate

Affairs to the end of 1970 include:

1. *Consumer Credit* — In November, 1969, the Council made seven key recommendations to the Minister which, in total, suggest a comprehensive consumer credit act. Areas of concern included the *Small Loans Act*, a federal disclosure act on loans up to \$25,000, regulation of credit cards, relief for the over-committed debtor, consumer promissory notes, the establishment of a "corps" of consumer credit experts in the Federal Department, and a *Federal Consumer Credit Protection Act*.
2. *Standards* — Also in November, 1969, the Council sent two specific recommendations to the Minister. With respect to the then pending enactment of the *Canada Standards Council Act*, the Council emphasized the need for standards for consumer products, and the requirement that there be adequate consumer representation on the Canada Standards Council when it is established. In this latter regard specific recommendations concerning the membership of this Council were made to the Minister in June 1970, in response to his specific request.
3. *Referral Selling* — In March, 1970 the Council condemned "in the strongest terms" the practice of referral sales and recommended (a) such practices become criminal offences under the Federal Combines Act, and (b) that the Provincial legislatures enact legislation declaring such transactions void.
4. *Sales Tax on Margarine* — Also in March, 1970 the Council urged that the 12% sales tax on margarine be removed.
5. *Competition Policy and Combines Legislation* — In May, 1970 the Council released its recommendations concerning pending legislation in the field of combines and competition policy. Nine in number, they expressed the Council's concern that any new legislation contain specific provisions as they were spelled out to ensure the rights of consumers.
6. *Hearing Aids* — The Council has forwarded a detailed memorandum to the Minister commenting on the report of the Interdepartmental Committee on

Hearing Aids, pointing out its weaknesses and recommending corrective measures.

7. *Deceptive Selling Practices* — Based on a study for the Council prepared by Mr. Frederick Rowell, a law student at Osgoode Hall, the Council made a series of recommendations to the Honourable Mr. Basford. These call for intensive action and procedures at both the Federal and Provincial levels, which would outlaw and penalize these practices, as well as a concerted program of publicity and consumer education.

APPENDIX A

REPORT OF THE CANADIAN CONSUMER COUNCIL
ON MISLEADING ADVERTISING

(As Passed At The September 26, 1971 Meeting of Council Vancouver, B.C.)

901 Paris Building,
259 Portage Avenue,
Winnipeg 2, Manitoba,
September 26th, 1971.

The Honourable Ron Basford,
Minister of Consumer and Corporate Affairs,
House of Commons,
OTTAWA, Ontario.

DEAR MR. MINISTER:—

I am pleased to transmit to you the Report and Recommendations of the Canadian Consumer Council on Misleading Advertising in Canada, adopted by the Council at its Meeting held in Vancouver on Sunday afternoon, September 26th, 1971.

The Report is the result of over two years of study by the Council highlighted by:

- (1) an extensive research work by Ronald Cohen, Montreal, commissioned by the Council; and
- (2) a Symposium on Misleading Advertising conducted by the Council in Montreal in December, 1970.

In addition, the Report gives some of the Council's initial reactions to the proposed *Competition Act* (Bill C-256 of the current Session of the House of Commons), and particularly, those aspects which deal with misleading advertising and deceptive sales practices.

Respectfully,

HAROLD BUCHWALD

Chairman



P.S.

Your attention is respectfully directed to our 1970 recommendations concerning deceptive selling and advertising practices in general. That particular report, of course, ought to be viewed as a first stage of our recommendations, and the report attached as a second stage.

I. Introduction:

In December, 1970, the Council sponsored a Symposium on Misleading Advertising. The meeting was held in Montreal, and Council members, representatives of government in both Canada and the U.S., consumer spokesmen, and business representatives attended. In preparation for the Symposium, the Council had commissioned an extensive research work by Ronald Cohen, now of the Faculty of Law of McGill University.

These views of Council are a result of the Montreal discussions, an appraisal of the Cohen paper, and a study of Bill C-256, the proposed Competition Act, given first reading on June 29th, 1971, and introduced by our Minister, the Honourable Ron Basford.

It is the Council's hope that this report will serve as the 'springboard' for further action and study in the area of Misleading Advertising, and that the public interest might thereby be further advanced.

We are concerned with the elimination of deceptive and misleading advertising in Canada. This is not to minimize the gravity of the on-going debate about the social and cultural implications of consumer advertising, but rather to pinpoint the coverage of this Report. The question of advertising to children, for example, is a much discussed topic today, but our interest in that debate is restricted for the moment to supporting any reforms necessary to stop the advertising of misleading messages to a children's audience.

II. Principal Concerns:

1. *The Ambit of Misleading Advertising*

Bill C-256 specifically extends the provisions on misleading advertising to commodities and services in the marketplace, thereby avoiding some of the anomalies between goods and services under the present Combines Investigation Act. The Competition Act also represents an advancement for the consumer interest in its express extension of coverage to 'point of sale' advertisements, to salesmen's representations, and to specific requirements concerning testimonials, bait-and-switch selling, adequate stocking of bargain priced commodities, and to the control of promotional contests.

The Council also notes the adoption of the "Credulous Consumer" test by which the allegedly misleading character of any advertising representation is to be measured. In sum, the Council warmly supports the intent and coverage of the Misleading Advertising provisions. At this time, however, we would like to note the following reservations: (a) It may be questioned whether the provisions of the proposed Competition Act, particularly section 20, adequately cover the type of advertising which specializes in half truths, and omits pertinent qualifications or facts about the commodity or service advertised. The deceptive omission ought to be more clearly included, since it may be questioned whether the phrase "misleading representation to the public" will cover such situations satisfactorily.

(b) It is difficult to understand why "services" are not covered in section 21 (Representations as to Reasonable Test and Publication of Testimonials) and section 24 (Bait-and-Switch Selling). It would be very helpful, therefore, to keep a consistent approach of including commodities and services in all of the misleading advertising provisions of the proposed Competition Act.

(c) There is some doubt whether the present law adequately protects consumers from misleading advertising, when these consumers form a 'bloc' distinct from the general public, whatever the size of market concerned. Thus, in a recent, unreported case, under the Combines Investigation Act in Toronto, a preliminary objection succeeded on the ground that the advertisement in question had been sent as part of a mailing programme to existing credit card holders of a large oil company. The argument was that such consumers had not received an "advertisement" as that connotes a representation to the consuming public, and they only formed part of a 'special group' or "captive" audience. This Council submits that such an interpretation is unduly restrictive and undermines the protective intent of the legislation. In line with this view, it is our suggestion that the provisions of the proposed Section 20(2) of the Competition Act be changed to accommodate such "limited public" situations.

2. *Publicizing the Role and Responsibilities of Government*

The Council respectfully urges the establishment of a vigorous and imaginative publicity system within the Department of Consumer and Corporate Affairs to keep both consumers and industry informed of developments in competition law generally, and in the field of false advertising law in particular.

Although it is not the purpose of these recommendations to deal with problems of competition problems in general, it is obvious that the scope of the proposed Competition Act is sufficiently broad and enforcement oriented to warrant a publicity system of its own.

From the point of view of the development of false advertising law alone, though, such a system, even on primitive lines, is certainly warranted.

It is basic to the effectiveness of any government programme of this nature that the public be informed. Box 99 at the present serves primarily as a "listening post", and it may be doubted whether the Consumer Communique is an effective, educational tool, at least for the vast majority of Canadians.

Publicity, of course, serves several purposes. On the forefront of consumer help, publicity would be a means of alerting the consumer of certain types of deception and hopefully in advance of being harmed. It also serves as an educational tool to the businessman who would constantly be in touch with the attitudes of both the government (in terms of the kinds of practices in respect to which prosecutions were being instituted), and the courts (in terms of what the judges consider to be unfair competitive practices). And, of course, news releases issued upon

the institution of any and all proceedings, and the results thereof, would serve as a serious deterrent to offenders to whom bad publicity is anathema.

Neighbourhood-level programmes offer particular potential, the development of community cable systems poses further opportunities, and the involvement of younger consumer advocates through a more permanent Opportunities for Youth Programme would be other avenues to explore. Our principal point is that an imaginative publicity system could be a very powerful ally in terms of general public awareness and in terms of self-enforcement by consumers and business of misleading advertising laws.

3. *Government Guidance for "Good Industry Practice"*

The advertising industry in Canada has long asked for draft guidance rules which would spell out how the Federal authorities interpreted the misleading advertising laws and indicated how they might apply them in given situations. The industry has long voiced the complaint that the present system under the Combines Investigation Act all too often amounts to guesswork on the part of the advertiser, since the jurisprudence has only recently been developing. The serious nature of a criminal offence under the Combines Investigation Act, it was argued, surely called for a more definitive and predictable system of interpretation and enforcement by the Department of Consumer and Corporate Affairs. The chequered realities were also affected by circumstances outside the Combines Investigation Act, such as separate pre-clearance programmes administered by the Food and Drug Directorate of the Department of National Health and Welfare, and by the Commercial Acceptance Department of the Canadian Broadcasting Corporation. To receive pre-clearance or a sort of approval from either group, it was noted, did not affect the advertisers' potential liability under the Combines legislation.

To a considerable extent, the Council feels that such views have not been persuasive. Thanks to the Annual Report of the Director of Investigation and Research under the Combines Investigation Act, to frequent Ministerial statements, and to the 'open door' policy of the Director to discuss any planned advertising campaign, there really has been little element of surprise in the Department's administration of sections 33C and 33D of the Combines Investigation Act. Moreover, it may be questioned whether the jurisprudence as it has developed, particularly in the last three years, has been as equivocal as some industry sources would have us believe. All we are saying is that the principle provisions of the Combines Investigation Act have been relatively easy of interpretation, and if there is a complaint to be made, it is that the terms all too frequently went against the consumer interest, rather than the advertiser interest, *viz.*, the failure to cover services in section 33C.

These remarks are not to deny the general public benefits of any system of legal regulation which enhances the likelihood that those in the marketplace will understand what is being demanded of them, and will take steps to shape their conduct to the lawful norms from the outset. Hence, even with the tendency of the proposed Competition Act, in

sections 20 - 26, to deal very specifically with different types of misleading advertising practices, it is the Council's opinion that the Act ought to provide for the publication of advertising guidance rules by the Competitive Practices Tribunal. Although the Act provides that the Tribunal may formulate draft guidance rules (section 44), the power was not given to the Tribunal to formulate such rules in the area of false advertising, or deceptive practices in general. The purpose of such rules would determine what is fair and unfair in terms both of definitions and of advertising practices in given trades or industries. For example, a particular set of rules would spell out the organizational steps that ought to be taken by a contest promoter to comply with intent of section 26.

Participants at the Montreal Symposium appeared to be largely in favour of such a power for such an administrative authority, and indeed the proposed Competition Act in general does recognize the value of such a rule-making power. Without belabouring the point, such a power assists government, industry and consumer alike in eliminating some of the uncertainty which inevitably accompanies general law and would favour the development of clear and comprehensible rules formulated by experts at an administrative level, rather than by non-experts at a judicial level on a case by case system.

4. *Self Regulation by the Advertising Industry*

The deliberations of the Montreal Symposium were greatly assisted by the participation of members of the advertising industry in general, and the representative of the Canadian Advertising Advisory Board in particular. The Board involves representatives from advertisers, advertising agencies and the media, and through its Code of Advertising Standards, it has sought since 1963, to promote and encourage adherence to its self-developed, National Advertising Standards and Practices. The advantages and the limitations of any attempt at self regulation have often been enumerated and it is not our purpose to engage in that debate at this point. We are concerned, however, that the following matters be favourably considered by the Canadian Advertising Advisory Board.

It is quite unfortunate for a professed national self-regulatory group to have awesome industry gaps in its membership ranks. The C.A.A.B. unfortunately does not include retail advertisers. Since much of the abuse in advertising is centered in retail campaigns, this coverage gap is particularly grievous. We understand that preliminary steps have been taken to include retail advertisers within C.A.A.B. ranks.

Secondly, in its surveillance and enforcement procedures, the C.A.A.B. lacks the representation of the most important body of individuals, namely, the general public. The omission of the consumer interest from direct participation in the analysis of complaints brought before the Board, this Council suggests, must be corrected immediately. The inclusion of representatives from consumer groups in itself may not change the results being achieved under the present system but the existing system only enhances the suspicions attached to any closed system of appraisal which professes to act in the larger public interest. We do note, with interest and approval, the recent C.A.A.B. decision to include

consumer representatives in its review structure dealing with advertising to children. Hopefully, the precedent will spread to its other activities.

Finally, it is suggested that the steps taken by the C.A.A.B., once they find a violation of their Code of Advertising Practices, be publicized, even if it means taking advertising space to spell out the Board's displeasure with a practice that is going on. It is suggested that the credibility and effectiveness of this attempt at self-regulation would be enhanced if its own advertising pointed to actual examples of action taken rather than selling self-regulation as the cure for questionable practices by advertisers and the media.

5. *The Substantiation of Advertising Claims*

Where an advertiser "directly or indirectly" makes any claim or representation as to the efficacy, performance, quality, price or other attribute or characteristic of his product or service, he ought to be prepared to substantiate his claim upon inquiry. All too frequently an advertiser may cite "competitive reasons" for refusing to give details of the tests or market analyses which supposedly back up his product claims, and on other occasions, an inquiring consumer might simply be told that a government body like the Food and Drug Directorate, or the private pre-clearance machinery of the Canadian Broadcasting Corporation has "approved" the supporting documentation and that public disclosure or discussion is not welcomed.

The Council is of the general view that any consumer has the right to ask an advertiser to substantiate claims made for its products or services. In the United States, the Federal Trade Commission has recently announced a new programme of enforcing such a principle of substantiation of claims. Their present plan is to establish a form of 'data bank' into which national advertisers would be required to feed this supporting documentation. Consumers and any public interest group would be then free to call on the data bank to assess the adequacy of the stored information. A separate proposal before the U.S. Senate would simply transfer the 'Right of Request' directly to the consumer, and away from the data-gathering responsibilities of the Federal Trade Commission. This Council, at this moment, is more concerned with the acceptance of the principle of advertiser substantiation, rather than the actual mechanics of implementing any such scheme. It may well be that a vigorous and visible form of self-regulation by the advertising industry itself would be the preferable mechanism for recording the data and allowing public access to it. The system as it presently exists would be unchanged by the proposed Competition Act, and the Council earnestly asks for favourable consideration of this principle of public disclosure.

6. *The Onus on the Advertiser — Further Considerations*

Reference has been made at several points in the preceding remarks to the general recommendation that an advertiser ought to be prepared and able to substantiate all advertising claims, made directly or indirectly, to the consuming public.

The Council has several shorter recommendations to make on the question of onus as it applies to the provisions of section 20 of the proposed Competition Act.

The onus has been shifted to the advertiser to substantiate his allegations concerning ordinary price in section 20(1)(d) of the Competition Act. It is not clear why the onus has not similarly been shifted in section 20(1)(c) concerning warranties, repair or service promises, etc. Moreover, section 20(1)(b), concerning representations as to performance, efficacy, or length of life, is mystifying in this regard since the onus was formerly on the accused in section 33D(2) of the Combines Investigation Act. Since both subsections involve specific claims, there is a strong argument to be made for placing the onus upon the accused to substantiate his claim.

On the general question of the onus on the advertiser to substantiate his advertising claims, the Council reiterates its suggestion made above that advertisers at a minimum ought to be made responsible for making available documentation substantiating any claims which they might make and in this regard attention is directed to the provisions of section 20(1)(a) (making a misleading representation to the public).

7. *"Corrective" Advertisements*

In recent months the Federal Trade Commission in the United States has indicated its intention to force misleading advertisers, in appropriate cases, to devote a share of future advertisements over a given time period, to acknowledging the misleading features of previous ads attacked by the F.T.C. The programme has attracted much attention and comment. Its chief attraction to consumer spokesmen is the argument that misleading advertisers under the system would have to give roughly comparable coverage and publicity to the Notice of Correction as was accorded the originally deceptive advertisement. Thus, the argument goes, a certain "equilibrium of honesty and equal time" will be achieved, and the advertiser will find that it is far more commercially onerous to run corrective ads, than to simply pay a fine. Critics of the proposal question such matters as the mechanics of implementing such a plan given the variables of media choice, changing ad budgets, the development of new product lines and the discontinuance of old ones, and whether consumers will in fact even be able to relate the corrective ad to the original advertisement.

The Council is not presently in a position to evaluate the proposal in any depth. Study and implementation of such an approach is only in its initial stages in the United States and it may be that we in Canada would do well to watch the American experience for a longer period before we do anything. Yet, such a "wait and see" attitude ill serves the primary responsibility of our own government to press ahead with innovative research and to consider imaginative sanctions to apply to misleading advertising offences. We simply question whether a system of sanctions founded primarily on fines (and supplemented by the provisions governing 'double damage' claims) satisfies the response that could be taken against misleading advertising practices as found by the courts.

This Council does urge further research in the development of sanctions to be available to a court upon its finding of an offence. Statements by the Minister suggest that consideration of Bill C-256 will take place over a prolonged period, perhaps over a year, and fresh consideration of other sanctions to apply to misleading advertising offences could profitably be undertaken in that interval.

In this connection, this Council respectfully asks the Minister to direct his departmental officials to study the pros and cons of corrective advertisements and report their findings to the particular Standing Committee of the House of Commons, that we presume will hold hearings on Bill C-256.

8. *Provincial Initiatives*

The provinces are jurisdictionally capable of regulating false advertising, and they must begin to shoulder the responsibility of enacting and enforcing legislation in this area.

Without doubt, the most critical legislative vacuum in this area resides with the provinces. For whatever reason, the provinces have neglected to enact the statutes which could effectively control deceptive practices in view of the broad jurisdiction which they possess under the British North America Act. It may be questioned, for example, whether the new consumer protection legislation in Quebec deals significantly with false advertising. Even in Ontario, while legislation contains a broad false advertising provision, little direct use has been made of the provision, apparently for lack of funds or personnel or both.

It would clearly be desirable to have uniform provincial legislation relating to deceptive practices, but it is even more important in the short run for action of whatever nature to be taken by the provinces in an effort to combat consumer fraud. Where provincial registrars, or similar officials exist, they should be given the power to enjoin deceptive trade practices, allowing appropriate appellate relief to offenders. Provincial legislation could also provide penalties, perhaps even punitive damages, as well as the authority to seek the annulment or dissolution of corporate charters or the revocation of licenses of extraprovincial companies to do business in the province affected.

To these deterrents could be added provisions allowing for provincial authorities to take on consumer actions in the civil courts since all too often it is uneconomic for an individual consumer to press his rights in the courts.

Serious study, both at the federal and provincial level ought to be commenced on the concept of class or group actions by consumers. The concept of citizen enforcement of consumer protection laws deserves fresh and intensive analysis. As debate in the United States has shown, there is great interest in giving consumers the capacity to combine similar claims and use the court system to resolve disputes with those providing goods and services in both the public and private sectors. The introduction of class actions (e.g. car buyers suing to recover their losses in the case of misleading price advertising by one of the car makers) deserves research and analysis lacking at the moment in Canada.

9. *Consumer Participation in the Enforcement of Misleading Advertising Laws*

The present Combines Investigation Act contains a provision surprisingly omitted in all other federal and indeed, provincial consumer protection legislation, whereby any six Canadians are empowered to force the government to commence an inquiry to determine if the legislation has been apparently violated. This power of consumer petition, it is our impression, has not been abused, and indeed has been acted upon in a most constructive manner by interested citizens. We are pleased to see that the proposed Competition Act retains the right of Canadians to force an enquiry into market practices that they suspect or fear are or will be in violation of the statute. Any six people over 18 years of age and residing in Canada, are empowered by Bill C-256, to have the Act's Commissioner, as he is called, launch an inquiry. The range of activities that can be studied is extensive — anything related to price fixing, market rigging, misleading advertising, bait-and-switch schemes, referral selling, pyramid distributing and promotional gimmicks.

We are most concerned that this right to call for an inquiry be publicized to consumers across Canada and that the steps with which the machinery is to be implemented are left relatively informal.

The Council also records its appreciation of the terms of Bill C-256 which assure, to a very high degree, that such group applications for an inquiry will be acted upon and any reasons for discontinuance of the inquiry communicated to the applicants in a timely and fully disclosed fashion. Subject to our previous request that the concept of group or class actions be investigated with some urgency, the Council supports most heartily the provisions of the proposed Competition Act that would allow an aggrieved consumer to recover double damages against, *inter alia*, an advertiser convicted under the legislation, either by way of submitting his claim to the court hearing the Crown's case, or by proceeding separately in a civil suit. Again, it is the hope of Council that every effort will be made to acquaint consumers with their rights under the Competition Act as it could well represent the most important piece of legislation in the consumer interest in Canada this century.

10. *Subsidizing Consumer Participation in the Committee System Examining Bill C-256, The Competition Act*

Bill C-256 may well rank as the most important legislative measure affecting consumers to have been introduced at the federal level in decades. The Bill is nothing less than the official blueprint of public policy on the type of market system that will be sought to serve the needs of all Canadians.

There is every likelihood that there will be prolonged public hearings on the Bill, using the Committee system of the House of Commons and the Senate. While our principal concern in this Report has been with the relatively few sections concerned with misleading advertising practices, it is impossible to ignore the fact that the Bill has approximately 100 other sections concerned with a vast range of complex considerations affecting market structure, mergers, other prohibited practices, the establishment

of a Competitive Practices Tribunal and the Office of the Commissioner, and so on. We believe it essential to the proper functioning of the Committee hearing system that every possible step be taken to ensure that the views of all interested parties are given every opportunity for a full and fair hearing.

We further believe, in respect of such a technically and professionally demanding legislative proposal such as Bill C-256, that to merely provide an opportunity for consumer representations in such a forum may not be fully adequate. It is our impression that no consumer group in Canada presently has the staff resources and concomitant budgetary flexibility to put together the well researched brief on such a major legislative proposal as Bill C-256. We would argue that the consumer interest to be articulated by the Consumers' Association of Canada, for example, would, on many issues raised by Bill C-256, be distinct from the larger public interest which is ultimately entrusted, of course, to Parliament.

That the public interest may not be synonymous with the consumer interest is recognized in the formation of the Department of Consumer and Corporate Affairs, one of whose principal duties is to promote the interests of Canadian consumers, a duty that the Minister and his Department have taken up with commendable enthusiasm.

The acceptance of this responsibility is not to be confused, however, with the need for a separate, prodding guidance and leadership from organized consumers themselves. Mr. Basford on several occasions has argued for the preservation and development of a separate and viable consumer constituency. This is the essence of any participatory democracy and it is our view that a most visible and constructive occasion for its implementation occurs when proposed legislation is being scrutinized at the Committee level.

We are confident that there will be no lack of industrial, labour and general business briefs and appearances on Bill C-256 at the Committee stage. We are apprehensive, however, that without some measure of public subsidy on this particular Bill, that the resources for direct and distinct consumer representation at the Committee stage may simply be inadequate. This is not to disparage in any way the dedication and vigor of those that would in fact appear, for example, on behalf of existing consumer groups. They would be the first to admit, however, that their briefs were worked up over spare week-ends with such advisory assistance as they could obtain on an ad hoc and gratuitous basis. Such a consumer presence, this Council feels, is not good enough in a parliamentary system which gives new emphasis to interest group advocacy in the study of nearly all major legislative proposals.

In recent years there have been more than a handful of precedents for government funding of various consumer groups with one of the purposes being the development of a representational capacity and expertise to express the consumer interest, be it at the municipal, provincial or federal level. One may point to the funding of a consumer action group in Montreal by the Department of Consumer and Corporate Affairs, for example, or to choose another example, to the assistance given by other departments of the federal government to local and regional rate-

payer groups, etc. We believe that Bill C-256 presents an invaluable opportunity to support consumer advocacy at the national level, and for a very particular and specific purpose. We therefore suggest that the Department of Consumer and Corporate Affairs seriously consider the acceptance of the principle of a research subsidy for consumer representation on Parliamentary Committee hearings on Bill C-256. The Consumers' Association of Canada would be the logical recipient. The size of the advocacy subsidy would be a matter for further calculation although it would have to bear some relation, of course, to the cost of putting together a carefully researched, interdisciplinary brief. At this point in time, the Council is more concerned with the question of acceptance of the principle.

III. SUMMARY OF RECOMMENDATIONS

The Canadian Consumer Council, in its advisory capacity to the Minister, respectfully asks that the following observations be noted in the Department's continuing appraisal of Bill C-256 as it proceeds beyond first reading.

1. The ambit of misleading advertising may deserve your fresh consideration, at least as the Bill relates to deception by omission, the full inclusion of services, and to consumer blocs distinct from the general public.
2. New approaches ought to be taken within the Department to keep both consumers and industry better informed of developments in competition law generally, and in the field of false advertising law and practice in particular. Neighbourhood level programmes offer particular potential, the development of community cable systems poses further opportunities, and the involvement of younger consumer advocates through a more permanent Opportunities for Youth Programme would be other avenues to explore.
3. The capacity to develop and issue industry guidance rules for advertising ought to be accepted under the proposed Competition Act.
4. There is a limited, but potentially useful role for self regulation by the advertising industry. The credibility and general effectiveness of that role would be assisted by the inclusion of retail advertisers within the principal self regulatory group, the Canadian Advertising Advisory Board. The C.A.A.B. ought also to involve consumers in all its deliberations on complaints brought before the Board and ought to support publicly the recommendation that advertisers be prepared to substantiate all product claims. Finally, it is suggested that the C.A.A.B. publicize all steps taken once they have found a violation of their Code, even if this requires the taking of advertising space to spell out the Board's displeasure with a practice that has taken place or is continuing to take place.
5. Where an advertiser directly or indirectly makes any claim or representation as to the efficacy, performance, quality, price, or other attribute or characteristic of his product or service, he ought to be prepared to substantiate his claim on inquiry by a consumer.
6. The proposed Competition Act ought to consistently place the onus on

the advertiser to substantiate all claims made for its product or service. Bill C-256 is not consistent in this respect.

7. The concept of corrective advertisements calls for immediate study.
8. Provincial initiatives in the control of misleading advertising would be greatly welcomed.
9. The concept of citizen enforcement of consumer protection laws in general and misleading advertising laws in particular, deserves fresh and intensive analysis. The efficacy of class or group actions by consumers ought to be given a high priority in any research commitment. The present measures in Bill C-256 which enhance the likelihood of consumer participation in the enforcement of the misleading advertising sections, deserve wide publicity so that upon proclamation, Canadian consumers are in a position to assert their rights.
10. Finally, the Department of Consumer and Corporate Affairs is asked to provide a special advocacy subsidy to the Consumers' Association of Canada for the purpose of preparing representations on Bill C-256 before the Parliamentary Committee(s) that will hear the views of interest groups and others on the Bill.

**RECOMMENDATIONS ON COMPETITION POLICY
AND COMBINES LEGISLATION**

April 30, 1970

The Honourable Ronald Basford,
Minister of Consumer and Corporate Affairs,
House of Commons,
Ottawa, Ontario.

DEAR MR. BASFORD:

At its meeting in Toronto on April 27 and 28, the Canadian Consumer Council discussed the subjects of Combines Legislation and Competition Policy. Considerable attention was given to the recommendations of the Economic Council of Canada in its *Interim Report on Competition Policy* of July, 1969.

As we understand that consideration is currently being given to proposed changes in Canadian combines legislation, the Canadian Consumer Council voted to forward to you the following statement for consideration in the preparation of that legislation.

The Canadian Consumer Council is concerned that any new legislation on combines and competition policy contain adequate provisions to ensure the rights of consumers. The Council would like to go on record on several specific matters:

1. The Council supports provisions to ensure individuals' rights of access to the process of combines law enforcement, through the commencement of action against suspected violators.
2. The Council also supports the inclusion of provisions to ensure adequate redress to those individuals wronged by violators. We think serious study should be given to the possibility of treble damage and/or class action provisions.
3. The Council supports the inclusion of provisions for representation of the consumer viewpoint in the councils of professional bodies, such as legal and medical societies.
4. The Council strongly favours moves to shift a greater portion of combines enforcement from criminal to civil jurisdiction.
5. We favour the creation of a Competitive Practices Tribunal with broad exploratory powers, and we support the principle of considerable generality in the terms of reference of such a body.
6. The Council supports the principle of maintaining the utmost clarity in the wording of any provisions left under the criminal law. We particularly advocate the avoidance of terms such as "unduly" and "unreasonable" in the wording of these clauses.
7. The Council strongly endorses the views of the Economic Council concerning the critical importance of care in selecting members of any Competitive Practices Tribunal that may be appointed.
8. The Council recommends the specific inclusion of fairness, equity and adequacy of treatment of consumers as criteria to be included in the

terms of reference of any Competitive Practices Tribunal that may be appointed.

9. The Council warmly endorses proposals that services should be included in any new combines legislation.

I do hope that these proposals are of assistance to you in considering the proposed legislation.

Yours sincerely,

D. S. R. LEIGHTON

Chairman

A handwritten signature in cursive script, appearing to read "D. S. R. Leighton".

REPORT ON DECEPTIVE SELLING PRACTICES

November 20, 1970.

The Honourable Ronald Basford,
Minister of Consumer and Corporate Affairs,
Canadian Building,
219 Laurier Avenue West,
Ottawa 4, Ontario.

DEAR MR. BASFORD,

In March of this year, the Canadian Consumer Council issued a report on referral sales. In concluding its report, the Council pointed out that referral selling was merely one of a much larger number of fraudulent or unethical selling practices plaguing the Canadian scene at the present time and that the Council intended to undertake an investigation of these other schemes.

With a view to collecting the necessary evidence, the Council retained the services during the past summer of Mr. Frederick Rowell, a third-year law student at the Osgoode Hall Law School of Toronto. Mr. Rowell worked under the supervision of Professor Jacob S. Ziegel, a member of the Council. Mr. Rowell has now presented his study to the Council and a copy of it is attached to this letter.

Mr. Rowell's study encompasses the following major areas of complaint and a number of miscellaneous deceptive practices under the heading of "Miscellaneous Schemes and Gimmicks".

- Referral Selling
- Pyramid Marketing Schemes
- Business Opportunity Rackets
- Repair Frauds
- Deception in the Sale of Land
- Deceptive Use of Contests
- Free Merchandise Gimmicks
- Unsolicited Mail
- Unethical Collection Agencies

Mr. Rowell collected his information from a variety of sources, including federal, provincial and municipal officials, and while his study does not claim to be exhaustive, we are satisfied that the deceptive practices to which he draws attention are common in many parts of Canada.

In a mixed economy and democratic society like ours, deceptive and unethical selling practices can never be eliminated entirely. However, we are concerned by the number and variety of such practices and the relative immunity with which at least some of them appear to have survived for long periods of time. We attribute this to a number of factors: (a) the inadequacy of existing federal and provincial laws; (b) insufficient staff to enforce vigorously the laws that do exist; (c) insufficient awareness on the part of many officials (federal, provincial and municipal) of the seriousness of the deceptions and the injuries they cause to innocent consumers and ethical businessmen; and (d) a serious lack of consumer education, both generally and in this field specifically.

With a view to improving the situation, we recommend the following steps. Our recommendations are premised on the assumption that both the federal and provincial governments possess jurisdiction in this area:

A. FEDERAL ACTION

1. Section 33D of the Combines Investigation Act should be amended to cover deceptive acts or practices as well as false advertisements. We recognize that some forms of deceptive practices include elements of false advertising, and to this extent are already caught by Section 33D. However, this is by no means true of all deceptive practices. The doubts should be removed.
2. Much better facilities need to be developed than exist at present for speedy and effective prosecution of offences under Section 33C and 33D of the Combines Investigation Act. Delays of up to two years in the final disposition of a case are not uncommon. We appreciate the efforts made by the Minister during the past year to appoint permanent prosecutors in the main provincial centres. This, however, leaves untouched many smaller cities where deceptive practices may proportionately be just as common. To meet such cases, we recommend either the appointment of additional federal prosecutors or a working arrangement whereby the provincial authorities will be encouraged to prosecute in those cities where the federal government does not have its own prosecutors.
3. We would also welcome the establishment of a consumer frauds division within the Royal Canadian Mounted Police to assist the Department in the enforcement of the consumer protection provisions in the Combines Investigation Act and other consumer legislation within the federal area. We make this particular recommendation because it has frequently been brought to our attention that consumer agencies are handicapped by the absence of an adequate field staff to investigate complaints about alleged violations and the disinterest of the general police forces in consumer offences.
4. The penalties imposed by the courts for offenses under Section 33C and 33D are often derisory and need to be revised in an upwards direction. In addition, we urge that the courts be armed with the power (a) to grant an interim prohibitory order pending the final disposition of a case; and (b) to order a convicted offender to make restitution of his ill-gotten means either to identified or identifiable members of the public or, where this is not feasible, by making a lump sum payment to a fund to be administered for the benefit of consumers generally. The concept of a restitutionary order coupled with a conviction is not new and exists now, to a limited extent, in the Criminal Code. What we are really recommending is the extension of the principle to the specific areas of consumer frauds. We have borrowed the idea of a lump sum payment from the United States, where it has been applied by the federal courts on a number of occasions where the members of a class injured by a deceptive practice could not readily be ascertained or where the pecuniary loss suffered by the members was too small to justify individual payments.

B. PROVINCIAL ACTION

5. So far as provincial action is concerned, we urge either the adoption of a Uniform Deceptive Sales Practices Act similar to the one currently being drafted in the U.S., or the amendment of the existing Consumer Protection Acts to include deceptive and unconscionable selling practices. Whichever method is adopted, we think that the new provisions should embrace at least the following features:

- (a) An omnibus clause prohibiting the use of deceptive or unconscionable methods with respect to the merchandising of goods and services;
 - (b) The specification of methods currently in use that are regarded as objectionable and therefore unacceptable;
 - (c) The power to add to the list by Order in Council;
 - (d) The power to enjoin the prohibited practices by a cease and desist order coupled with a right of appeal from such an order to an independent tribunal;
 - (e) The power by the administrator to make a restitution order where a cease and desist order has been made or affirmed on appeal and to bring a class action before the regular courts on behalf of all consumers who have been injured by a deceptive or unconscionable practice. The importance of this power cannot be overemphasized. Many a deceptive practice is consciously pursued because the offender calculates (unfortunately all too accurately in many instances) that the gains will outweigh any likely losses.
6. Existing licensing laws should be vigorously enforced and licensing requirements should be extended to new lines of activity where this is justified and feasible, e.g., with respect to various kinds of repairmen. However, we do not regard the simple imposition of a licensing requirement as the universal solvent of all business frauds and deceptions. In the first place, it would be a mammoth task to subject all forms of business to a licensing requirement. Secondly, the existence of a licensing requirement is not an automatic guarantee of the exclusion of unethical selling practices. This is clearly shown in Ontario, where referral selling continues to flourish although house-to-house sellers are required to be licensed under the Ontario Consumer Protection Act. Thirdly, it would be improper to use the threat of the cancellation or suspension of a licence for every infraction of a rule, however minor or unintentional. For all these reasons we regard the separate regulation of deceptive or unfair practices as necessary and overdue.
 7. The manpower of the provincial consumer protection bureaux should be substantially increased to enable them to discharge their responsibilities effectively. Alberta and British Columbia, for example, only have one consumer protection officer each. We find it difficult to believe that this caters adequately to the needs of the citizens of these provinces.
 8. There is a fairly widespread concern over the dangers of an undue overlapping of federal and provincial programmes, in this as in other consumer protection areas. To some extent we share the concern, although we do not believe that the problem has even remotely reached critical proportions. The present danger lies much more in the absence of effective regulation than in excessive amounts of it. Nevertheless, we recommend the establishment on a continuing basis of the closest possible liaison between the federal and provincial officials at all relevant levels to ensure the proper harmonization of the federal and provincial legislative and enforcement programmes. Where concurrent legislation with respect to the same subject matter exists at the two levels of government, we suggest the adoption of common guidelines to determine which level of government is the more appropriate agency to deal with particular types of practices. Wherever practicable, we would also like to see the establishment of joint federal-provincial offices.

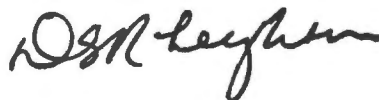
C. PUBLICITY AND CONSUMER EDUCATION

9. Long experience has shown that merely warning the public about unethical or deceptive practices is not sufficient: wherever possible, the reprehensible practices themselves must be interdicted through the exercise of the federal and provincial powers. On the other hand, we also recognize the importance of the public being warned about the dangers and their being informed about the laws that exist for the consumer's protection. Protective legislation and consumer information should go together.
10. The question is not one of principle, but one of machinery — how best to communicate with the consumer. Various studies (including one recently concluded for the Canadian Consumer Council by the Canadian Association for Adult Education) have shown that consumers' knowledge and information are seriously inadequate, and that a great deal more effort must be put on communication with and education of consumers. Research indicates that T.V. and radio are the best media and that brochures and leaflets are probably the least effective, at any rate so far as low income consumers are concerned. So we urge a greatly increased use of the mass media for these purposes. We also urge the establishment of neighbourhood consumer information centres where consumers can readily obtain information, not only with respect to their legal protection against fraudulent or unfair practices, but on all other matters affecting their daily lives as consumers. These centres would supplement the valuable and important services now being rendered by Box 99 and the various provincial consumer protection bureaux.

Yours very truly,

D. S. R. LEIGHTON,

Chairman.



APPENDIX B

901 Paris Building,
259 Portage Avenue,
Winnipeg, Manitoba,
R3B 2A9
January 14th, 1972.

The Honourable Ron Basford,
Minister of Consumer and Corporate Affairs,
House of Commons,
OTTAWA, Ontario.

DEAR MR. MINISTER:—

I am pleased to transmit to you herewith the Canadian Consumer Council's recommendation for the Canadian Charter of Consumer Rights.

As you are aware, the Charter has been provided to you by the Council in response to a request you made of the Council when it was first convened in November of 1968.

For the Council the Charter represents the end of a long, hard debate throughout the course of which individual Council Members have been strongly divided as to whether it was appropriate for the Council to produce such a document, what its contents should be, and its wording, thrust and expression. It has not been unanimously adopted but is the consensus of a substantial majority of the Members.

The Charter is in many respects the product of two important Studies commissioned by the Council to assist it in arriving at this consensus:

- (1) A Consumer Satisfaction Study, being a study in depth of Canadians' attitudes with regard to consumer rights, attempting to assess areas of consumerism and consumer rights that are of most concern to the Canadian consumer. This was received by the Council early in 1970.
- (2) A Study of consumer attitudes about consumer rights, designed to give a valid picture of attitudes by principal region, and by socio-economic groups, towards consumer rights. A carefully controlled sample of over 1,000 interviewed was conducted to provide the information sought. This was received by the Council in November of 1970.

Both of these Studies were conducted for the Council by the Social Survey Research Centre of Toronto.

Having arrived at agreement by the Council as to content and thrust of the Charter at our Meeting in Vancouver on September 27th, 1971, the Council has had the benefit of having the expression and presentation of the Charter prepared for it by some of the leading professional communicators in Canada.

The Charter represents the best effort the Council has been able to produce on this matter.

The Charter is, in my opinion, a major achievement of the Council since it was first created. I am personally persuaded that — today more than ever — it is



a most important statement in crystallizing what should be consumer entitlement and aspirations and in letting citizens and government know in what areas they should be working. Business, in turn, can also know what is expected of it. As a declaration of principles, I believe it effectively forms the basis for enacting future laws and for testing or comparing current ones.

We have every reason to believe that the Charter will receive your approval, and the widest public distribution.

Sincerely,

HAROLD BUCHWALD

Chairman

The Canadian Charter of Consumer Rights

Each of us is a consumer — not just a buyer or user
or producer or seller.

Each of us is woven into the fabric of the Canadian Society
and is committed to quality, justice, respect, understanding
and a constantly improving and rewarding life for all citizens.

To assist each of us to determine his own life and to better the
society we have made together, we declare these inseparable
consumer rights.

Before Purchasing

1. *The right to purchase.* Each consumer shall have reasonable access to the lawful goods and services of Canada.
2. *The right to information.* Each consumer shall be given an opportunity to obtain accurate facts that enable him or her to make informed decisions.

Purchasing

3. *The right to fair value.* Each consumer shall have the opportunity to buy desired goods and services at just prices.
4. *The right to choose freely.* No consumer may be unfairly pressured or unlawfully disadvantaged when buying goods and services.

After Purchasing

5. *The right to safety.* No goods or services may expose a user to unexpected hazards.
6. *The right to redress.* Each consumer shall receive prompt and full redress for any product or service that does not perform as explicitly or implicitly warranted.

These rights, while basic and elementary, carry with them the parallel responsibilities of consumer integrity and self-improvement. No right or privilege in a free society is without its concurrent obligations to act responsibly and honestly.

APPENDIX C

PUBLICATIONS OF THE CANADIAN CONSUMER COUNCIL 1968-71

A. Reports Submitted to the Minister of Consumer and Corporate Affairs, Canada

- *Consumer Credit, 1969
- *Referral Selling, 1970
- *Removal of Sales Tax on Margarine, 1970
- *Combines Policy and Combines Legislation, 1970
- *Hearing Aids, 1970
- *Misleading Advertising, 1971
- *First Annual Report, 1969
- *Second Annual Report 1970
- *Third Annual Report 1971

B. Working Papers of the Canadian Consumer Council

The Council, from time to time, publishes some of its working papers which, in the opinion of the Council, would be of interest to consumers and the public.

- *David Burgoyne, *A List of Recommendations from Various Royal Commissions, Senate/Commons Hearings and Briefs of Other Agencies Concerning Consumers Which Have Not Been Satisfied by Action Taken.*

Canadian Association of Adult Education, *Survey of Consumer Education in Canada.*

- *Frederick Rowell, *Deceptive and Unethical Selling Practices.*

Ronald I. Cohen, *Regulation of Misleading Advertising in Canada: A Comparative Approach.*

Kenneth Rubin, *Consumer Action By The Poor: A Social Study of Food Store Self-Help Projects and Food Aid Alternatives.*

Kenneth Rubin, *The Consumer Interest in Self-Governing Professions.*

Fédération des Associations Coopératives d'Économie Familiale, *Selected Analysis of Consumer Credit Cases, Their Problems and Subsequent Action.*

Interim Report on Low Income Consumer Problems.

- **Transcript of the Winnipeg Consumer Forum, 1970.*
- **Transcript of the Symposium on Misleading Advertising, 1970.*
- Transcript of the Seminar on Bankruptcy, 1971.*

