

the law and at the same time would discourage unsubstantiated claims made in order to achieve a competitive advantage. A formal policy in this area, based upon clear statutory authority would create prescribed-by-law rules according to which advertisers would have to operate and would provide some assurance to consumers that advertising claims were true.

The Committee is not, however, suggesting that all advertising be pre-cleared by the MPB. Moreover, it does not envisage a system whereby whole industries would be selected for claims analysis by the Director. The intention is rather to ensure, where necessary, that the Director will have authority to request substantiating data and information on a case-by-case basis without having to initiate formal trial proceedings.

Recommendations:

4.10 The Committee recommends that the *Competition Act* be amended to require advertisers to have a factual basis for advertising claims prior to their dissemination.

4.11 The Committee further recommends that, pursuant to the legal requirement referred to in recommendation 4.10, the Director of Investigation and Research establish an advertising substantiation program together with appropriate enforcement practices and procedures.

Substantiation information could be of assistance to consumers making purchasing decisions as it would add to product information and aid in the evaluation of product claims. Disclosure of this information might also benefit advertisers, by fostering competition, encouraging them to ensure that tests are adequate, and by enhancing their public image.

The Committee recognizes that some substantiation data may be highly technical and complex, and therefore difficult for the majority of consumers to comprehend. For this reason, summaries written in plain language may be of value.

Recommendation:

4.12 The Committee recommends that the Director of Investigation and Research encourage advertisers to provide consumers with