

Ethics and Standards of Practice for its members and operates the "Operation Integrity" program, under which it reviews consumers' complaints, including those relating to misleading advertising. The CDMA noted that it has a 99% solution rate for complaints about its member companies and a 95% success rate for complaints about non-members.⁶ The CDMA claims that the primary reason for the absence of government regulation of direct marketing is the Association's ability to police itself effectively.⁷ The ultimate sanction employed by the CDMA and the CCBBB for repeated violations of their respective codes is expulsion from the organization.

Virtually all witnesses supported the concept of self-regulation in the advertising field. The CCBBB believes that self-regulation provides an outlet for complaints and gives advertisers the assurance that they will be judged fairly and accurately.⁸ In the opinion of Ms Marilyn Anderson, a journalist who regularly deals with consumer issues, self-regulation by industry is essential. She contends that consumers will benefit if "the industry is organized, has a professional association, and has a membership that constitutes the majority of players in that field."⁹ The Retail Council of Canada pointed out that voluntary codes are useful since misleading advertising is a criminal offence. In its view, the criminal law is ill-suited to deal with borderline cases where misleading language amounts to no more than exaggeration.¹⁰

The Committee recognizes that self-regulation is an important adjunct to the statutory regulation of misleading advertising. Indeed, because of its ability to deal promptly with both complaints and changes in the marketplace, self-regulation, in some circumstances, may have decided advantages over regulation by government. However, the Committee recognizes that the self-regulatory system has limits on the types of sanctions that can be imposed and that conflicts may arise when a self-regulatory body attempts to discipline those upon whom it must rely for support. Both the Consumers' Association of Canada and Mr. Robert Bertrand, a former Director of Investigation and Research, recognized enforcement as leading to a possible conflict of interest for self-regulatory bodies.

The Retail Council of Canada suggested that self-regulation is most effective when the entity responsible for administering a self-regulatory code is at arm's length from the advertising industry.¹¹ The Committee concurs with this view. A system supported by the media, whose ultimate sanction is the withdrawal of an offending advertisement from the public domain, is, in the Committee's opinion, likely to be more effective than one whose final