

promoting the supply or use of a product or any business interest by any means. In general, all methods by which representations can be made, including print, radio, television, oral representations, illustrations and audio-visual presentations are covered, although certain provisions (sections 37 and 37.1) are limited to advertisements.

Advertising is a big business in Canada. In its brief to the Committee, the Canadian Council of Better Business Bureaus noted that over \$6 billion a year is spent on advertising in this country. Last year, members of the Grocery Products Manufacturers of Canada spent some \$400 million on television advertising alone. For many companies, advertising is a continuing long-term business investment whose purposes are to convey information to the consumer and to promote product sales.

The Committee's decision to study misleading advertising arose out of concerns expressed by its members in response to complaints and questions from their constituents. As the study progressed, the Committee came to realize that there are over 100 laws, guidelines and codes governing advertising in Canada. In addition to the *Competition Act* and other federal statutes, a number of provincial laws and industry self-regulatory codes prohibit certain misleading practices.

Given that advertising is regulated by this complex mass of provisions, the Committee felt that it must focus on a particular aspect of misleading advertising. It therefore chose to concentrate on the *Competition Act's* approach to the subject, thus ensuring that the resulting report and recommendations would have a broad national focus.

The Committee held public hearings in Ottawa from October 1987 to March 1988; during these, 16 groups, government institutions and individuals were heard (see Appendix II for a list of witnesses). In addition, the Committee travelled to Washington, D.C. in March 1988 to examine the regulation of misleading advertising at the federal level in the United States.

In the course of the study, it became clear to the Committee that, while misleading advertising may not be a matter of pressing public concern, a steady stream of it continues. This is evidenced by the number of complaints (some 10,000-12,000 each year) received by the Marketing Practices Branch of the Department of Consumer and Corporate Affairs and by the related activities of many industry self-regulatory bodies and provincial governments. It also became evident that misleading advertising is generally