

THE VOICE OF THE CONSUMER IN CANADA

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Greetings from Canada and from the Canadian Association of Consumers, now nearing the end of its twelfth year.

The theme of this Conference, Public Aids to Consumer Protection, appealed to me as being very timely, and as comprehensive enough to afford an opportunity to see the needs of consumers from a new point of view, that is to see the needs as compared with what is being done to meet those needs.

From time immemorial human energy has been largely concentrated on the effort to make production equal to the demand. During many of the periods of which we have a record it was not possible even to produce to bare subsistence levels. All our energy and effort (or nearly all) was devoted to production, and most of it still is. Our economic thinking is dominated still by the traditional patterns so deeply etched by the Ages of Scarcity. The fact that, in North America at least, we have developed the capacity to produce abundances has appalled producers - because we have not found out as yet how to adjust to these new conditions and how to make a wise and balanced use of our human and material resources. Public aids to consumer protection, supplemented by independent research into consumer problems and problems of surplus production and disposal, and by services of information and education for consumers, could be of great help to individual consumers, and on a wider front, limit the danger that the Age of Abundance will be an Age of Waste.

In some special fields of the national economy, Agriculture for instance, public aids have been organized and developed until they appear to deal with every possible aspect of agricultural life and there is no doubt that they have stimulated production of higher quality and at higher yields, benefiting the national economy as well as the individual producer. Departments of Agriculture, Federal and State, with voluntary organizations, sometimes independent, sometimes assisted, have contributed to these developments.

Public aids for consumer protection do exist, in my country as well as in yours, but they are un-coordinated and much less robust, usually slow to act and frequently and too easily delayed.

There are many resemblances and many contrasts between our social, economic and governmental situations and yours. Our population is about one-tenth the size - 17½ million. The area over which they are spread is larger. Canada is divided into ten provinces instead of fifty states, each province with its legislature and government, but all united under the federal government in Ottawa. Authority is divided between federal and provincial powers and there are sometimes problems - and conflicts - of jurisdiction between them.

In outlining Canada's Public Aids to Consumer Protection I shall refer principally to those of the Federal Government.

1. First I list the Combines Investigation Act, designed to protect us against industrial and commercial monopolies. The Restrictive Trades Practices Commission, established under the Act, is a permanent body with full-time members, with power to investigate matters referred to it, or to initiate investigations. As a result of its reports and recommendations charges of restricting trade may be brought, mergers forbidden, and combinations restricting competition or tending to monopoly may be halted. Under a 1952 amendment to this Act, the practice of Resale Price Maintenance (Fair Trade, so-called) was prohibited as against the public interest, providing consumer protection at the retail level. Just at present a lively campaign is being carried on by a number of retailers' associations acting together, to have this amendment repealed. Our Canadian Association of Consumers strongly supported the action taken in 1952 and we recently made our fifth representation to the government opposing restoration of this costly and unsound practice.

2. The Post Office Act protects us against use of the mails to defraud, or for any other unlawful purpose. Mail orders where money was remitted but goods not received; or not as advertised, make up the majority of complaints by consumers in this field.

3. In 1956 the Federal Small Loans Act was amended to regulate and control loan finance companies making personal cash loans (under \$1,500) and limit the interest rates they could charge. This Act does not apply to the dealer's finance companies which take over the contracts for installment sales, (conditional sales contracts) or any other aspect of retail credit although these are the types of consumer credit where abuses are most prevalent. The demand for legislation to protect the consumer against excessive costs of installment and retail credit sales is made year after year, but public opinion in support of this demand is not yet sufficiently aroused and organized. We are told that there are federal-provincial conflicts of jurisdiction to overcome; that such laws would be difficult to draft, pass, and enforce. But the need is becoming greater all the time. Our association is exploring the situation at both provincial and federal levels. I was most interested in the form and detail of the laws passed in New York State since 1955 because they appear to me to provide a pattern for use in other States in this country and for our use in Canada.

4. Canada's Division of Weights and Measures is a federal agency under the Department of Trade and Commerce. Its work is a development of protective legislation enacted in 1873, (about six years after confederation). It has been revised from time to time, the last time in 1951. This Division is responsible for enforcing regulations respecting all weights and measuring equipment used in trade, and their approval and periodic inspection. It

provides Canada with a uniformity of standards, and inspection is maintained by a vigilant force of traveling crews, constantly at work in the 21 districts into which the country is divided for this service. All weighing and measuring devices are inspected, and passed, adjusted or rejected, with reports of all inspections sent in to central headquarters. In the case of dubious practices warnings are issued for first offences, but re-checks are made to ensure compliance or to lay charges where evidence indicates deliberate intent to defraud. The service is good enough so that reliable weights and measures are pretty well taken for granted, but, as in other countries, it cannot protect consumers who are too careless to safeguard themselves.

The same service does spot checking of weight-marked packaged goods in retail stores, tests electricity and gas meters, checks gasoline pumps, etc. The Division is responsible for enforcing labeling regulations established under the Canada Trade Mark and True Labeling Act. For example - Furs and fur garments must carry the true name of the fur-bearing animal, for labeled textiles and for nylon hosiery. The Canadian Association of Consumers has a special interest in the operation of this Act as one of its earliest efforts was the mobilization of public opinion in support of its passage and we continue to work for the establishment of more standards under it. This is the body which enforces regulations. We campaigned for years, to have the weight marked on packages of detergents and soap powders.

5. Few people are aware of the safeguarding of consumer interests afforded by The Canadian Tariff Board. This is a permanent body of full-time members, appointed for ten-year terms, which considers applications for changes in classification and rates of tariff made by industry to government and referred by the latter to the Tariff Board for study and report. The Board has acted as a semi-judicial body, hearing the evidence for and against applications interrogating witnesses, and making further investigation when deemed necessary. Its reports and recommendations may be used by the government as a basis for subsequent tariff changes and also form a valuable public record. Its rulings have rarely been appealed and, during the last ten years none has been reversed by the courts.

Since the inception of "CAC" nearly twelve years ago, our executive has presented the case for the consumer at Tariff Board hearings on numerous occasions, most of them during the last eighteen months. Our representations have had regard to: a) Whether the application was reasonable in itself, and the extent to which it would be burdensome to the consumer to grant it; b) if the application was granted, what proportion of the requested increase would be allowed; c) in what form it would be granted. Often the increase requested was very large, and our brief urged that a small proportion of it was the most that would be justified. We also urged that ad valorem rates, being the most simple to interpret and administer, should be used in preference to specific rates. One instance will explain our meaning.

At a recent hearing with regard to yarns, wholly or in part of wool or hair, the rate requested was a combination of $12\frac{1}{2}\%$ ad valorem plus $3/4\text{¢}$ per worsted count per pound. The custom administrators might not agree with the importers as to the count, and the layman could not estimate how much this might add to the cost.

Our organization definitely feels that representation of consumers at these hearings has been of value, making us more aware of the complexity of industrial problems - and of tariff schedules, - and providing evidence to government that the consumer is interested in presenting a case and can present it in a reasonable way.

6. The Federal Housing Act of 1954, with later amendments, provides security for loans to promote housing construction and such dwellings must conform to approved standards of material, design and construction. The great increase in post-war housing has provided a very large proportion of our people with individually owned homes and done much to stabilize employment.

7. The Food and Drugs Directorate of the Department of National Health and Welfare, which administers the Food and Drugs - and the Proprietary and Patent Medicine - Acts, is one of the chief among our public aids to consumer protection. These Acts require that drugs, cosmetics and medical devices must be registered and licensed, to show they have been approved and may be used with safety for the purpose for which they are recommended. They are licensed on a year to year basis. Worthless as well as harmful products are screened out and exaggerated, and misleading claims prohibited. Radio and TV Commercials are reviewed for correction, if necessary.

The Food Chemistry Section tests foods for adulteration and freedom from fraud, prepares new standards for foods, and must be given assurance before chemical additives are used that they are safe to use in the quantity and the way proposed.

The Directorate has a corps of Districts Inspectors stationed across the country to enforce regulations, make spot checks, inspect processing and packaging plants and their sanitary conditions, work with Customs Officials to make sure that imported foods, drugs and cosmetics comply with Canadian standards, and investigate complaints. Expansion of processing and packaging has been so great in the last few years that expansion of staff has hardly kept pace with the increase in responsibility and CAC has urged that the Minister give this need early consideration.

Many other services, including formulating standards for accurate labeling of foods and drugs, testing for harmful bacteria count, and adulteration of foods, regarding nutritional standards and inquiries, the use of vitamins, and the residue of insecticides on fruit and vegetables are performed by this Directorate. A

Consumer Relations Section has recently been added to take care of direct inquiries and make the public aware of the purpose, the activities and the limitations of the Directorate.

8. The National Research Council under government direction carries on a great deal of work, some of it of direct concern and benefit to consumers, but its services are not well and familiarly known as it has no consumer information service to co-ordinate information and reply to inquiries from consumers.

9. The Federal Departments of Agriculture and Fisheries have authority and responsibility for establishing standards in their respective fields. Each of these Departments has a Consumer Section, established many years ago, the main object of which was and still is to provide marketing services to help the producer but which has developed, as a result of changing circumstances, contacts with and services for consumers.

The Marketing Division of the Department of Agriculture establishes standards and regulations for meat, poultry, fruit and vegetables. It has official jurisdiction only over inter-provincial and export supplies, but as an instance of typical co-operation, all provinces have proclaimed Dominion standards for egg grading and practically all creamery butter, skim milk powder, and most cheese is graded by Federal Officers or Provincial Graders using federal grades. Provincial regulations for dressed poultry are based on federal standards, and the sale of poultry by grade is compulsory in many cities and customary in most others.

Most of the consumer meat supply is slaughtered and processed or packed in the large packing plants where it is subject to federal regulation and inspection before and after slaughtering. Some local supplies for local consumption are still found on the market and where this happens our provincial CAC Branches are working to have provincial inspection of such supplies made compulsory.

Canned fruit and vegetables are graded and inspected but fresh fruits and vegetables are not usually well graded and inspected except those for inter-provincial or export shipment.

Provincial services vary from province to province. Where there are regulations there may be a shortage of inspectors to enforce them and many of our food complaints have to do with these supplies. As our local and provincial branches grow in strength we may be able to organize campaigns to bring standards in every province up to a satisfactory level and then have the regulations enforced.

The Federal Marketing Division has initiated a "Consolidated Retail Inspection Service" with centers in our largest cities which will co-ordinate local, provincial and federal services, fill gaps and eliminate overlapping, if there is any.

Fluid milk for consumers is under the control of Provincial Milk Boards. In most cases they decide the producer's price per cwt., regulate conditions of distribution, and in some cases fix the floor price to the consumer. The butter fat standard is 3.5, most of the milk is pasteurized, although pasteurization is not required by law except in two provinces or by local by-law. Most dairy herds are tested for T.B. and Brucellosis, and there is a continuing program to make this protection universal. Dairy Farmers are highly organized and recognize the need for high standards of quality and sanitation. They have adopted a national code (voluntary) for dairy farms, equipment and practices. They are represented on all the Provincial Milk Boards but consumer requests for such representation, which have been urged for at least ten years in some cases, have been refused except in one province.

There is not time to cover provincial services to consumers, but there are a good many especially in the fields of health, sanitation and cleanliness in food handling, especially in restaurants. You will note that federally and provincially the services are scattered through many government departments; they were established in time past to deal with quite different conditions; they may or may not have developed with the changing times, but there is no co-ordinating agency or leadership and there are many inadequacies and many gaps.

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The Canadian Association of Consumers is the one organization in Canada with the sole aim of providing consumers with protection over the widest possible area of consumer goods and services. It is a democratic and a voluntary organization, based on individual memberships associated in Local and Provincial CAC Branches, which are in turn linked together within their province and with the National CAC.

Our declared aim is to unite consumers, give them a voice, study their problems and seek solutions for them, to disseminate reliable consumer information and to provide a two-way channel of communication between government, trade and industry and the consumer.

Like our government, we operate at three levels, with our national office and its three full-time salaried staff members in Ottawa. All the national executive and provincial and local branch officers and voluntary workers. This pattern is widely used by other voluntary organizations, owing its shape to geographic and other conditions of population and distance.

During the war 60,000 Canadian women as voluntary workers operated in their home communities in the Consumer Section of the War Time Prices and Trade Board (W.P.T.B.) to assist that body in

interpreting to consumers the need and purpose of war-time production and price control and rationing. The national executives of the organizations from which they had been enlisted found after the war that consumer problems were more serious and insistent than they had been in pre-war times. They decided a special organization was needed to give them continued and close attention. What they wanted was an organization to represent them and their members on "The Consumer Front". They conferred, they decided, they acted and in September of 1947 the Canadian Association of Consumers came into being, with widespread support but with no chart or pattern of procedure for guidance. A government grant of unexpended funds voted for the WPTB tided it over the first few months of existence. The charter delegates returned home to enlist members and establish local and provincial branches. Besides representing consumers at their respective levels, (within limits set by the national constitution and declaration of principles) provincial branches were to extend CAC by organizing local branches, and local branches were to enroll members and look after membership renewals. This latter is the most difficult of our routine tasks. Each year we add substantial numbers to our membership by new enrollments (nearly six thousand last year) but even well-wishers forget to renew and neglect the reminders sent out.

In spite of this we have nine provincial branches (one in each province except Newfoundland) about eighty local branches, and about seventeen thousand individual members. Many of the latter live in communities where there is no branch, as yet, but mail in their fees because of reports they have seen in the press, heard over radio or TV, or learned of through one of their women's associations. To reach women in rural areas we have a "Group Membership" offered to organized rural women's groups, and these give us contact with eight to ten thousand more women. We publish a "CAC Bulletin" ten months in the year. Copies go to individual members, and fifteen copies go by bulk mail to each group. The fee is \$1.00 a year individual and \$5.00 a year for groups. National CAC gets 60% of these fees, which include the Bulletin service, the balance is divided between Provincial and Local Branches according to conditions, but mainly on a fifty-fifty basis.

But that is not all the consumer contact and support we have. Seventeen national women's organizations participate in our work by appointing representatives to our Board, by encouraging their members to give CAC membership support, and by using CAC publicity in their journals or newsletters. In this way we have some contact with another 500,000 women. They have agreed to co-operation between their provincial and local units and those of CAC.

Now for some instances of how we operate and what we have achieved. During the war, regulations required the use of enriched flour and bread, but this did not survive the return to peace-time more limited authority. CAC joined its forces with those of the Department of Health, nutritionist and dietitians' associations, in negotiations with the chief milling and bakery companies. We had already helped to pass the Canada Trade Marks and True Labeling

Act, giving the government power to establish and maintain labeling regulations which the trade (in any field) might agree to adopt. Following these negotiations, new bread and flour standards came into force which restored essential vitamin content to flour, added 2% milk solids to white bread, stipulated that whole wheat bread must contain at least 60% whole wheat and that coloring matter when used must be indicated. Public opinion was needed to achieve this and CAC informed and enlisted its support.

Our members complained often about the inconvenience of pry-off caps used on glass containers and also of the lack of clear weight marks on jams and jellies. Many of them deplored the waste of jars which lacked re-usable tops, because they still made their own jams and jellies. Our Chairman of food complaints devoted a great deal of time to this subject. She found that pry-off caps were cheaper, they could be applied automatically at a speed of near six hundred a minute, and the process permitted quick sterilization by a jet of steam of the surface of the contents. Screw-on and lug caps cost more to begin with, and to put on, with some danger of surface mould for the product. However, processors and the Glass Container Industry, large and well organized, were willing to seek a solution, and did develop a screw-lug-top which could be put on automatically with sterilization and which is now largely used, although pry-offs are also used a great deal still.

Weight-marked labels for jams and jellies, requested by the same committee, with the same patience, also found a solution. The objection was due to the fact the same kind of preserve was put up in half a dozen or more sizes of containers, and a firm which processed a dozen kinds of preserve (or more) didn't like the idea of stocking fifty or sixty labels instead of a dozen. But, consumers insisted they wanted the weight mark. They got it when the Glass Container Industry agreed to mould into each size of glass the weight it was intended to contain, so that one label could be used for all sizes.

The Food Committee - and the Textiles and Clothing Committee, two of our principle standing committees, have as chairmen expert professional Home Economists. Each chairman has established a number of sub-committees for specific subjects in her field, each with qualified people in charge, to assist her. To these sub-committees are referred inquiries or complaints which they may be able to take to industry by means of the industry's trade association.

We have a special committee which is working on specifications for clothing sizes based on body measurements. Here the Consumer Representative meets with officials of several government departments, and representatives of both manufacturing and retailing businesses. We consider this the first stage in one of our most important projects, and believe it will be of great help to consumers, and make the clothing industry more efficient.

Still another example began with resolutions from Local CAC Branches, which were carefully considered by Provincial Branches, then sent on to the national organization for investigation and appropriate action. The prevalence of cases of accidental poisoning due to misuse of household chemicals (from detergents to insecticides) and household remedies, usually in the home and often with young children as victims, called for more effective measures than those already being taken (and a good deal was being done by Federal and Provincial Departments of Health). We requested protective legislation in an interview with the Deputy Minister of Health, then, referred by him to the Food and Drug Directorate discovered how complex this problem is. Evidence was needed before legislation could be drafted or passed and a system of "reporting" of all such accidents, instead of the fatal ones only, with the cause, treatment and result, was instituted. The Directorate's Laboratory began a series of analyses of dangerous substances to compile a card index record pin-pointing the toxic element and listing the antidote or treatment. At the same time hospitals in all the larger centers were urged to establish "poison centers" to which the card-indexed records would be supplied and doctors and the public were alerted to the fact they could get emergency treatment from, or at these "poison centers". (There are now between 30 and 40.) Before long a list of over 1,800 dangerous household chemicals and 3,500 remedies were card-indexed. As reporting became more effective, (it began in 1957) it seemed evident reported cases would total over four thousand in 1958.

Another request for legislation made by CAC last November was supported this time by ample evidence and is presently being considered by the Departments of Justice and of Health. Regulations under the Food and Drugs Act could be applied to many of the products, but there are many which are neither food nor drugs. Regarding the drugs, most of them are beneficial if taken as prescribed, by those they were prescribed for. Warnings and education may continue to be the principle means of safeguarding against many of these dangers. One of the programs we have prepared for our local branches to use deals with this subject and the National Film Board has produced an excellent documentary for this use.

These are just a few of the projects CAC has undertaken in the national field. We are presently engaged, with other groups, in an effort to have a law prohibiting the use of Trading Stamps enforced. We found that consumer dislike of Trading Stamps was much greater than is generally supposed, and have strong support in this undertaking.

We do a great deal of work on the apparently minor problems of the individual consumer but often feel that we can touch only the margin of the great body of work which needs to be done for consumer protection and consumer education.

We have discovered that the organization of consumers is most important because if they are not organized to speak for themselves, all kinds of groups with conflicting vested interests will undertake to speak for them. The Trading Stamp people assert that all women love trading stamps. Retailers say that consumers don't mind resale price maintenance. Industry sometimes says that consumers don't mind the extra costs of tariffs, or subsidies or other such burdens. Credit men think consumers don't mind the heavy costs of interest and other installment credit charges, but they are very unwilling to specify clearly what those charges amount to.

The changing place of the consumer in our mid-century society, with its more stable employment at higher wage rates and massive supplies of consumer goods, has created the need for more consumer protection and more reliable and adequate information about consumer goods and services. We need organization and we need leadership.

No doubt the long list of public aids to consumer protective services I reviewed at the beginning of my talk looks imposing. But I think these services are only the bits and pieces of what should be a much more complete and well-rounded program. The loss and waste consumers suffer for lack of protection in many fields is not just a matter of personal and individual concern. In the aggregate it is a huge loss to the community and the nation.

I think the opportunity to interchange information and experience, to compare our services and our needs, afforded by this Conference may help us all to carry on our work for consumers. And also that there is dawning a new realization of the importance of consumers in the economy which should make it easier in the future to procure the extensions to these services we ought to have.