Annual Report

of the

DEPARTMENT OF CONSUMER SERVICES

FOR THE YEAR ENDED DECEMBER 31

1975

PROVINCE OF BRITISH COLUMBIA

To Colonel the Honourable WALTER STEWART OWEN, Q.C., LL.D.,
Lieutenant-Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

I have the honour, Sir, to respectfully submit herewith the Annual Report of the Department of Consumer Services for the year ended December 31, 1975, pursuant to the provisions of the *Department of Consumer Services Act,* the *Trade Practices Act,* and the *Debtor Assistance Act.*

K. RAFE MAIR
Minister of Consumer Services

April 27, 1976.

Honourable K. Rafe Mair
Minister
Department of Consumer Services
Parliament Buildings
Victoria, B.C.

Honourable Minister: I have the honour to submit for your consideration the Annual Report of the Department of Consumer Services for the year ended December 31, 1975.

The Report is delivered in accordance with the reporting provisions of the *Department of Consumer Services Act,* the *Trade Practices Act,* and the *Debtor Assistance Act.*

Respectfully submitted,

William A. W. Neilson
Deputy Minister of Consumer Services

April 27, 1976.

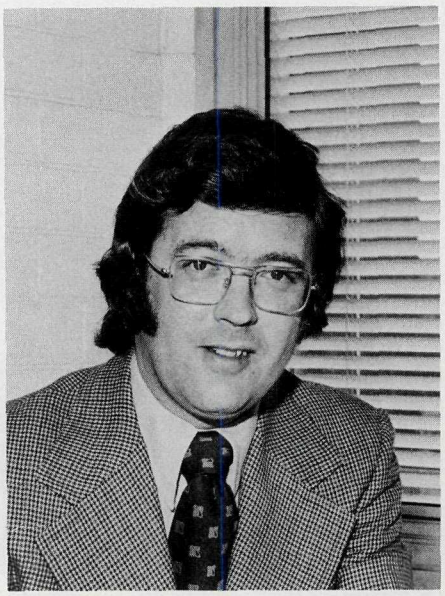

TABLE OF CONTENTS

HISTORICAL NOTES 9

INTRODUCTION 13

STATUTES ADMINISTERED 15

BRITISH COLUMBIA PRICE FREEZE 17

TRADE PRACTICES BRANCH 19

LEGAL SERVICES BRANCH 23

COMMUNITY PROGRAMS BRANCH 25

- RESEARCH DIVISION 26
- DEBTOR ASSISTANCE DIVISION 27
- COMMUNICATIONS DIVISION 29
  - INFORMATION 29
  - EDUCATION 30
  - TRADE LIAISON 30

ADMINISTRATIVE SERVICES BRANCH 33

ORGANIZATION CHART 35

TABLE OF STATISTICS 37

ENFORCEMENT ACTIVITIES, 1975 51

LIST OF FUNDED GROUPS 71

LIST OF PUBLICATIONS 73

OFFICE DIRECTORY 77

T. J. TRAPP & CO. LIMITE
WAGGONS. BUGGIES
HARNESS.
CREAM SEPARATOR
AGRICULTURAL
IMPLEMENTS
AND MACHINER
SHIP CHANDLERY
LOGGERS &
BLACKSMITHS OUTFI

Some Historical Notes

The first consumer law in history was an unwritten one—*caveat emptor,* Let the Buyer Beware. Self-protection worked pretty well in the old marketplace. Shoppers usually bought goods directly from the producer, from the farmer or from the local craftsmen. Most travelling merchants were well known and built their success on the goodwill developed over many years with their regular customers.

In the old marketplace customers could carefully evaluate what they were about to buy. Most products were familiar ones which the shoppers could usually see and touch.

The Industrial Revolution, however, changed the marketplace for everyone. With mass-produced merchandise came mass marketing and mass advertising. Consumers increasingly faced a new kind of marketplace with more and more unfamiliar and sometimes complicated goods. And these things were no longer produced or sold by people known to the consumer. The old rule of *caveat emptor* no longer worked as well. Important legal cases led to a new principle: goods had to be of a reasonable quality, especially when buyers did not actually see what they were buying.

The courts also established the principle that new, untested goods must do whatever their seller claimed they would do.

These first laws after the Industrial Revolution largely reflected businessmen's interests. The *British Sale of Goods Act* passed in 1893 combined many of the legal precedents of past centuries into one single code. But this law, copied soon after by most Canadian provinces including British Columbia, did not protect ordinary consumers largely because sellers were permitted to exclude rights guaranteed under the law simply by attaching special clauses to sales contracts. Most consumers were not in a position to challenge the legal complexities of sales agreements.

Important inroads, however, were being made in other areas of the marketplace. In 1874, for example, the Canadian government passed the first nationwide food and drug legislation in North America. As health scandals began to receive greater public notice, more legislation followed, including the comprehensive *Food and Drug Act,* passed in 1890.

The Prairie provinces were the scene of the second major breakthrough in consumer protection. Chattel credit was practically unheard of until the early 1900's when farmers first began to buy mechanized equipment and to make the heavy financial commitment necessary—debt.

The problem was that a farmer could still be forced to make installment payments even if the equipment proved faulty. Farmers in Alberta demanded action, and in 1913 an act was passed that required dealers of farm machinery to guarantee that the equipment they sold would work properly or they would repair or replace it at their own expense. This soon became a model law for other provinces.

The twentieth century has seen a vast increase in the number of new goods and the amount of advertising in all the media. But the media have also been the setting for a number of scandals about unsafe products. The result has been several waves of consumerism which have in turn resulted in several phases of new government action and legislation.

In 1936, for example, the need for new consumer legislation was recognized and strongly recommended by a federal Royal Commission co-ordinated by Lester Pearson, later the Prime Minister.

During World War II, citizen groups throughout Canada were organized to help monitor retail prices, and in 1947 these groups joined together to form what is now the Consumers' Association of Canada.

The next twenty years brought many new laws affecting credit disclosure, itinerant sales, labelling, advertising, and motor vehicle safety.

Automobiles were the most expensive and just about the most complicated of the new consumer goods. And, when a new wave of consumerism appeared in the sixties, it focused on the inadequate safety features of automobiles. At this time, Ralph Nader became famous as a leading consumer advocate after he published his book "Unsafe at Any Speed."

The consumer movement soon addressed itself to many other issues and became a significant organized force in North America. This was reflected by governments in the creation of special departments to develop and administer new legislation and programs to protect consumers.

In 1967, the Government of Canada established the Department of Consumer and Corporate Affairs to create and administer new laws, including those regulating textile labelling, packaging and labelling, hazardous products, and weights and measures.

The *British North America Act,* however, leaves many consumer situations under the legal jurisdiction of the provinces; this is especially true for transactions between buyers and sellers.

The British Columbia legislature passed its first *Consumer Protection Act* in 1967. Among other things, this Act required that the actual and percentage cost of borrowing must be made clear to consumers. It also allowed consumers to cancel door-to-door sales contracts within a few days if they have changed their minds.

In 1970, an amendment to the 1897 *Sale of Goods Act* finally made it clear that retailers could not legally exclude rights guaranteed in the Act. Before this, it had been common for consumers to give up many of their legal rights when they signed a sales contract.

In late 1973, the *Department of Consumer Services Act* was passed. The law set up the legal framework for the development of the department and specifically, it declared:

Sec. 4

The duties, powers, and functions of the minister extend to and include all matters relating to consumer affairs that are assigned to the minister under this or any other Act or by the Lieutenant-Governor in Council and are not, by law, or by order of the Lieutenant-Governor in Council, assigned to any other minister or department, branch, or agency of the Government of the Province.

Sec. 5

The purposes and functions of the department are, under the direction of the minister,

(*a*) to have general supervision of consumer affairs and report to the minister from time to time on matters related to consumer affairs;

(*b*) to examine consumer affairs legislation both in Canada and elsewhere, and, upon the basis of such examination on a continuing basis, to make recommendations to the minister with regard to consumer affairs legislation.

(*c*) to investigate complaints received by the department and to carry out inquiries into alleged contraventions of consumer legislation or respecting practices that are alleged to be contrary to the interests of consumers;

(*d*) to disseminate information and educate the consumers with respect to consumer affairs matters; and

(*e*) to perform such other duties and functions as may be assigned to it by any Act or by the Lieutenant-Governor in Council.

Soon after the passing of this Act, the Department of Consumer Services opened its first offices. Its progress since then forms the basis for this second Annual Report.

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Introduction

The British Columbia Department of Consumer Services was established in November, 1973. This first year was largely one of organization, pulling together existing consumer legislation, developing new programs and statutes, and setting up the machinery to administer this legislation.

By the end of 1974, several significant events had occurred:

- The omnibus B.C. *Trade Practices Act* received the full backing of the Legislature in June and was proclaimed in July, 1974.
- Soon after, the department undertook and won its first court case on behalf of a consumer under the *Trade Practices Act*. Other enforcement activities followed.
- Between October 1974 and January 1975, four regional offices were opened—plus a second Debtor Assistance office in Vancouver. These offices began receiving hundreds of inquiries and specific complaints, mediating buyer-seller disputes, and offering specialized counselling to over-indebted consumers.
- A province-wide information campaign was started to publicize new consumer laws and the services offered by the department.

The department's second year, 1975, has been one of continued growth in contact with the general public. By the beginning of the year, the department's offices were in full operation and services were being provided for all regions of the province.

Generally, 1975 witnessed a doubling of activities over 1974, including inquiries received from the public and formal cases opened and closed.

In the area of enforcement, however, the 1975 increase was .in excess of tenfold over 1974.

Most important was the growing awareness by the business community and the consumer public at large of their rights and responsibilities in the marketplace. This has resulted not only from media coverage of enforcement activities, but also from the department's initiatives in the area of consumer education and liaison with business groups and individuals.

The consumer movement in British Columbia is no longer in its infancy. Trade associations pay serious attention to consumer legislation. Many large businesses have set up consumer sections within their own firms. And more people than ever have joined consumer groups whose branches have opened throughout the province.

The department has increasingly served as a public focus for the consumer movement. On the large and small scale, the department serves as a bridge between consumers and businesses. Every day, staff deals directly with buyer-seller disputes, settling the vast majority on a mutually helpful, mediatory basis. At the same time, senior staff meet with representatives of consumer and trade groups

as well as other provincial consumer departments and the federal government. Immediate problems are dealt with in these meetings and new policy and legislative initiatives are also developed.

As the department has begun to fulfill its mandate, a more precise picture has emerged. With this new precision, the department is better able to focus its own energies and to continually identify and more closely define those aspects where improvement is necessary.

Consumer legislation is part of an evolutionary process. The new laws in British Columbia and the new role fulfilled by the Department of Consumer Services are the result of this process. Future activities will depend on today's marketplace trends.

Statutes Administered by the Department of Consumer Services

Blind Persons' Rights Act

Cemeteries Act

Closing-Out Sales Act

Consumer Protection Act

Cremation Act

Debtor Assistance Act

Department of Consumer Services Act

Motor Vehicle Act (ss. 34-34H)

Municipal Cemeteries Act

Pawnbrokers Act

Personal Information Reporting Act

Pyramid Distributors Act

Trade Practices Act

Trading Stamp Act

35
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British Columbia Price Freeze

On October 24, 1975, the Government of British Columbia declared a price freeze on food, beverages, provincial transport and energy rates, prescription drugs, patent and proprietary medicines, and petroleum products. The freeze was imposed on these essential items to allow the federal government's anti-inflation monitoring program time for implementation. The freeze was originally scheduled to end January 1st, but was extended in late December to February 1st, and later to February 16th.

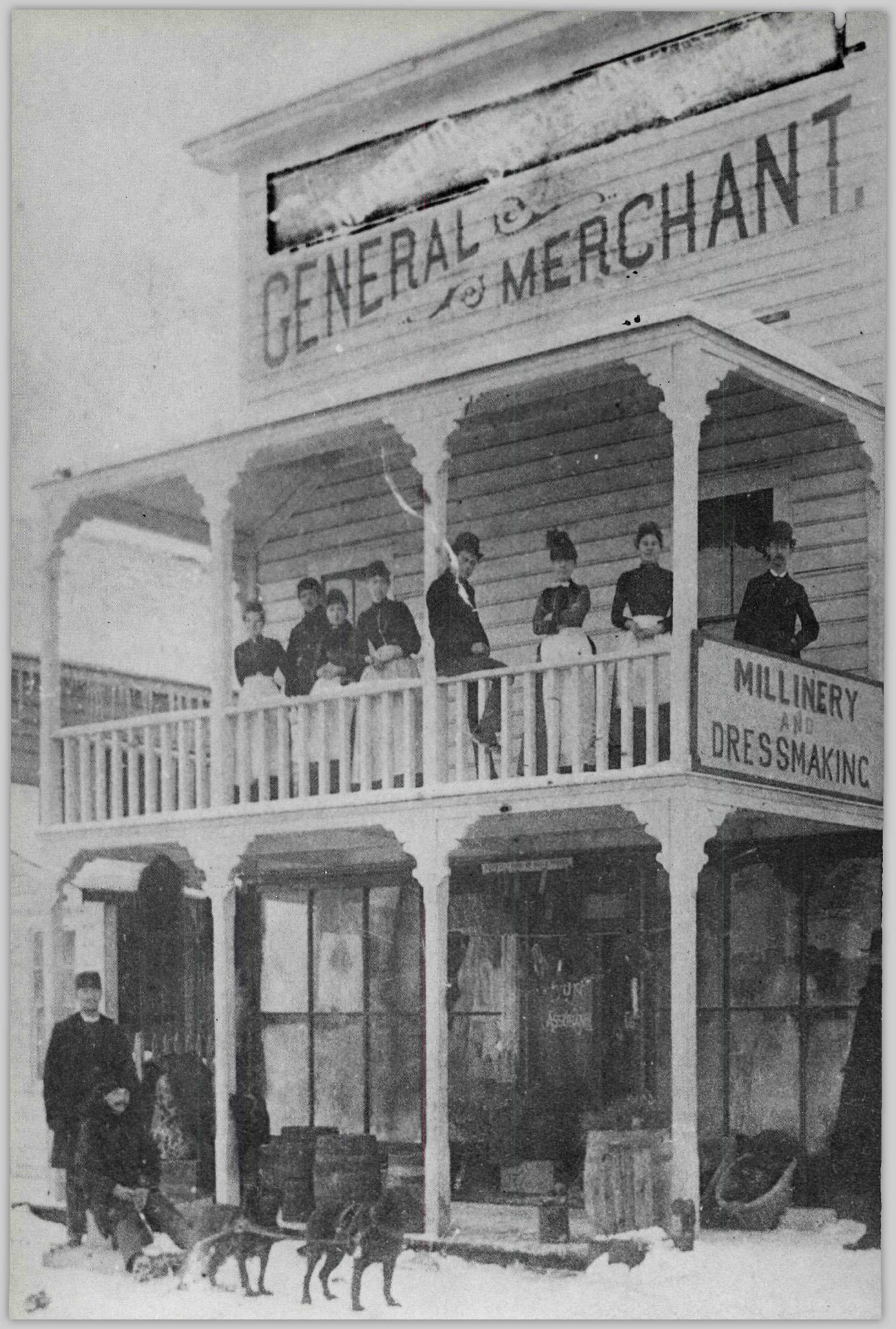
The Department of Consumer Services was primarily responsible for co-ordination of public and inter-departmental information, price monitoring, and the enforcement of price freeze regulations.

An extensive public information program was waged through the print media to explain what goods were covered by the freeze, and to encourage consumers to monitor prices in their own areas. A complaint form was provided in most newspapers throughout the province for consumers to investigate and report any violations.

Response to this information program indicated an interest and a large degree of co-operation on the part of both business and consumers. Total inquiries received through storefront offices reached 2,840 by December 31st. The final total was in excess of 4,200 inquiries.

Most inquiries were resolved through explanation of price freeze regulations, however, 298 registered complaints requiring further investigation had been received and processed by December 31st.

Usually, in cases where stores and other businesses were found to be offending price freeze regulations, an explanation of the regulation resulted in price rollbacks. In one instance, an independent grocery chain was found to have raised prices on twenty-seven items covered by the freeze. Enforcement activity by the department resulted in a public apology by the store manager, and a donation to a local charitable institution, in an amount equal to the gross revenue generated by the surcharged goods. Further results on the price freeze will be reported in next year's Annual Report.


GENERAL MERCHANT.
MILLINERY
AND
DRESSMAKING

Trade Practices Branch

1975 marked the first full year of *Trade Practices Act* enforcement and, with the opening of the Prince George office in January, four storefront offices were open to serve the public.

Amendments were made to the *Trade Practices Act* and the *Personal Information Reporting Act*. The *"Fair Sales Practices Act"* became the *"Pyramid Distributors Act."* Late in the year, responsibility for Motor Vehicle Dealer Licensing was assumed by the department, for administration by the Trade Practices Branch.

The branch continues to deal with all forms of consumer complaints and is responsible for the enforcement of those statutes which are regulatory in nature. The investigations arising from complaints or suspected breaches of the statutes are carried out by branch personnel. The department is also able to provide general advice or assistance in areas which are not associated with complaints or which serve to resolve complaints at a very early stage.

In addition to their existing duties, storefront office staff were called upon to deal with complaints arising from the price freeze and in nearly every case, price increases falling within the jurisdiction of the price freeze regulation were immediately rolled back. The staff received excellent co-operation from the retailers who were contacted.

TRADE PRACTICES ACT

Enforcement—Section 15: Assurance of Voluntary Compliance

Significant amendments were made to the Act during the spring session. From the enforcement activities which took place during the year, it became obvious that suppliers of all kinds, after some initial reservations, took fairly readily to the concept of the Assurance of Voluntary Compliance. Twenty-four Assurances were negotiated to completion during the year and in many cases it was possible to build consumer redress into the settlements which were reached.

Section 16—Injunctions

In three cases, interim injunctions were sought. In one case, (Colliers Encyclopedia), the injunction was granted and although this has now expired, the supplier has given a firm undertaking not to repeat the acts or practices complained of until the matter has been dealt with by court action or otherwise. In another case (John's Tax Services), the injunction application was unsuccessful and an appeal of that decision also failed. The matter is still before the courts. In the third instance (MacLean Hunter), the application was not ruled upon but adjourned and once again the supplier has given a firm undertaking to the court that the acts or practices will not be repeated until the matter has been settled by court action or otherwise.

In a further case (Household Finance), an interim injunction was not applied for, but the courts are being asked to rule upon certain acts or practices by means of declaratory judgment and it is anticipated that this case will be heard early in 1976.

Section 24—Substitute Actions

A further enforcement option available to the Director of Trade Practices is to institute or defend proceedings on behalf of a consumer or class of consumers. Twelve cases were initiated during the year and nine have been brought to a successful conclusion. The remaining cases are still before the courts.

In one of these cases (Budget Freezer Foods), what amounts to a class action is being taken by the Director on behalf of consumers who did not receive orders of food for which they had paid in advance and, as in most enforcement precedents which are being established under this Act, this is breaking totally new ground in Canadian consumer law.

Section 25—Prosecution

In only one case during the year was it found necessary to apply the prosecution powers contained in the Act and a warrant was issued for the arrest of an itinerant home repair man who left the province.

Publication of Enforcement Activities—Section 4

The Public Record of all enforcement activities, maintained at each storefront office, is readily available to any interested persons. There have not been many requests to inspect the Public Record this year. A series of Enforcement Reports was circulated during the year which gave details of current enforcement activities. In some cases where court proceedings had been initiated and some interim settlement was reached, the department issued a press release providing details. Some considerable interest in the application of the statute has been expressed outside the province and by other countries.

Investigations—Sections 8 and 9

The formal investigation powers contained in the Act are only used when it is suspected that there will be a lack of co-operation and/or that evidence or records will not be made available if the supplier receives prior knowledge of the investigation. Trade Practices Branch staff have not met with any sustained objection to the use of these powers and it has been possible in most cases to use the less formal investigative powers contained in the Act due to the co-operation which we have received from suppliers.

Freezing Orders—Section 13

It has been necessary to issue a "freezing order" in five cases. To illustrate the need for such powers, a manufacturer had removed a significant number of mobile homes for which a British Columbia supplier had received full or partial payment from British Columbia consumers, to the Canada/U.S. border with the intention of taking them out of British Columbia's jurisdiction. The order prevented their removal and allowed a subsequent bankruptcy proceeding to vest clear title in the affected consumers who would otherwise have suffered considerable loss. The case is still under investigation on other points.

In another case, a food supply firm was found to be in financial difficulties. It had not supplied food orders to British Columbia consumers who had already paid the company in advance. By freezing the assets which would otherwise have accrued to the benefit of the company, these assets are still potentially available for distribution to consumers who are now being joined by the Director to the class action mentioned previously.

PYRAMID DISTRIBUTORS ACT

The *Fair Sales Practices Act* was amended by repealing the title and substituting *"Pyramid Distributors Act."* Twenty complaints were received during the year under the Act and in one instance, the inspector obtained a 90% refund for returned goods. There were applications for exemption from the Act but none has been granted.

PERSONAL INFORMATION REPORTING ACT

During the year the Act was amended by Bill 79. One of the main amendments changed the definition of a reporting agency. Besides the regular credit bureaus, other credit granting agencies such as department stores and oil companies, and other retail outlets that furnish reports on a routine, nonprofit basis as an ancillary part of a business carried on for gain or profit, are now classed as "reporting agencies." Although exempt from registration by regulations, the other provisions of the Act apply.

At the end of 1975, there were 41 reporting agencies registered under the Act. According to credit bureau statistics, 9,144 consumers took advantage of the provision in the Act which permits them to examine their file.

REMAINING STATUTES

There were no amendments during the past year. Complaints and investigations were handled pursuant to the provisions of the Act as indicated in the statistical appendix.

CEMETERIES ADMINISTRATION

The services of Professor Richard Gosse, Q.C. were obtained during the year to undertake a study of the Cemeteries Administration, and related statutes. His report, which will include recommendations, will be received during the coming year. Activity under the statutes related to the cemetery administration may be found in the statistical appendix.

Presently, there are 544 cemeteries, 3 mausolea, 4 columbaria and 11 crematoria under regulation in British Columbia. These establishments are governed under the terms of the *Cemeteries Act,* the *Cemetery Companies Act,* the *Municipal Cemeteries Act* and the *Cremation Act.*

MOTOR VEHICLE DEALER LICENCES

Effective November 20, 1975, the Minister of Consumer Services became responsible for the administration of Section 34 to 34H of the *Motor Vehicle Act,* being that part of the Act related to dealers licences. Staff of two was transferred to the department. Norman Manning, Assistant Director of Trade Practices, was appointed Registrar of Motor Vehicle Dealers. The department was immediately involved in the drafting of new regulations and dealer licencing application forms.

GENERAL

During the course of the year the Director of Trade Practices had occasions to enter into correspondence with those suppliers who were importing motor vehicles for retail sale in British Columbia in regard to their warranty programs and, more particularly, whether all consumers receive the benefit of extended warranties where inherent faults or defects are known or become known to the manufacturer. Further discussions are to be held.

Similarly, correspondence took place with those suppliers who issue credit cards to British Columbia consumers in respect to their interest policy during the post strike.

SUMMARY

In addition to the responsibilities conferred by other regulatory statutes, the year provided some indication of the results which can be expected from the enforcement of Trade Practices legislation.

This Act was used with considerable success to halt or condition misleading, deceptive or unconscionable acts or practices, and, where these acts or practices occurred, consumers were significantly assisted to obtain redress. There are firm indications that many suppliers consider that this Act will not harm the honest and reputable trader but will serve to discourage or discredit the less reputable competitor.

Legal Services Branch

The practical work of the Legal Services Branch covers a wide spectrum, since its purpose is to act, in effect, as a law firm for the rest of the department.

It contains two full-time lawyers, seconded from the Attorney-General's Department, two contract lawyers working full-time out of the Vancouver office, lawyers who are retained to act on specific cases, and a group of law students who work full-time during the summer and part-time during the school year.

Consumer law is an embracing term covering a wide variety of topics from basic contract law to the finer details of secured transactions and product liability. Law in these areas is in a constant state of flux. One of the jobs of the branch is to keep aware of these changes and to communicate them to other members of the department whose activities might be affected. Extensive consumer law libraries are maintained in both the Vancouver and Victoria offices, for the use of staff lawyers and law students employed by the department. These resources are also available for use by outside members of the legal community.

Specialized legal research is undertaken and briefing materials on legal policy matters are prepared for the Deputy Minister and the Minister on aspects of inter-provincial and federal/provincial relations in the consumer law field.

Much of the initial drafting of departmental legislation is undertaken by the branch. Branch staffs are able to research or co-ordinate research on various topics, develop concepts for new legislation on the basis of this research, and draft legislation to a fairly advanced state, drawing on the considerable experience and data available in other branches of the department. This legislation is then submitted to the Office of the Legislative Counsel where it is further refined and put into proper legislative form.

Day-to-day functions include advising personnel in Trade Practices, Trade Liaison, Information and Education and the store-front offices on legal questions encountered in their own work.

The branch lawyers make frequent community speaking engagements, alone or with other members of the department. Liaison is also maintained with professional groups whose interests touch on consumer law.

A large proportion of time is spent on assisting development of Trade Practices Branch enforcement matters. Assistance is given both in development of Trade Practices investigations and in preparation of all necessary documentation.

Further assistance is given in negotiation of Assurances of Voluntary Compliance under the *Trade Practices Act,* and in ensuring that the documents are properly executed in accordance with the requirements of the legislation.

MAJOR PROJECTS

The full list of enforcement activities undertaken by the Trade Practices Branch with assistance from the Legal Services Branch during 1975, is appended.

Major projects of a non-enforcement nature undertaken during 1975 include:

1 Transfer of Motor Vehicle Dealer Licensing to the Department of Consumer Services from the Department of Transport and Communications and the development of new regulations and licence application forms;

2 Research and legal policy analysis with regard to Electronic Fund Transfer Systems proposals by the federal government;

3 Review of proposed new federal bankruptcy legislation;

4 General involvement and policy assistance in the review of warranty law; also the national anti-inflation program;

5 Major involvement in the development and administration of the B.C. Price Freeze;

6 Development of suggested standard clauses and formats for conditional sales agreements, chattel mortgages and other consumer contracts;

7 Analysis and legal research regarding extended automobile warranty programs.

Community Programs Branch

RESPONSIBILITIES

The Community Programs Branch is responsible for the development and administration of most of the non-regulatory activities of the department. The major thrust of most programs is to inform the consumer and business community of market forces, consumer protection law, and rights and responsibilities in the marketplace.

The branch is comprised of three divisions as well as special programs administered out of the Director's office.

The Debtor Assistance Division, described separately, offers a full range of counselling assistance, from simple budget arrangements through a range of programs for the reorganization of financial affairs (including the repayment of all or portions of personal debt). This division administers Part X of the federal government's *Bankruptcy Act* (Orderly Payment of Debts). By virtue of the *Debtor Assistance Act,* it also provides assessment services to courts which choose to refer persons for assessment of ability to pay debts before judgements are made.

Within the Communications Division there are three sub-divisions: Information, Education and Trade Liaison (described in detail separately). While information and education staff conduct activities and programs directed towards the public sphere, trade liaison personnel direct their energies more towards the business community. The staff answer queries about legislation and develop guidelines for assistance to various trades in conduct of their day-to-day business.

The Research Division maintains the capacity of the department to analyze and develop responses to various consumer problems as well as weigh the impact of services performed by the department.

The Director's office, in addition to the above mentioned divisions, administers the community funding program, community training seminars, the summer student program, and sundry special projects. Through the assistance of a special projects officer, direct contact is maintained with interested consumers and community organizations to develop and maintain complaint-handling and debt counselling services in communities not adequately served by the department's four storefront offices. Training seminars are offered to develop consumer awareness and counselling skills among professionals, paraprofessionals, and community organizations which come in contact with consumer concerns.

DIRECTOR'S OFFICE—ACTIVITIES

During the past year, the funding program assisted eight consumer and/or community service organizations around the province. The grants were approved to maintain full or part-time staff, and provide minimal operating expenses. Two additional grants were provided for educational purposes, one for a series of

consumer-oriented video programs to be used on the Victoria community cablevision system, the other a donation towards a Victoria lecture series. A list of funded groups is appended to this Annual Report.

In 1975, community training seminars were held in Vernon and Terrace. Participants represented departmentally-funded groups, social agencies, and community law centres from surrounding areas. Staff from storefront offices and the Victoria head office conducted lectures and discussions on a range of consumer legislation, techniques for dealing with consumer complaints and debt counselling. Following these training seminars, many of the participants in turn conducted consumer awareness sessions in their local communities.

In conjunction with regional storefront personnel (primarily consumer service officers and debt counsellors), the special projects officer maintained contact with funded groups and with other community groups handling consumer problems, for the purpose of keeping them well abridged of legislation and departmental services.

Other special projects included administration of the department's summer student program; arrangement for specific product-testing research; preliminary investigation and organization of a departmental staff-training program; contact with the Inter-Departmental Grants Committee, and reporting on various subjects as requested by the Deputy Minister.

RESEARCH DIVISION

The Research Division undertakes short and long-term projects designed to present facts, figures and interpretations to facilitate planning. The division aids other sections of the department both by undertaking specific projects on request and by designing procedures to fit individual sections' needs.

Staff are also required to keep the department informed of activities and trends which influence the marketplace. In 1975, these studies included work in computer based check-out systems for supermarkets, consumer credit, and aspects of a cashless society.

In 1975, specific consumer interest areas which were investigated and reported on included "home renovations", "mobile homes", "cable television", "moving and storage", "new house warranties", "automobile retailing and repairs", "food preservation", "broiler chicken prices" and "sugar prices".

In a joint project with Alberta and Saskatchewan, the division investigated the incidence, desirability and potential of consumer education in elementary schools.

The provincial price freeze, implemented on October 24th, provided a major food price monitoring project for the division. In line with the present federal

anti-inflation program, the division is undertaking a continuing monitoring program based on average B.C. family food consumption patterns.

DEBTOR ASSISTANCE DIVISION

The Debtor Assistance Division was established with the interests of the credit-consuming public in mind. The services provided fall generally into two categaries.

(*a*) remedial; counselling, rehabilitation; includes protection for debtors while repaying their legal obligations through plans suggested by our office.

(*b*) preventative; education, information and budget advice; generally to help consumers by teaching good money management habits.

The *Debtor Assistance Act* gives certain powers to aid in providing these services. The division is empowered to do the following:

Sec. 5

(*a*) Advise and assist debtors in working out arrangements for the settlement of debts.

(*b*) Arrange meetings between creditors/debtors.

(*c*) Advise and assist a debtor in the preparation of any plan or scheme before the courts.

(*d*) Aid a debtor in obtaining postponements, adjustments, or extension of time for the payment of debts.

(*e*) Act as an intermediary.

(*f*) Generally to render service and advice and assistance to a debtor who is unable to meet his liabilities and, who through the courts or otherwise is being pressed for payments or harrassed by his creditors.

(*g*) To enter into agreements for the purpose of studying, researching, counselling, or providing for the improvement of problems facing debtors.

(*h*) Provide financial or other assistance to a person referred to in (*g*).

(*i*) Conduct, or arrange and finance programs for the dissemination of information respecting problems affecting debtors.

(*j*) With the approval of the Lieutenant-Governor in Council, enter into agreements with any department of the Government of Canada or of a province for any purpose referred to in clause (*g*).

Section 7 of the *Debtor Assistance Act* gives the division the authority to receive and disburse funds from debtors to their creditors and is very helpful in establishing plans of repayment or settlement of debts. Debtor Assistance Pool Account programs have been set up under the provision.

Section 8 provides for courts to refer debtors to Debtor Assistance for the determination of ability to repay debts and other obligations. This section, in practice, provides for close co-operation and assistance with the Family Court, to give adequate protection to all members of a family going through a marital breakdown or other type of family conflict. Often this time is hard on the pocketbook as well as the emotions.

Further authority is given to two Clerks of the Court within the division to administer Part X of the federal *Bankruptcy Act* [pursuant to Section 5 s.s. (j)]. One result of action under the *Bankruptcy Act* can be the consolidation order. The result of such an order may be (*a*) a judgment of the court in favour of each creditor named in the register for the amount claimed; or (*b*) an order of the court for payment by the debtor of the amounts stated in the order over a stipulated period of time.

With the authority given through the above legislation, and, with the approach taken by Debtor Assistance of maintaining contact with both the credit industry and the debtors, an effective first year of operation has been experienced. The Debtor Assistance Division directly helped debtors pay back $791,410.00 in debts which otherwise would have been largely written off.

Approximately 7,000 counselling sessions took place in 1975, with the assurance of increased response from the public in future. The seven counsellors not only helped clients with budgeting and overdue debts, but also kept in frequent contact with the credit industry—finance companies, loan companies, banks, and other credit agencies. They made frequent visits to communities such as Terrace, Prince Rupert, Williams Lake, Nelson, and Kelowna, to cover areas which the storefront offices in Prince George, Kamloops, Victoria and Vancouver could not handle.

In these outlying areas, some help is provided by community groups, a few of which receive some funding by the department. In Kitimat, Nelson, Abbotsford and Surrey funds are paid towards the salary of a debt counsellor or toward referral services, so that many problems can be handled on the spot by local agencies. In other cases, these agencies arrange appointments for the travelling debt counsellor, for maximum use of his or her time when travelling.

The average debt burden of Debtor Assistance clients last year was between $7,000 and $9,000. The average income was approximately $11,000 per year. The total debt burden of all people counselled in 1975, including Orderly Payment of Debt, pool account, and general counselling clients, was over $20,000,000.

Additional information can be found in the statistics section.

COMMUNICATIONS DIVISION

The Communications Division consists of three sub-divisions: Information, Education, and Trade Liaison, described below. Staff of the division assist the department with creation of written and visual materials for use in all forms of public contact, and undertake direct public contact on behalf of the department.

CONSUMER INFORMATION

This section has developed means of providing information on consumer legislation and other concerns to consumers and the business community in British Columbia.

Various approaches were used. These included display easels for business offices, mailed flyers, radio advertisements, shopping-centre and bus cards. Information kits, with collected materials from various branches of the department, were compiled for special instructional seminars and to brief new staff and visiting delegations.

A major audio-visual project was developed and completed in 1975. This is a slide-tape program, entitled "Law and the Marketplace", which reviews the history of consumer legislation and the consumer movement in Canada generally and British Columbia in particular. This program is now available through the department's Consumer Resource Centres, located in each regional office.

The information section was responsible for overseeing the creation and distribution of information on the provincial price freeze, to all areas of the province.

Day-to-day news stories, consumer warnings, and enforcement announcements were written or edited by this section before release to the press. Special interest items highlighting aspects of the department such as the opening of a regional office or features on the work of specific staff members were also developed and distributed from time to time, either through news releases or in the departmental newsletter, "Consumer Aware".

The information section contains the comprehensive departmental distribution system, which aids in the distribution not only of Communications Division materials, but also in compilation and distribution of items for other branches. The two part-time distribution clerks maintain a special computerized mailing list covering a wide range of interest groups. Names are added to the mailing list on request.

A list of publications is appended to the Report.

CONSUMER EDUCATION

A major consumer education project in 1975 was the production of a reference kit, designed to assist those involved in consumer education in secondary schools. Among the items in the kit are an annotated bibliography of books on consumer topics, notes on audio-visual material in the field of consumerism, and a teacher's guide to advertising. The department also purchased the rights to a series of films on advertising which have been made available through the Provincial Educational Media Centre (Department of Education). The consumer education reference kit was approved for use in the schools by the Department of Education and has received a very enthusiastic response from teachers. After an initial distribution of approximately 200 copies, requests for the kit poured in, and by the end of 1975 over 1700 consumer education kits had been distributed.

Another consumer education project in 1975 was the preparation of a Directory of Consumer Resources. This booklet lists consumer-oriented groups and organizations in British Columbia and describes their activities. It will be revised annually to provide the most up-to-date information available on consumer resources.

An integral part of the department's consumer education program is the consumer resource centre located in each storefront office. These special collections of consumer books, magazines, newsclippings and reference material are open to the public, and many items can be borrowed on loan. Each collection contains over 200 books and reports, and about 65 consumer periodicals.

These provide, among other things, the latest information on product testing, hints on wise buying habits, and advice on money management.

TRADE LIAISON

The Trade Liaison Division was established to keep the business community in touch with consumer-oriented legislation and other programs administered by the department.

This section gives advice to business people on departmental policy, contributes to new policy, interprets legislation and regulations and generally helps business to be fully aware of the ambit of consumer legislation.

Communication is by letter, telephone and personal contact with individuals and groups.

Trade Liaison has published and distributed policy letters on extended auto warranties, use of the word "free" and "manufacturer's list price" in advertising and has circulated trade bulletins on auto servicing and repairs and deceptive practices in sale events.

The staff was heavily involved in administering and interpreting the price freeze program, begun October 24th. All inquiries regarding business community requirements were met by this section.

The section's main projects, fast approaching completion stage, are two sets of comprehensive guidelines. One deals with acceptance standards for the general advertising industry; the other deals with auto retailing and advertising. Both sets of guidelines are offered as a service to the business community, to assist its members in observing the general purpose and intent of B.C. legislation.

SEMINARS FOR BUSINESS

In April 1975, the Department of Consumer Services presented a seminar on the *Trade Practices Act* in co-operation with the Faculty of Commerce and Business Administration at the University of British Columbia. The seminar provided an opportunity for business leaders to learn more about the legislation.

An overflow crowd packed the ballroom of the Hotel Georgia to hear:

Professor R. R. Loffmark, "Setting the Scene: The Law as it Was"

William A. W. Neilson, Deputy Minister, "The Department of Consumer Services and its Legislation"

Professor F. H. Siller, "The Trade Practices Act"

Three Views from Business, "Living with the Trade Practices Act"
Ben Wosk, President, Wosk Ltd.
Ken Dale, Automobile Dealers Association of Greater Vancouver
Jack Biggs, Eaton's

Professor Allen Zysblat, "A Lawyer's View of the Trade Practices Act"

Ronald I. Cohen, "Consumer Protection Legislation: A Comparative View"

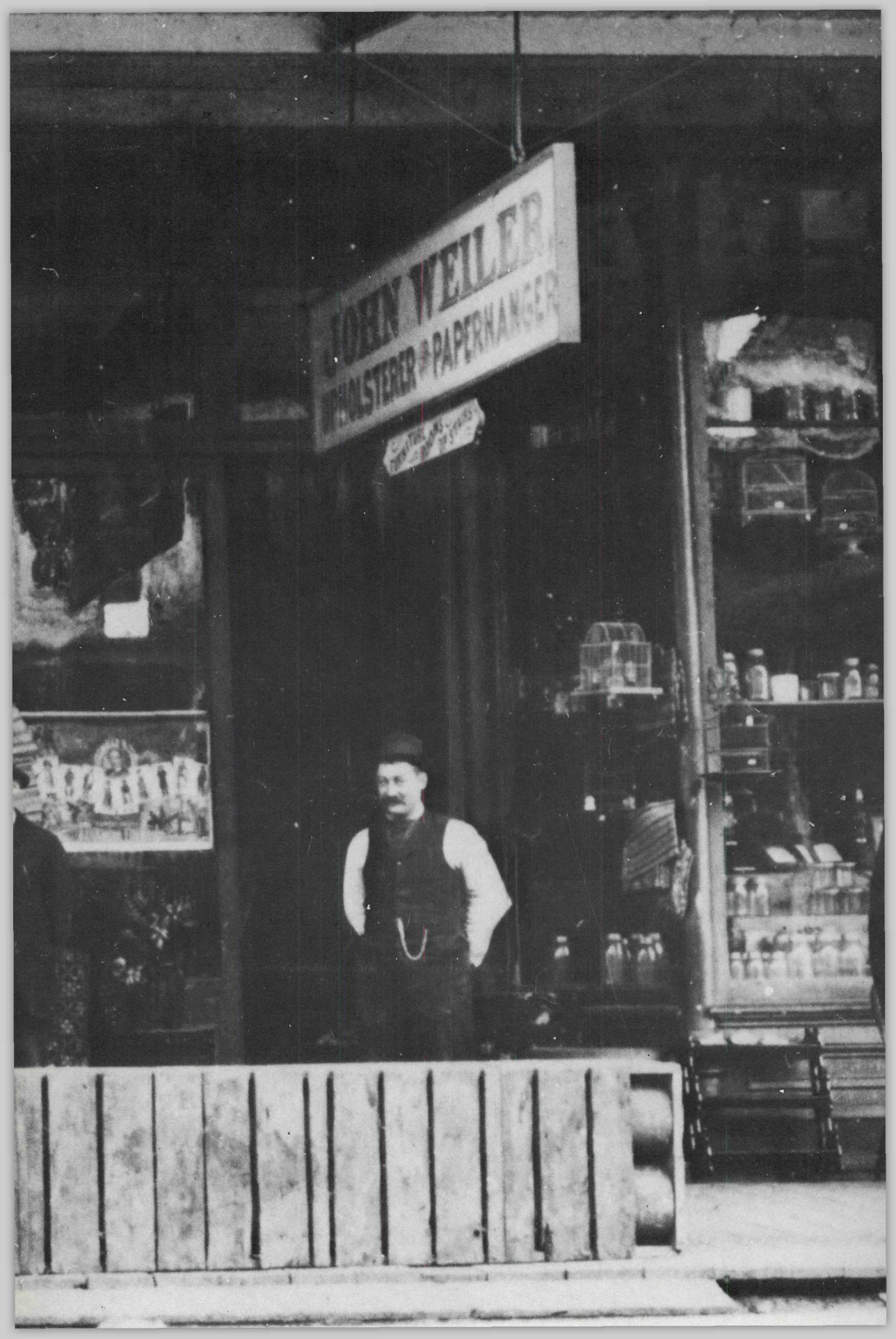
In that same month, similar programs were presented in Nanaimo, Prince George, and Kelowna, with approximately 35 people attending each seminar.

MARKET
PUBLIC
ENTRANCE

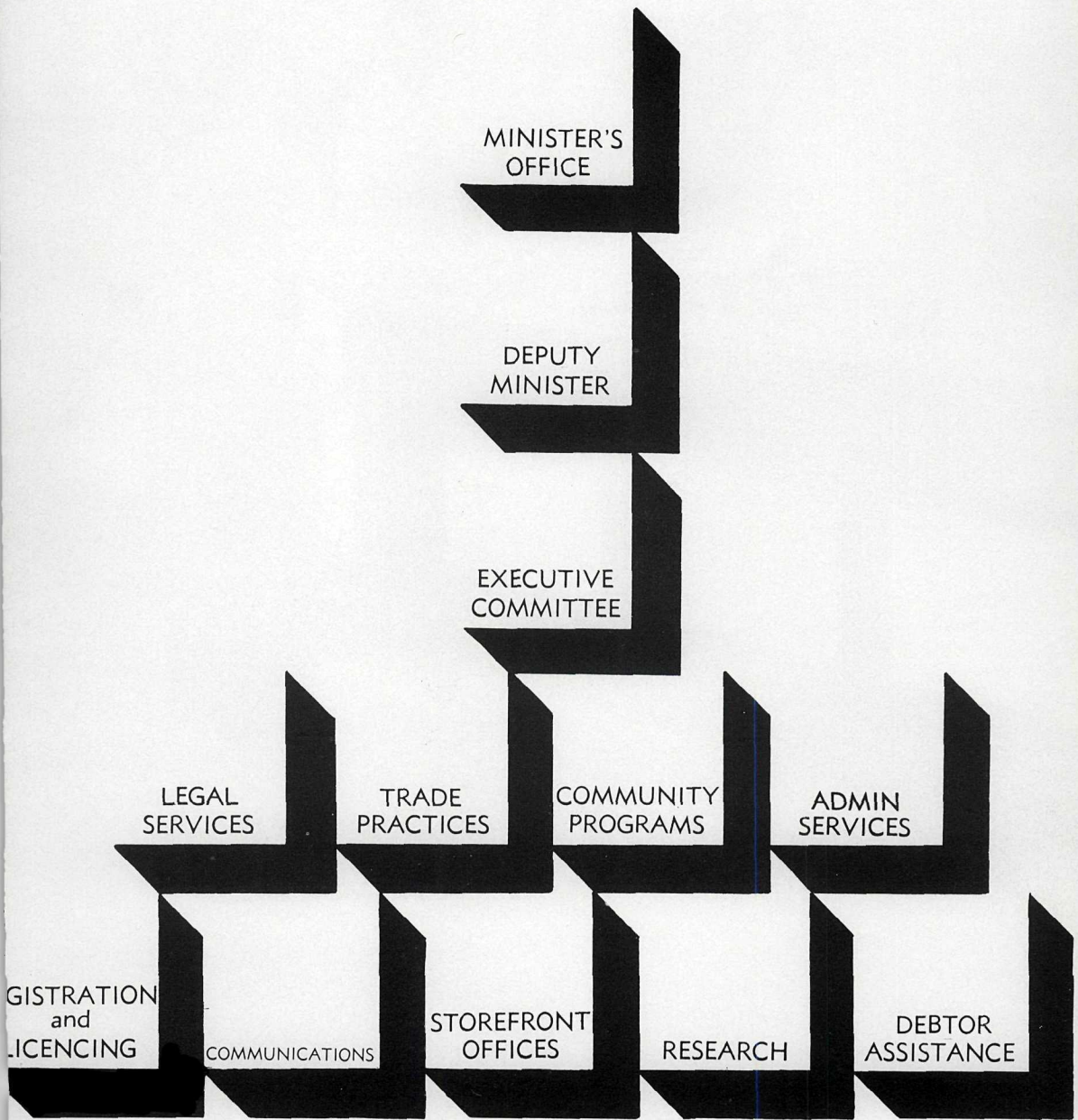
Administrative Services Branch

This branch, the smallest within the department, meets various important needs:

1. *Personnel*—The Branch administers the personnel needs for the whole department, which, at the present time, has a total staff component of 98 full time positions. Its responsibilities cover the areas of recruitment and selection, staff training, periodic assessment of the organizational structure of the department, and related aspects.
2. *Budget*—The Branch Director acts as Departmental Comptroller and has input in budget planning and preparation and exercises budget control.
3. *Accounts*—Branch staff are responsible for the accounts and payroll function for the department.
4. *Premises and Supplies*—The Branch assures that adequate supplies of office materials and equipment are at hand at any time. It also evaluates the space needs of the department.


JOHN WEILER
UPHOLSTERER & PAPERHANGER

Organization Chart



Statistics: Charts & Tables

STATISTICS: CHARTS AND TABLES

1 Consumer complaints received, 1975

2 Consumer complaints received in each region
Rebates obtained for consumers

3 Increase in complaints received 1970–1975

4 Rebates obtained for consumers

5 Ten major categories of consumer complaints

6 Complaints registered under provincial statutes.

7 Cemeteries Administration Statistics

8 Debtor Assistance Division new client caseload

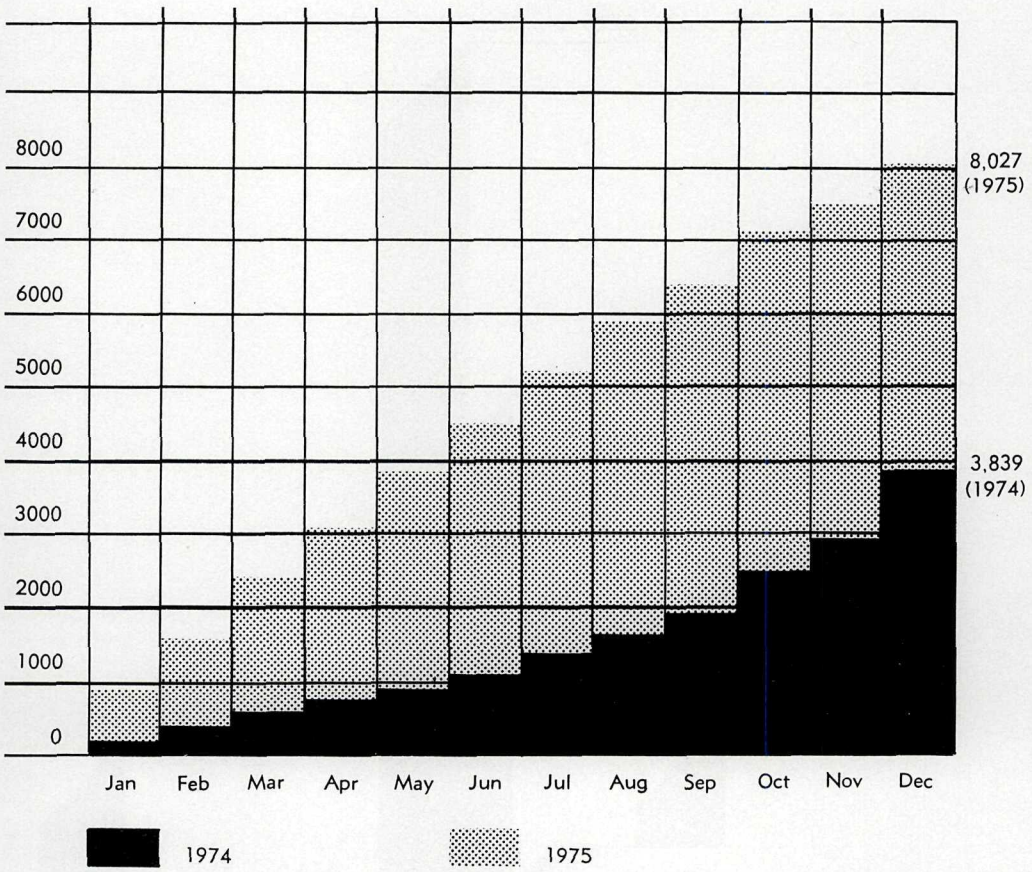
9 Debtor Assistance Division new clients by region

10 Debts repaid under Pool and Orderly Payment of Debt Programs

11 Clients Debt Burden statistics

12 Distribution mail request statistics

TRADE PRACTICES BRANCH COMPLAINT CASELOAD 1974 vs 1975

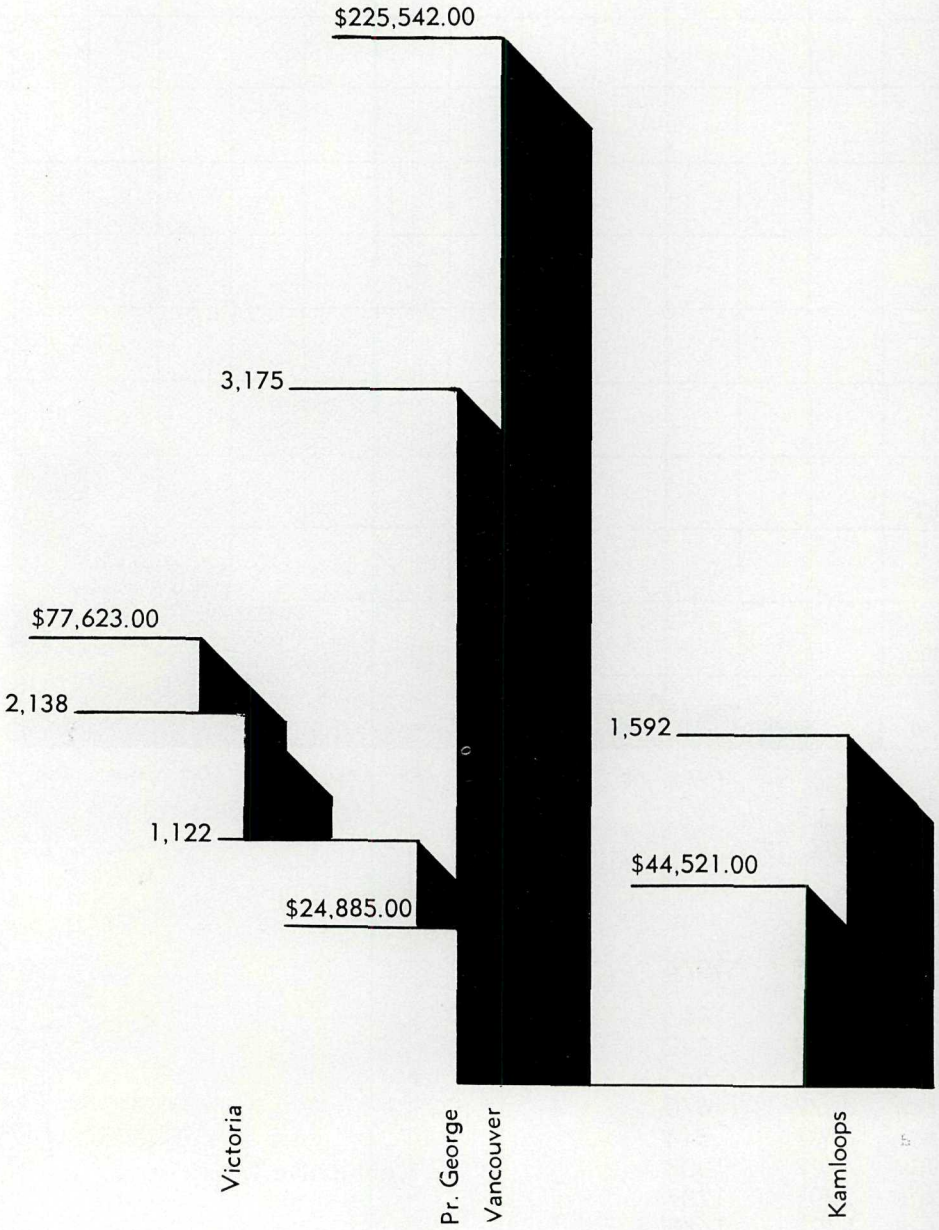


	1975	1974
Jan	859	155
Feb	1649	342
Mar	2370	560
Apr	3077	670
May	3797	844
Jun	4477	1008
Jul	5201	1287
Aug	5799	1645
Sep	6393	1881
Oct	7083	2408
Nov	7528	2898
Dec	8027	3839

Cumulative Totals

TRADE PRACTICES BRANCH **Rebates to consumers by region**
(Does not include exchanges or other non-monetary settlements)

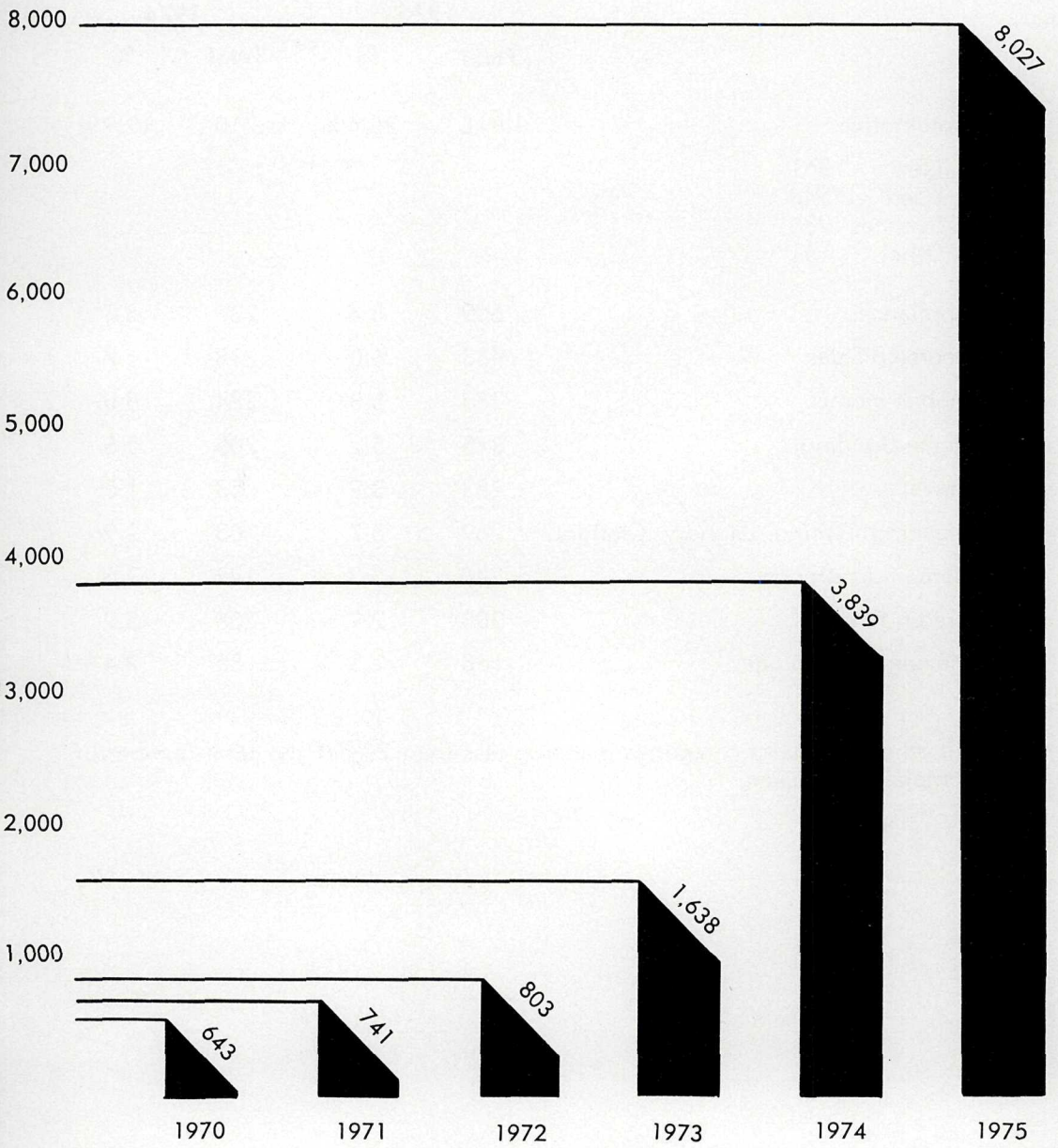
Complaints received by region
Total cases, all regions: 8,027



Total rebates, all regions: $372,571.00 1974 Total $56,709.00

TRADE PRACTICES BRANCH Complaints Received 1970–75*

* Between 1968 and late 1973, a Consumer Affairs office was maintained in the Attorney-General's department. The Department of Consumer Services was formed in November, 1973. The totals shown on this graph therefore cover consumer complaints received under the previous system as well as under the present one. All regional offices were opened through summer and fall of 1974, and began full operations in early 1975.



GENERAL COMPLAINTS CATEGORIES IN ORDER OF VOLUME

	1975		1974	
	Total	**%**	**Total**	**%**
Automotive	1,918	26.4%	710	19.9%
New 361 Used 540 Services 986 Other 31				
Appliances	609	8.4	237	6.7
Doorstep Sales	433	6.0	238	6.7
Mobile Homes	383	5.3	284	8.0
Home Building	375	5.2	205	5.8
Travel	283	3.9	53	1.5
Cleaning, Dyeing, Laundry, Clothing	269	3.7	103	2.9
Home Furnishings	240	3.3	127	3.6
Credit, Finance	208	2.9	208	5.9
Moving and Storage	168	2.3	85	2.4

All other complaint categories made up less than 2% of the total number of complaints received.

CONSUMER COMPLAINT TOTALS BY STATUTE

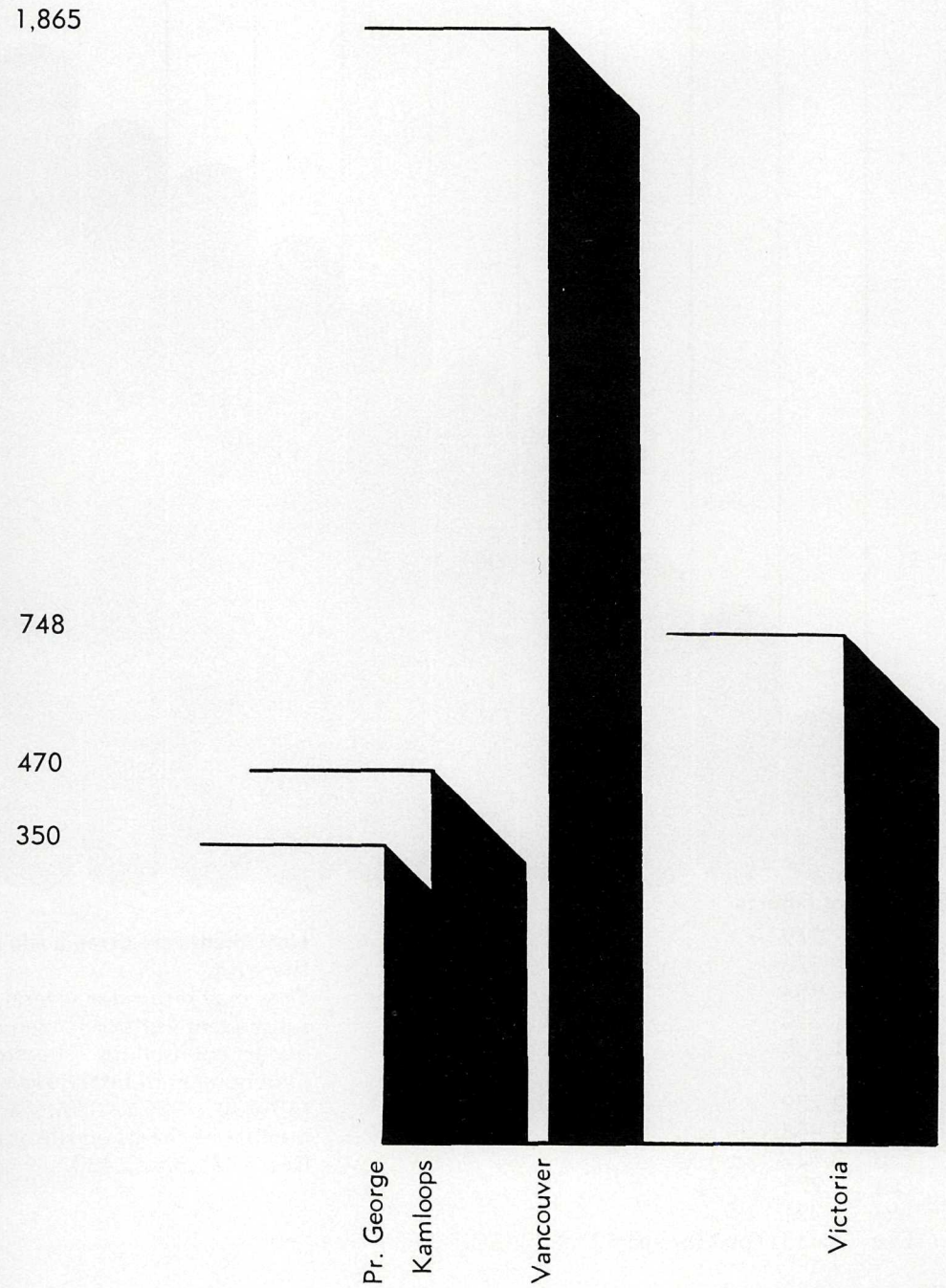
	Totals 1975	Totals 1974
Trade Practices Act	603	234
Personal Information Reporting Act	38	19
Consumer Protection Act	91	26
Pyramid Distributors Act	20	5
Closing Out Sales Act	3	2
Blind Persons Rights Act	.....	.....
Pawnbrokers Act	2	.....
Trading Stamp Act	.....	.....
*General	7,270	3,553
Totals	8,027	3,839

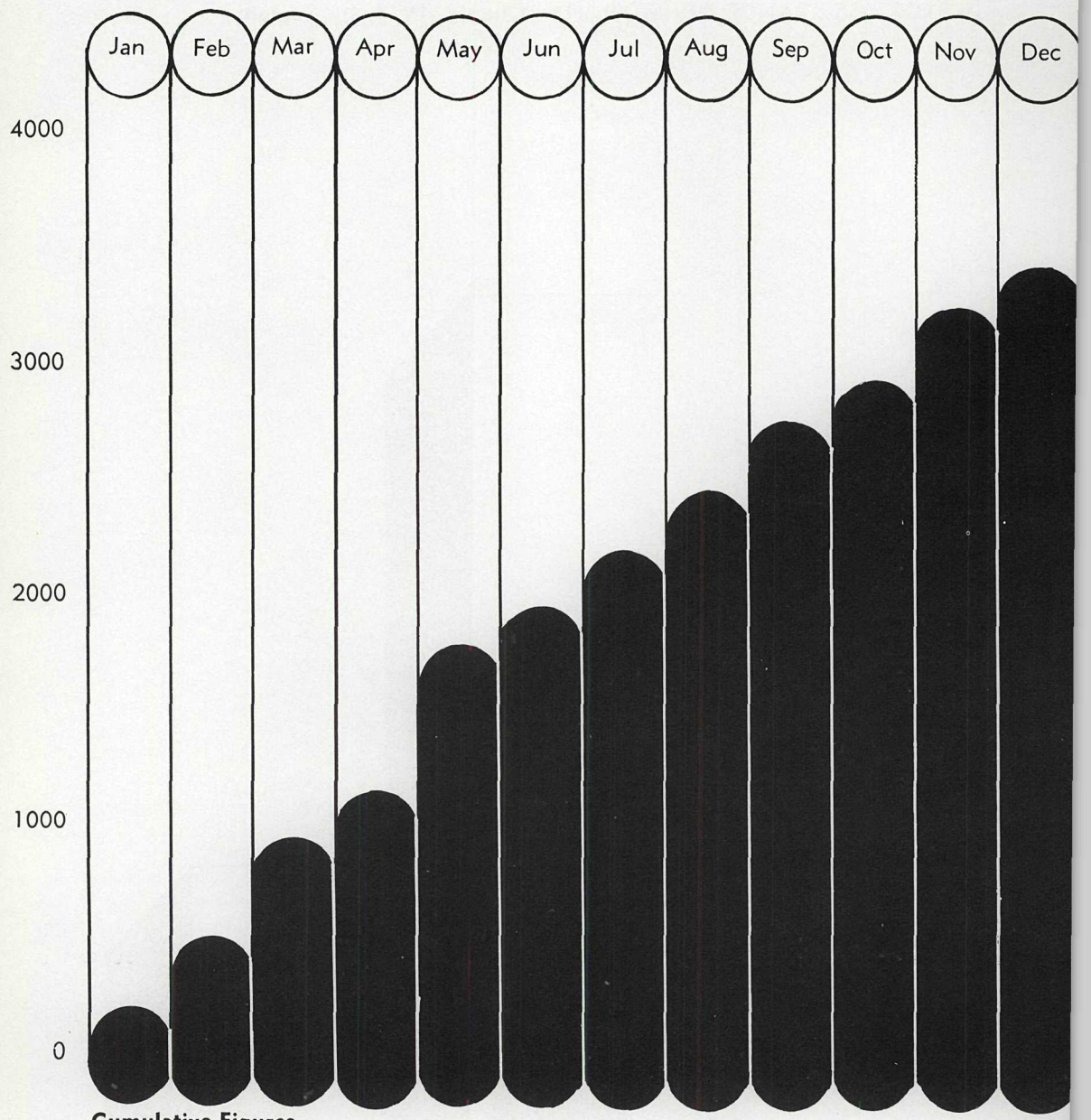
* Note: Most complaints are not handled or pursued under a specific statute, but are handled in a 'general' category, often through mediation or other direct action by Consumer Services storefront staff. In these cases, no further legal action involving a specific statute is required, though the legislation backs up the complaint handling process. Some of the above statutes handled by the Department were, however, involved during 1975.

CEMETERIES ADMINISTRATION

	1975	1974
Crematorium Licences Issued	11	11
Certificates of Public Interest Granted to Establish a Cemetery and Mausolea	4	4
Transfer of Cemetery Operation and Ownership	7	5
The Sale of Surplus Cemetery Land Approved	1	2
Cemetery Trustees Appointed	5	2
Cemetery Rules and By-laws Approved	8	11
Cemetery Rate Schedule Approved	63	29
Care and Maintenance Trust Fund Examined and Passed	1	1
Installation of Crematorium Reports Approved		1
Exhumations Approved		30
Complaints Dealt With	23	12
Cemetery burial areas approved for use	7	
Cemetery board members appointed	4	
Cemetery and Crematorium rate schedules rejected	3	
Use of "contingent" trust funds approved	3	
Conversion of "headstone" cemetery to lawn type operation approved	1	
Public hearings	1	

DEBTOR ASSISTANCE DIVISION, New Clients, 1975, by Region.



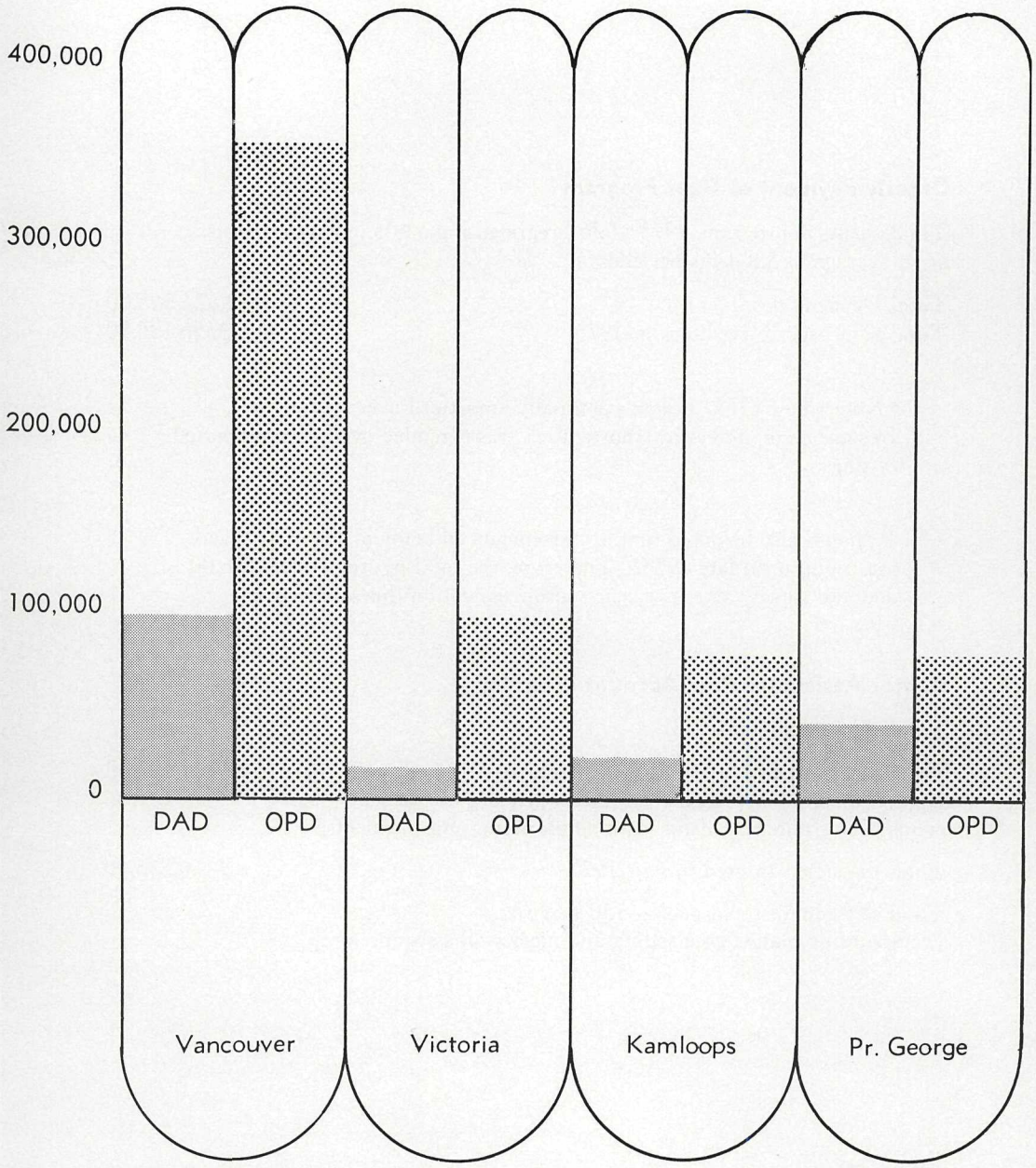


Cumulative Figures

Jan	249
Feb	576
Mar	954
Apr	1,230
May	1,735
Jun	1,999
Jul	2,259
Aug	2,468
Sep	2,721
Oct	2,973
Nov	3,201
Dec	3,433 (Total for year)

New clients are given a file on first visit.
They may return for several subsequent visits or for regular budget counselling. Therefore the total number of **interviews** was close to 7,000 in 1975. However, the number of clients on file as of Dec. 1975, was 3,433.

Disbursements through Debtor Assistance Pool Accounts and Orderly Payment of Debt Programs, by region.



Total OPD, 1975, $556,136.

Total DAD, 1975 $160,235.

Total OPD Clients, files, 1975:	936
Pool Accounts	158
Self-administered Pools	750
Settlements	52
Straight Counselling	1,537
Total New Cases, 1975	3,433

DEBTOR ASSISTANCE DIVISION

Orderly Payment of Debt Program*

Total clients in program, 1975: 936 (representing 5,405 individual debts, or an average of 5.8 debts per client)

Total Debt owed	$4,624,865.00
Total paid back to creditors in 1975	$556,136.00

*Note: New OPD orders are usually amortized over 3 to 5 years. In some cases, however, amortization was extended over a longer period of time.

It should also be noted that disbursements on many of the orders were not begun until late 1975. Therefore, the total figure of $556,136.00 does not signify an entire years' disbursement on the 936 orders.

Debtor Assistance Pool Account Program

Total Pool Accounts—158

Total Debt owed	$1,421,603.00

(figure includes approximately 20% pending settlements, agreements for terminating debts with single lump-sum payments)

Total disbursed to creditors in 1975	$160,235.00

Total self-administered pools—750 (approx.)
(necessitating budget counselling and mediation assistance only)

MAIL REQUESTS RECEIVED 1975
JAN–DEC 1975

	Acts	Brochures	Annual Report	Educational Materials
January	390	5,471	.....	.....
February	263	8,157	.....	.....
March	648	4,944	.....	.....
April	1,701	13,052	.....	372
May	1,087	9,056	.....	1,371
June	203	5,361	.....	60
July	121	3,321	.....	136
August	106	2,365	1,080	220
September	819	15,163	69	815
October	1,341	42,582	13	2,942
November	2,032	3,749	37	145
December	1,490	6,218	43	1,647
Total items sent	10,201	119,439	1,242	7,708

FRYS
COCOA
FRYS
COCOA
PEARLINE

Enforcement Activities, 1975

ASSURANCES OF VOLUNTARY COMPLIANCE

Airclub International, Inc.
Imperial Oil Limited
Texaco Canada Limited
The Traders Home Furnishings & Appliances Ltd., and Capital Broadcasting System Limited
Kingsway Plymouth Chrysler Ltd.
Westminster Chevrolet-Oldsmobile Ltd.
Inter-Provincial Pest Control Ltd.
Kingsway Fiat Ltd.
Chrysler Credit Canada
Midway Distributors (1974) Ltd.
Glenmore Egg Ranch
Vernon Funeral Home Ltd.
Tuffy Muffler Ltd.
Lo-Cost Transmission Rebuilders Ltd.
Davidson's Colour Television Repair Centre Ltd.
Brown Bros. Ford Sales and Service
Comor Sports Centre Ltd.
APT Distributors Ltd.

INJUNCTION APPLICATIONS

P. F. Collier and Son Ltd.
John's Tax Service Ltd.
Household Finance Corporation of Canada
Maclean-Hunter Ltd.

SUBSTITUTE ACTIONS

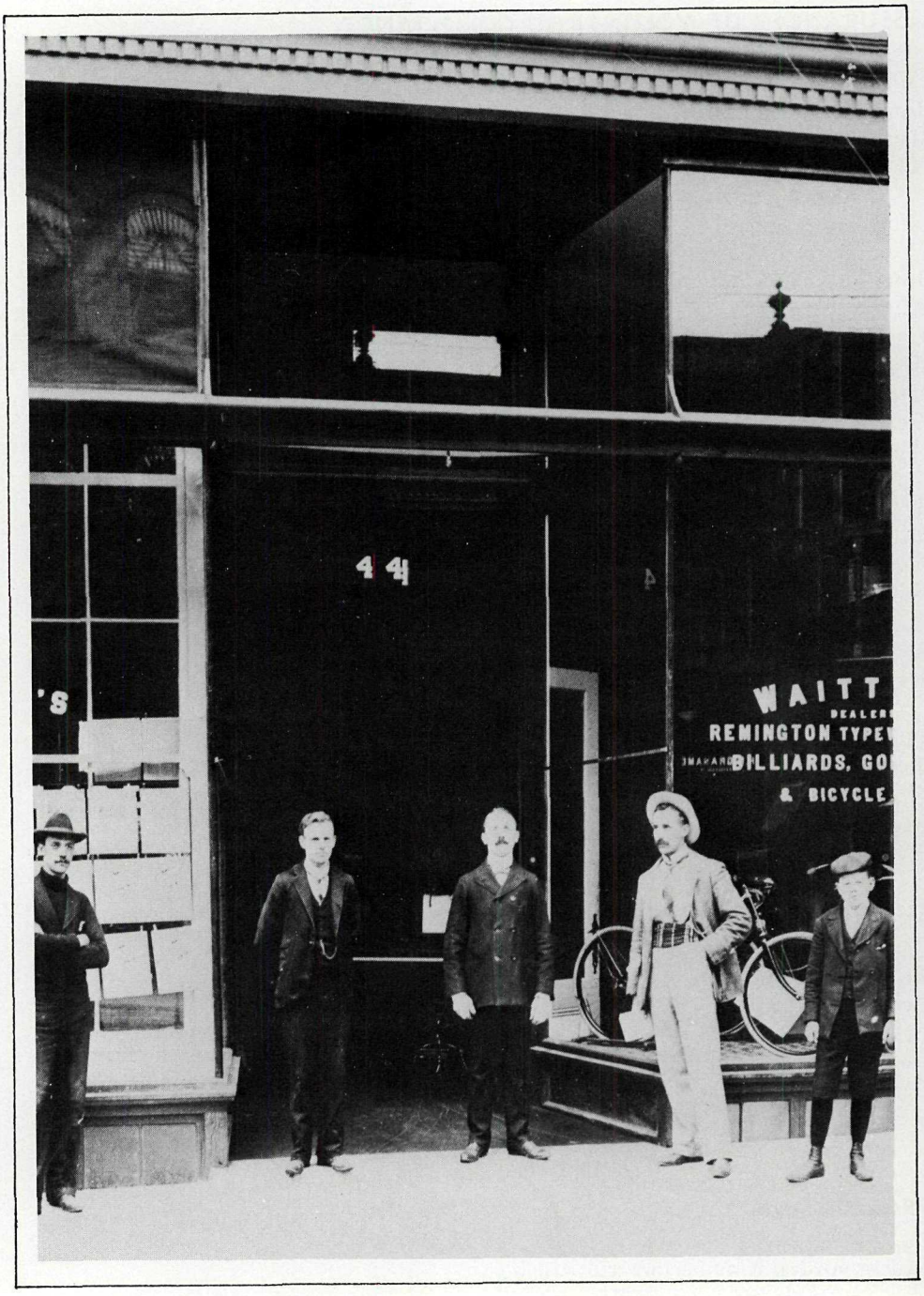
Better Value Furniture
Acme Home Care Service
Belmont Sales
Budget Freezer Food Processors Ltd.
Barney's Auto Sales and Service Ltd.
Victoria Automatic Transmission Service Ltd.

PROSECUTION

Murriton Ideal Maintenance and Repair

BANKRUPTCIES

T.I. Travellers International Tours Ltd.
Kent Mobile Homes Ltd.
Kamloops Health Spa



ASSURANCES OF VOLUNTARY COMPLIANCE

Airclub International, Inc. and A.C. International Services Ltd.

An Assurance of Voluntary Compliance was signed by the above companies in January 1975. Advertising on behalf of these companies was alleged to show charges without disclosing certain additional costs and fail to adequately disclose points of departure for air flights.

The companies agreed to comply with the terms set out by the Director and to ensure that their representatives and employees made the proper disclosures to member clients and prospective members. They also agreed to use all due care and speed in responding to and dealing with customer complaints.

On March 1, 1975, after the signing of this A.V.C., the department expressed further doubts about these companies' financial ability to meet their obligations to both past and future customers.

Special Note

For months the department had warned B.C. consumers about the potential insolvency of this Seattle-based company and had tried to negotiate protection measures for its customers. The company finally filed for bankruptcy in Washington state, leaving thousands of consumers in British Columbia and Washington with nothing to show for the money they had already paid. Final details of the bankruptcy have yet to be worked out, but it seems unlikely that consumers will recover much of their investment. The major secured creditors already have claims which exceed the available assets.

The Minister advised Airclub's owners to keep out of British Columbia. If they return under any name, they will be held answerable to past customers of Airclub who lost money in the bankruptcy.

Imperial Oil Limited February 9, 1975

The department alleged that Imperial Oil Limited mailed a sales catalogue to its credit card holders in which the monthly payments were shown in much larger print than the full price.

Imperial Oil agreed to abide by the requirements of the *Trade Practices Act* and Regulations, and not to give greater prominence to monthly payments than to single-payment prices.

Imperial Oil also agreed to mail a notice to all of its credit card holders in British Columbia telling them that, in future, single-payment and deferred-payment prices will be displayed with equal prominence.

Texaco Canada Limited
March 6, 1975

The department alleged that, in a sales catalogue mailed by Texaco to their credit card customers, the monthly payments for catalogue items were shown in larger print than the cash or full price.

The supplier agreed to comply with the requirements of the *Trade Practices Act* and to send a letter to Texaco Travel Card account holders in British Columbia advising them that in future Texaco will give equal prominence to the total purchase price and any credit terms or instalment payments.

The Traders Home Furnishings & Appliances Ltd. and Capital Broadcasting System Limited
March 25, 1975

The department alleged that Traders Home Furnishings and Appliances of Victoria sent a letter to past customers announcing a sale of surplus inventory that would be open exclusively to them and their friends for three days in January, prior to the opening of the sale to the general public. On the other hand, Capital Broadcasting System Limited, (CKDA) of Victoria is alleged to have announced the sale to be open to the general public.

Traders and CKDA agreed not to repeat this act and a public announcement to this effect was made in a Victoria newspaper and on AM and FM radio stations operated by Capital Broadcasting.

Kingsway Plymouth Chrysler Ltd.
April 1, 1975

The department alleged that Kingsway Plymouth Chrysler Ltd. of Vancouver, placed an advertisement in the newspaper where less prominence was given to the full price of the automobile than to the amount of the down payment and the monthly payment.

The supplier agreed to give as much prominence to the full price of a car as to any part of the price in future advertisements.

Westminster Chevrolet-Oldsmobile Ltd.
April 17, 1975

An advertisement on behalf of this New Westminster firm was alleged to give less prominence to the full price of the automobile than to the omnthly payment.

Westminster Chevrolet-Oldsmobile agreed to give as much prominence to the full price of a car as to any part of the price in future advertisements. They also agreed to comply with the disclosure provisions of the *Consumer Protection Act* relating to the advertising of credit terms.

Inter-Provincial Pest Control Ltd.
April 17, 1975

The department alleged that this Penticton-based firm issued and displayed in hotels and public buildings certificates containing a large heading, "Public Health Certificate".

Contrary to the impression given by this certificate, no government body had authorized the use of this certificate or the service.

The firm withdrew the certificates and agreed not to issue or display them in future.

Kingsway Fiat Ltd.
May 9, 1975

It was alleged that this Vancouver car dealer advertised demonstrator automobiles for sale and less prominence was given to the full price than to the monthly payment in the advertisement.

The supplier agreed not to do this in future advertisements and also agreed to comply with the disclosure provisions of the *Consumer Protection Act* relating to the advertising of terms of credit.

Chrysler Credit Canada
June 17, 1975

The department alleged that this consumer finance company set "Notice of Intention to Sell" forms to consumers with whom it held Conditional Sales Contracts and stated that the consumer would be liable for any deficiency balance resulting from the resale of a motor vehicle financed by Chrysler Credit.

Under the *Conditional Sales Act,* a creditor may sue for the outstanding balance or seize the goods, but not both. The Director therefore alleged that the notice was deceptive under the *Trade Practices Act.*

Chrysler Credit agreed to send a letter of correction to all consumers who had received "Notice of Intention to Sell" forms. The company also agreed to have contract forms altered to comply with provincial laws.

Midway Distributors (1974) Ltd.
July 23, 1975

This firm, which engages in sales and servicing of motorcycles, advertised a sale of 1974 motor cycles. The department alleged that the prices quoted in the advertisement were approximately the same as regular prices for 1974 models. The advertised saving was in fact the price difference between 1974 and 1975 models.

Midway Distributors agreed to refrain from the practice and to supply the Director of Trade Practices with a copy of all media advertisements for the next 12 months.

Glenmore Egg Ranch
August 7, 1975

Glenmore Egg Ranch, the department alleged, packaged eggs labelled with "B.C. Fresh", "Okanagan's Finest", "produced and packaged by Glenmore Egg Ranch, Kelowna, B.C." and exhibiting the dogwood floral emblem. The department alleged that any or all of these labels would lead consumers to believe that the eggs were produced in British Columbia when in fact the eggs were from Manitoba.

Glenmore gave an assurance that such packaging had ceased and would not be repeated in future.

Vernon Funeral Home Ltd.
September 23, 1975

The Director alleged that Vernon Funeral Home, located in Vernon, sold a steel casket for use in the cremation of a deceased person.

Steel caskets could not be accommodated by the cremation facilities used by the funeral home so the body was transferred to a suitable casket and cremated.

It was alleged that the steel casket was repainted and resold to a second consumer. The department alleged that Vernon Funeral Home represented the casket as new or unused and that it was the property of the funeral home when it was not.

Vernon Funeral Home Ltd. agreed to reimburse the estates in the amount of $995.00 each and, in future, not to engage in any practices similar to the one described.

Tuffy Muffler Ltd.
September 24, 1975

This firm formerly operated a Midas Muffler shop, and was in the business of repairing and replacing mufflers.

A consumer wished to have a muffler replaced under the "Midas" guarantee. The Director of Trade Practices alleged that Tuffy Muffler replaced not only the muffler but also a clamp and connecting pipe which were in good working order.

Tuffy Muffler returned the consumer's money and agreed, in future, not to say that parts were needed when they were not.

Lo-Cost Automatic Transmission Rebuilders Ltd.
October 9, 1975

In this case, the department assisted a consumer, Mr. W. V. Nykodym, who alleged that Lo-Cost Automatic Transmission Rebuilders Ltd. of Victoria had made deceptive representations about the condition of his car's transmission and the extent of repairs required.

On May 30, 1975, the Director of Trade Practices commenced a substitute action in the Small Claims Court in Victoria.

The court action was subsequently settled, and Lo-Cost paid Mr. Nykodym $376.72.

Lo-Cost, which operates transmission repair shops in Victoria and Vancouver, also signed an AVC agreeing not to:

1 offer a free transmission inspection service when the real purpose is to attract customers, not to provide the service;

2 use demonstration techniques involving a magnet and metal particles represented to be the result of serious and abnormal wear when such is not the case;

3 present the consumer with a choice of a dismantled auto, a costly repair bill or a charge for reassembly of the transmission without having repairs made;

4 perform repairs on autos without customer's authorization;

5 add the words "repair as per estimate" after the work order has already been signed by the consumer;

6 obtain the signature of a consumer on a work order by inferring that the work order was a warranty card.

In addition, Lo-Cost Automatic Transmission Rebuilders compensated two other consumers as a result of the Assurance of Voluntary Compliance.

Davidson's Color Television Repair Centre Ltd.
October 23, 1975

Davidson's Color Television, a Vancouver firm, is in the business of selling and repairing television parts and sets.

The Director of Trade Practices alleged that Davidson's installed a new picture tube in a consumer's television set when a new tube was not needed.

Davidsons' Color Television agreed not to say that a part, service, replacement or repair is needed if it is not and returned money to the consumer.

Brown Bros. Ford Sales and Service
November 26, 1975

The Director of Trade Practices alleged that a salesman with this Vancouver firm sold a 1974 Mustang to a consumer, representing the car as a new "demonstrator". According to the department, the salesman did not disclose that the Mustang had actually been sold previously, and had been traded in by the previous owner. It was in fact a 'used car', but it was sold as a "demonstrator" having a "new car" warranty.

Brown Bros. agreed not to represent a car as a "demonstrator" if it has been previously sold, and agreed to ensure that employees of the firm are aware of this. The consumer returned the car, and was refunded $5,145.00.

Comor Sports Centre Ltd.
December 31, 1975

This firm, which has its registered office at 700—925 West Georgia Street, Vancouver, sells sporting goods, ski equipment and clothing.

Comor Sports Centre advertised three-day sales of ski equipment on a number of occasions. The Director alleged that this "sale price" had been in effect for almost five months and that the "regular" price had not been in force for a reasonable length of time prior to the advertisement. The Director also noted that the "three-day" or "week-end" sale continued after the limited time period had expired.

The advertisements also represented that certain prices were "regular" prices when in fact, it was alleged, the price was higher than the *actual* "regular" prices.

Comor Sports agreed not to advertise a sale to be of limited duration if it is not, and to refrain from referring to "regular" prices if the price has not been in force for a reasonable time prior to the sale.

APT Distributors Ltd.
December 16, 1975

Consumer redress in the form of a public apology, refunds to those who applied, and investigation costs were obtained by the department in this case.

APT Distributors, operating under the name Scotty's Furniture Mart in Vancouver, began a "closing out sale" with goods obtained from Sterling Furniture

Co. Ltd., another Vancouver firm. The merchandise included dining room, bedroom, and living room furniture.

The Director of Trade Practices alleged that APT Distributors, in the sale of the Sterling Furniture inventory, assigned and advertised "former" prices and "sale" prices where no such "former" price existed, and advertised these "former" and "sale" prices to infer a 10% saving on the old Sterling prices. In one instance, for example, Sterling had offered a 3-piece suite for sale at $589.00. APT acquired two identical suites from Sterling at inventory costs of $345.88 each, then advertised them as "formerly" priced at $875.00, now at a "sale" price of $699.00. Other items were also treated in the same manner.

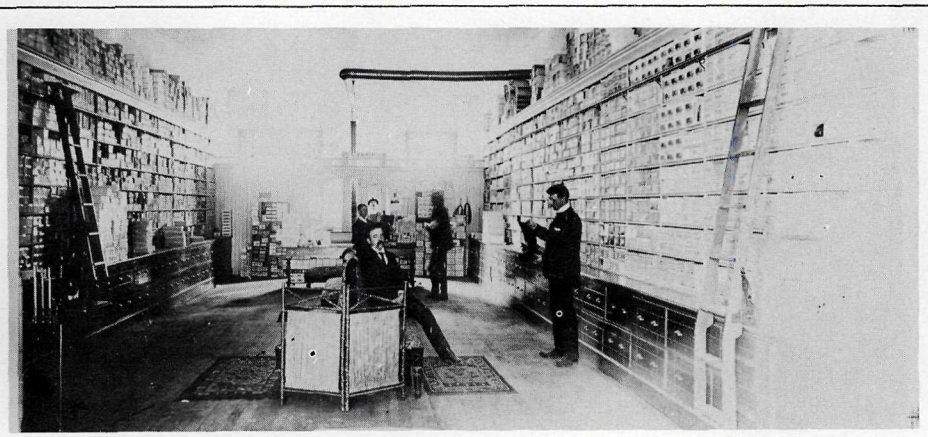
In addition, several television sets were advertised as part of the "closing out sale" but were not, in fact, on the registered Closing Out Sale inventory list and were not a part of Sterling's inventory.

APT Distributors signed an Assurance of Voluntary Compliance with the Director of Trade Practices under the *Trade Practices Act*.

While not admitting any violation of the *Trade Practices Act,* the firm agreed as part of the undertaking to publish quarter-page announcements of apology, including restitution terms, in the Vancouver Sun and Province newspapers. This apology appeared in the Saturday, December 20th edition of the Vancouver Sun and Vancouver Province.

The firm offered compensation equal to 10% of the purchase price of any item purchased during the "close out sale", to those customers who applied to the Department of Consumer Services Vancouver office, within 60 days of publication of the apology.

The firm also compensated the Department of Consumer Services up to $2,000.00 for investigation costs incurred in the matter.



Adjustable
Screen
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INJUNCTION APPLICATIONS

P. F. Collier and Son Limited
January 28, 1975

The department intervened in support of an action brought against P. F. Collier and Son Limited, publishers of Colliers Encyclopedia, by Walter Stubbe on his own and in his capacity as chairperson of the Kelowna branch of the Consumers' Association of Canada.

It was claimed that several sales practices used by the Colliers sales force were deceptive. The Consumers' Association of Canada and the Director of Trade Practices applied for an interim injunction to halt these practices pending a full trial. On March 26, 1975 the British Columbia Supreme Court sitting in Kelowna granted the interim injunction.

Specifically, the Court prohibited the following practices:

1 The failure to disclose at the outset that the purpose of the door-to-door call was to sell an encyclopedia set;

2 The failure to disclose the full and complete price of the encyclopedia as well as any instalment prices.

The injunction expired on September 30, 1975, however, P. F. Collier and Son Limited, through their solicitors, gave the Director an undertaking to comply with the language of the interim injunction as granted, notwithstanding the fact that it had expired.

As of this writing, the case is proceeding to trial and it is expected that Eraminations for Discovery will be held early in 1976.

John's Tax Services Ltd.
February 13, 1975

The department launched an action in court against John's Tax Services Ltd. of Vancouver, seeking to establish that certain of its practices were unconscionable under the *Trade Practices Act*. The company is in the business of buying consumers' rights to their income tax refunds.

On March 10, 1975, the British Columbia Supreme Court refused the department's application for an interim injunction to stop the practice pending a full trial to be held in the near future. The Director appealed the decision.

On April 8, 1975, the British Columbia Court of Appeal refused the department's appeal against the March 10th decision by the Supreme Court. The department is currently considering its position in this action.

Household Finance Corporation of Canada
April 1, 1975

The department alleged that this firm engaged in a plan that was purposely designed to prevent consumers from learning that sales finance agreements were held by Household Finance rather than the retailer. This scheme, the department alleged, was set up to provide finance facilities to several retailers in British Columbia.

The department is seeking a declaration and a permanent injunction against these practices. The trial is scheduled to take place on February 12 and 13, 1976.

MacLean-Hunter Limited
September 23, 1975

The Director commenced legal action against Maclean-Hunter Ltd. of Ste. 890 —777 Hornby Street, Vancouver, seeking an interim injunction in the Supreme Court of British Columbia to halt certain door-to-door practices used in the selling of magazine subscriptions.

The department had received a number of complaints from consumers in northern B.C. who had been visited by sales representatives claiming to be engaged in surveys or educational projects. Pending a full trial of the matter, Maclean-Hunter gave an undertaking to the Court that its representatives would disclose that the purpose of the call was to sell magazine subscriptions and that they represented Maclean-Hunter.

The department and Maclean-Hunter are currently involved in negotiations which are expected to lead to a settlement of the action by way of Assurance of Voluntary Compliance. The hearing for the interim injunction has been adjourned indefinitely pending outcome of these negotiations.

SUBSTITUTE ACTIONS

Better Value Furniture
February 14, 1975

The Director undertook the substitute defence of a consumer, John Diomis, who was being sued by Better Value Furniture of Vancouver.

Mr. Diomis alleged that Better Value Furniture made deceptive representations about the quality and character of household furnishings sold to him.

Shortly after the Director intervened in the law suit, Better Value Furniture discontinued the action against Mr. Diomis.

Acme Home Care Service
June 23, 1975

The department alleged that this Vancouver firm made roof repairs that were not necessary, subjected the consumers to undue pressure to enter into a contract and overcharged them for the job. On behalf of the consumers involved, the department asked for the return of their money and an award by way of punitive damages.

The action was commenced on June 23, 1975 when a summons was issued in the Small Claims Court in Vancouver.

On August 7, 1975, the department announced that the action had been settled. Acme Home Care, without admitting liability, agreed to pay the sum of $1,000 to the consumers. The Director of Trade Practices, in turn, agreed to discontinue the action.

Belmont Sales Ltd. (operating as Belmont Motor Co.)
August 5, 1975

The department alleges that this firm sold a used car to a consumer and took advantage of him by reason of his inability to protect his own interests.

On behalf of the consumer, the department is asking the Court to rescind or cancel the contract and order the return of the consumer's money on his returning the car. The Director is also seeking a permanent injunction to prohibit the supplier from engaging in any similar practices in the future.

The trial is scheduled for May 26, 1976.

Budget Freezer Food Processors Ltd.
September 18, 1975

A Class Action was commenced in the B.C. Supreme Court on September 18,

1975 when the Director of Trade Practices launched a suit on behalf of consumers who had paid money for food or freezers to Budget Freezer Processors Ltd., 5709 Kingsway, which formerly operated from 7011 Kingsway in Burnaby. Budget Freezer failed to supply either the bulk frozen food or the freezers.

The department is asking for the return of consumers' money or, alternatively, damages for breach of contract and obtained default judgment when Budget failed to defend itself.

The department has written to all consumers to identify claims and will ask the court to distribute the remaining assets of the company on an equitable basis to those customers.

Barney's Auto Sales and Service Ltd.
September 23, 1975

The Director commenced legal proceedings on behalf of a consumer who purchased a used truck from this Penticton firm. The Director alleged that the original odometer, showing about 82,000 miles, was replaced by one showing 42,000 miles.

It is alleged that the consumer was told that the replacement odometer recorded approximately the same mileage as the original. The Director also claimed, that the truck price was higher because of the allegedly deceptive act.

A write was filed in the County Court of Yale at Penticton, and is expected that the trial will be held at Penticton in the Spring of 1976.

Victoria Automatic Transmission Service Ltd.
November 6, 1975

A substitute action on behalf of a consumer, was entered in Small Claims Court on October 3 to recover the consumer's property.

The consumer had taken an automobile transmission in to Victoria Automatic Transmission Service and received a repair estimate of $50.00. Some repairs, although not authorized, were allegedly carried out by Victoria Automatic Transmission Service and the consumer received a bill for $150.00. Mr. Brooks contested the bill and the repair firm kept possession of the transmission unit.

Unable to resolve the dispute about the unauthorized repairs, Mr. Brooks went to Small Claims Court on August 27. The Court ruled in favour of the consumer and awarded him $100.00 and costs. Victoria Automatic Transmission promptly raised the price of the repair job to $300.00 and kept the automobile transmission.

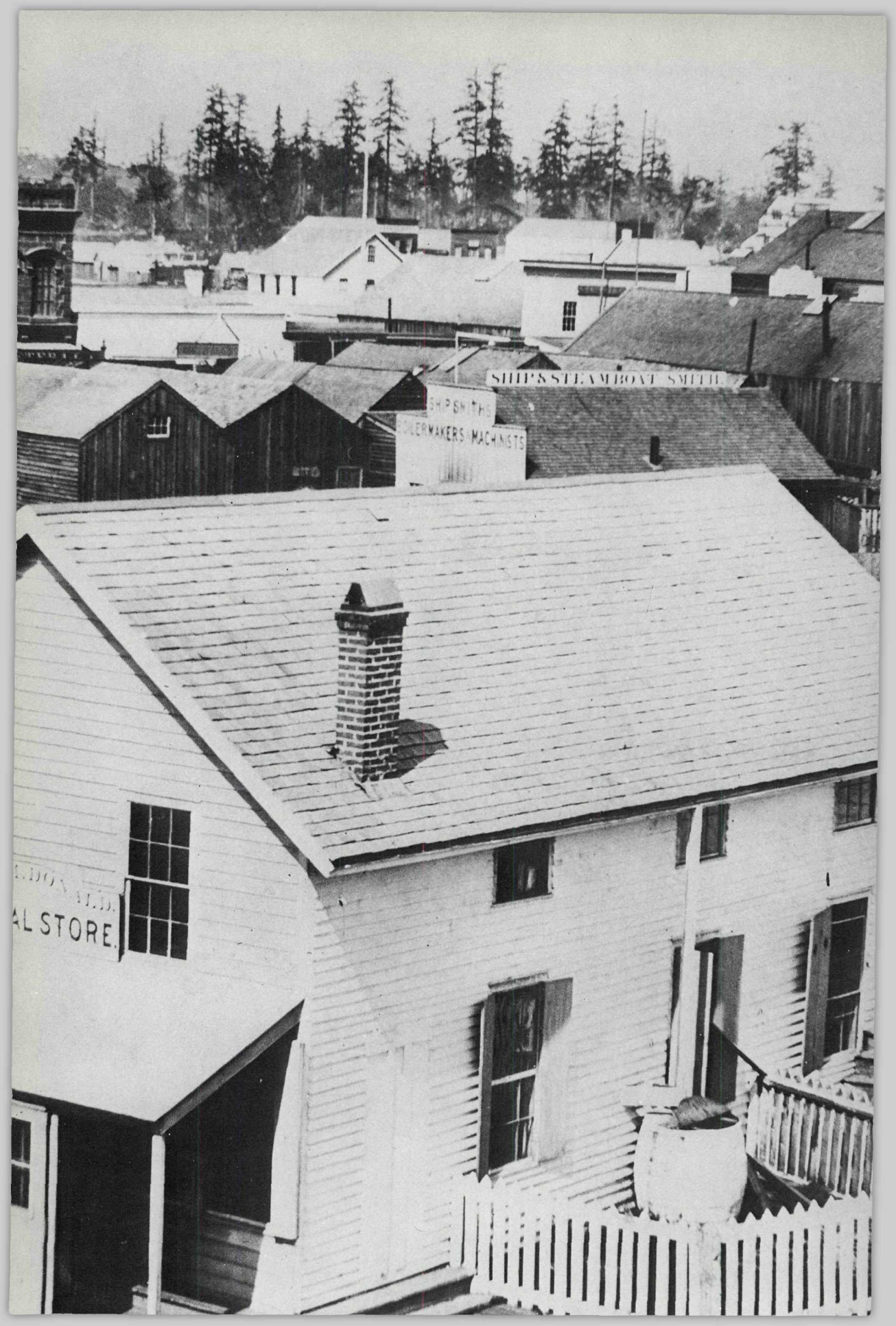
The consumer contacted the department and after attempts to resolve the matter by mediation had failed, the Director commenced a substitute action for replevin in the Small Claims Court. On October 3 the Court ordered that the sheriff seize the transmission and return it to the consumer who had paid $150.00 into Court to cover the expected repair bill.

An interlocutory judgment was obtained on November 6, 1975. A further hearing was scheduled for January 5, 1976, to deal with the Director's claim for punitive damages.

PROSECUTION

Murriton Ideal Maintenance and Repair
July 22, 1975

The department alleged that Daniel Murriton, who formerly operated a home repair service from 425 Culduthel, Victoria, committed unconscionable acts by overcharging two Victoria residents. On July 22, 1975, a warrant was issued for the arrest of Daniel Murriton. His present whereabouts are unknown.


SHIP & STEAMBOAT SMITH
SHIP SMITHS
BOILERMAKERS MACHINISTS
AL STORE.

BANKRUPTCIES

T. I. Travellers International Tours Ltd.
January 20, 1975

This Victoria-based firm was in the business of providing package bus tours to Nevada and California. The firm went out of business just prior to Christmas in 1974 and was not able to provide promised tours for several hundred consumers who had already paid their fares.

On January 20, 1975, the firm was formerly declared bankrupt after five consumers filed a petition under the federal *Bankruptcy Act*. The department was instrumental in putting this company into bankruptcy by providing legal services to the petitioning creditors; the federal Department of Consumer and Corporate Affairs provided an extensive clerical and investigative assistance to the Trustee in an effort to reduce his costs so that the consumers could recover a greater amount of their loss.

Kent Mobile Homes Ltd.
January 29, 1975

Following an investigation carried out under provisions of the *Trade Practices Act,* the department retained a law firm to act for a petitioning creditor to take proceedings which resulted in an order of bankruptcy against Kent Mobile Homes Ltd.

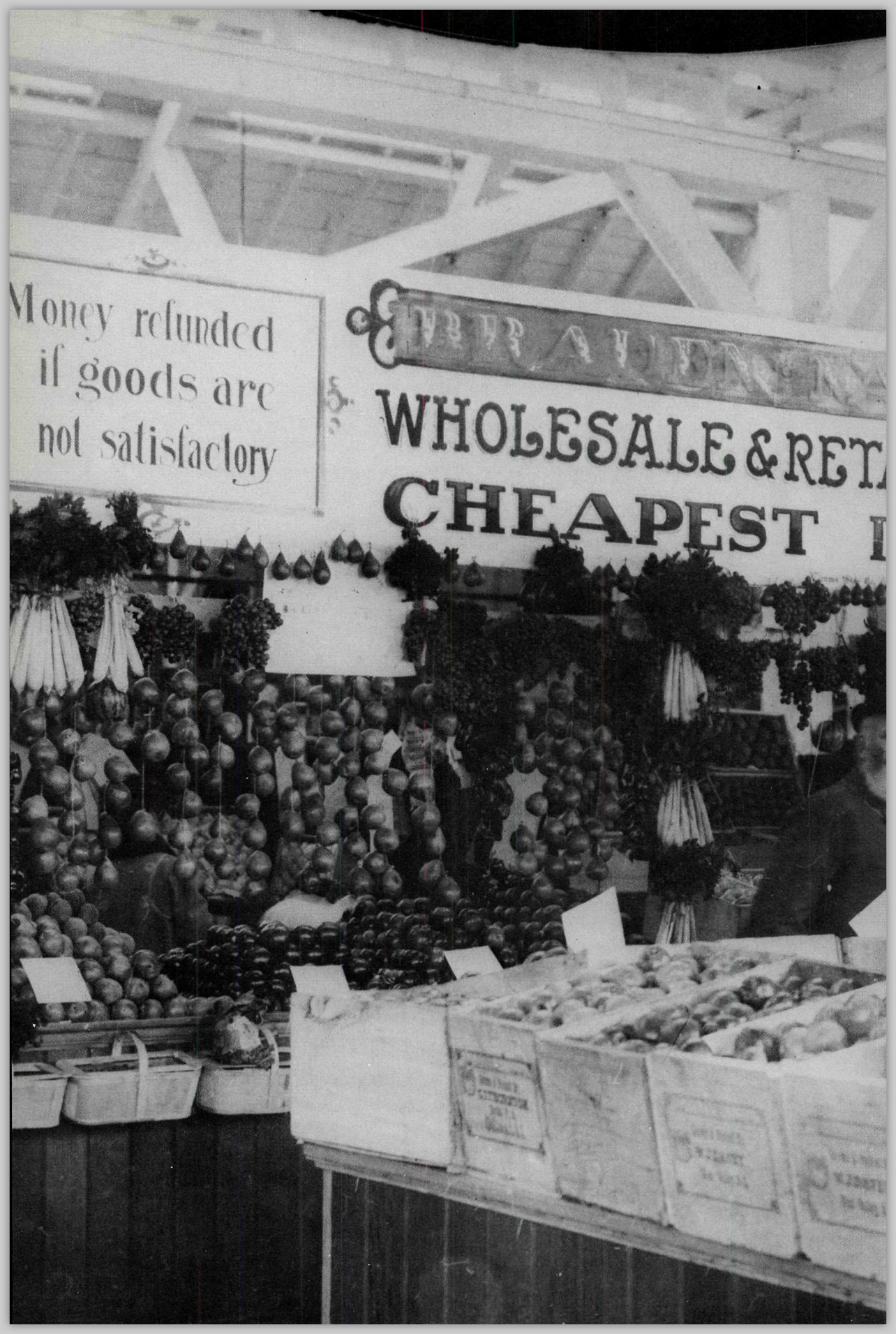
Through the bankruptcy procedure and a series of negotiations between the major trade creditors, solicitors for the department were able to clarify title to many of the mobile homes purchased from the company by consumers. Previously, title to these homes had been in question because the manufacturer had a substantial number of unsatisfied claims against the dealer.

While the Trustee has not submitted his final report on the bankrupt, representatives of several government Attorneys-General are maintaining careful scrutiny over this company.

Kamloops Health Spa
March 24, 1975

The department assisted creditors in petitioning this firm into bankruptcy after information was received that pre-paid memberships and long-term contracts were being sold when it appeared that the Spa would not be able to provide services because its lease was expiring and no alternative premises were available.

On March 24, 1975, the British Columbia Supreme Court in Vernon granted the bankruptcy petition and a trustee was appointed. The meeting of creditors was held on April 22, 1975, and proceedings are continuing.


Money refunded
if goods are
not satisfactory
WHOLESALE & RET
CHEAPEST

GLOSSARY

ASSURANCE OF VOLUNTARY COMPLIANCE

If the Director has reasonable grounds to suspect that a contravention of the *Trade Practices Act* has occurred, then an undertaking called an AVC may be negotiated under section 15 of the Act.

Without acknowledging any wrongdoing the supplier can agree not to repeat the actual practices that have been called into question. The AVC takes the form of a legal document signed by the business and accepted by the Director of Trade Practices.

If a supplier signs on AVC and then fails to comply with the undertaking, the supplier is liable to prosecution under section 25 of the *Trade Practices Act*.

INJUNCTION APPLICATIONS

Interim Injunction

Under section 16 of the *Trade Practices Act* the Director or any other person can seek a temporary injunction from the Supreme Court stopping a supplier from engaging in a practice which is claimed to be deceptive or unconscionable. The injunction stops the practice until the matter can be brought to Court.

Permanent Injunction

A permanent injunction is similar to an interim injunction but it is granted only after the Court has ruled that an act or practice is deceptive or unconscionable.

PROSECUTION

Section 25 provides that in addition to or instead of a civil remedy, charges may be laid for violations of the *Trade Practices Act*. Conviction carries a penalty of a fine, or imprisonment, or both.

SUBSTITUTE ACTION

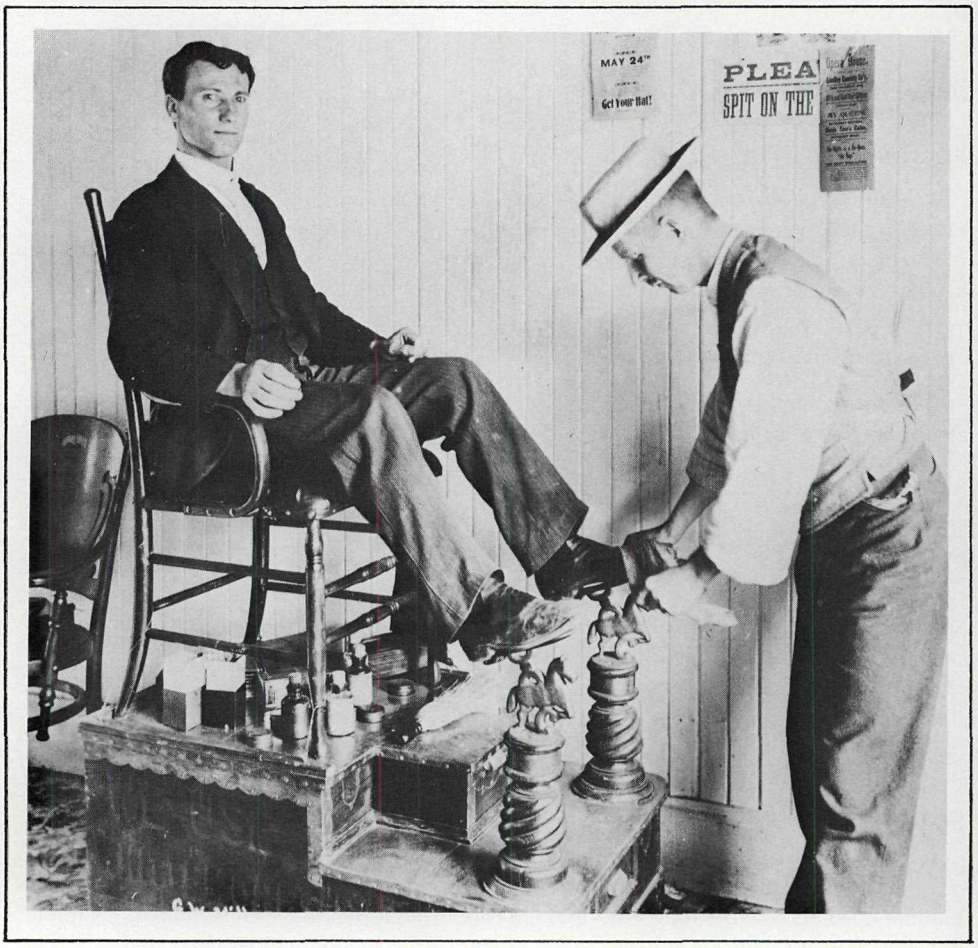
Under section 24 of the *Trade Practices Act* the Director may take a case to Court on behalf of a consumer or defend a case brought against a consumer by a supplier in order to protect the consumer's rights when it is in the public interest to do so.

DECEPTIVE ACT OR PRACTICE

Any act that has the capability, tendency, or effect of misleading a person may be labelled deceptive.

UNCONSCIONABLE ACT OR PRACTICE

High pressure tactics, harsh or unreasonable terms or conditions, or generally unfair business practices may be unconscionable. For example, the court might rule that a supplier took advantage of a consumer who was unable to protect himself or herself because of physical or mental infirmity, ignorance, illiteracy, age, or the inability to understand the nature or language of the consumer transaction.



Funded Groups

These groups received funds for projects described below.

Consumers' Association of Canada (B.C. Branch), Vancouver—$32,500

Expanded consumer complaint handling services in its Vancouver branch. This provincial office also supports activities by 17 local branches and action committees throughout the province.

Consumer Action League, Vancouver—$21,300

Expanded previous function of counselling to include consumer complaint handling, public information programs and education courses.

Community Action Group, Victoria—$6,100.00

Developed a debt counselling service.

Kitimat Community Services Society, Kitimat—$3,240

Developed an extensive debt counselling service. Consumer complaints are also handled through this office.

Matsqui, Sumas, Abbotsford (MSA) Community Services, Abbotsford—$12,000

Consumer complaint handling, development of community education courses, and, most recently, debt counselling are some of the services provided by this organization.

Mission Community Services, Mission—$14,556

Settles credit problems, participates in the resolution of consumer complaints, and provides debt counselling services.

Surrey Inter-Section Society, Surrey—$11,000

This group's primary service is debt counselling, although they do participate in the resolution of occasional consumer complaints.

West Kootenay Consumer Action League, Nelson—$15,800

This organization offers consumer complaint-handling and debt counselling services to a rather isolated section of the province.

Menie Brereton Lectures Series, Victoria—$1,000

Funds were forwarded to a series of organizers in order to share in the cost of sponsoring lectures with consumer content.

Community Video, Victoria—$1,500

Funds were used to cover production costs for 10 programs on community cablevision channel, covering a range of consumer topics.

Publications & Educational Materials

PERIODICALS

Consumer Aware Volume I (1975, 3 issues)

A newsletter of relevant consumer issues, departmental services, enforcements, and other activities.

Enforcement Report

A monthly publication describing recently-signed Assurances of Voluntary Compliance, Court Actions, and other publishable enforcement proceedings. First issue published in June, 1975.

Trade Bulletin

Outlining guidelines in business practices with reference to departmental legal proceedings. Purpose is to provide guidance to the business community on specific issues as well as general business practices. Issued as required; first December 1975; second circulation limited to topic-related industries scheduled for February 1976.

Annual Report (1974 and 1975)

Departmental activities over the year.

BROCHURES

The Trade Practices Act and You (Third edition, April 1975)

Deals with the *Trade Practices Act* legislation in detail, with examples of unconscionable acts and deceptive practices. Contains helpful hints on rights, obligations and complaint procedures.

Debt Problems? We Can Help (February 1975)

A checklist of credit and budgeting danger signals with some solutions. A description of Debtor Assistance Division services to the debtor and contact phone numbers.

Personal and Confidential (April, 1975, 1st edition)

The *Personal Information Reporting Act* as it applies to the individual. Describes rights of access to personal information, explains full disclosure of individuals' files by credit reporting agencies, and briefly outlines types of information most often collected by reporting agencies.

BOOKLETS

An Introduction to the Department of Consumer Services (April 1975)

Background to establishment of the department in November 1973; general explanation of legislation administered by the department, description of services offered in the branches, and regional office locations.

Advertising: A Teacher's Guide to a Unit in Consumer Education

A booklet designed to accompany three films which deal with various aspects of advertising, "Buy, Buy"; "Ways of Seeing: Advertising"; and "Consumer Power: Advertising". Provides a basis for discussion of patterns of consumption, advertising in Canada, and consumer legislation. (Films or videotapes are available from the Provincial Educational Media Centre in Burnaby.) Part of the Teacher's Kit.

Consumer Education Audio-Visual Notes (Spring 1975)

A collection and description of recent audio-visual material in the field of consumer education, together with names and addresses of distributors. Part of the Teacher's Kit.

Consumer Bibliography (Spring 1975)

An introductory bibliography of publications of consumer interest, with brief descriptions.

Consumer Resources Directory (Summer 1975)

A comprehensive list of consumer-related organizations in British Columbia. Includes government departments, non-profit organizations, and agencies, with contact names, addresses, and descriptions of services.

AUDIO-VISUAL

Law and the Marketplace (August 1975)

A slide-tape program outlining the history of the marketplace, development of trade consumer legislation, and, finally, development of the British Columbia Department of Consumer Services. Cites precedent-setting cases in history, and general trends in recent years. (25 minutes.)

MINISTER

The Honourable K. Rafe Mair

Deputy Minister

Mr. William A. W. Neilson

Trade Practices Branch

Director of Trade Practices
Mr. Michael Hanson

Assistant Director of Trade Practices
Mr. Norman Manning

Consumer Service Officers
Mr. David Nicholls, Victoria
Mrs. Gladys Johnsen, Vancouver
Ms. Bernadine Rudichuk, Kamloops
Mr. Richard Clements, Prince George

Community Programs Branch

Director of Community Programs
Mr. Ken Murdoch

Assistant Director for Consumer Information
Ms. Dorthea Atwater

Assistant Director for Consumer Education
Ms. Annette Bridgman

Assistant Director for Trade Liaison
Mr. Archibald Snow

Director, Debtor Assistance Division
Mr. Harry Atkinson

Senior Officer, Research Division
Mr. Ian Slater

Legal Services Branch

Acting Director
Mr. Eric Milligan

Administrative Services Branch

Director
Mrs. Eleonore Beyer

Department of Consumer Services Offices Directory

MINISTER	Parliament Buildings Victoria, V8V 1X4	387-3302
DEPUTY MINISTER AND BRANCH HEADS	838 Fort Street Victoria, V8W 1H8	387-6831
DEBTOR ASSISTANCE DIVISION HEAD OFFICE	535 Thurlow Street Vancouver, V6E 3L2	689-8721
REGIONAL STOREFRONT OFFICES	838 Fort Street Victoria, V8W 1H8	387-6831
	204—370 E. Broadway Vancouver, V5T 4G5	873-4721
	124 Seymour Street Kamloops, V2C 2E1	374-5676
	395 Victoria Street Prince George, V2L 2J6	562-9331