

*Corporate and Consumer Affairs*

Advertising is available to producers or purchasers so that they may direct the attention of the consumers to all the features of their products considered especially desirable. They are not so careful to inform the consumers about less interesting features in their products. Some will deliberately mislead the consumer. A developing technology adds to the problem.

● (9:20 p.m.)

[*English*]

At the same time, the consumer who has a complaint to make against a supplier finds it more difficult to reach someone in authority than was the case when he dealt directly with the owner of a general store. While it is obvious that real income may be raised by increasing the supply of goods and services available, it is not so obvious that it may also be raised by making it easier for the consumer to make his choices among those goods and services.

It is a natural response for businessmen to say that the consumer is already king, or queen, since about 85 per cent of our purchasing power is exercised by women, and it is easy for businessmen to say that all their waking hours they are trying to cater to the whims of the consumer, to please him or her, to try to persuade him and to placate him when he complains. Yet many consumers are inclined to reply that businessmen are overwhelming them with conflicts, sometimes misleading claims, sometimes with excessive advertising, sometimes with unnecessarily high prices or inadequate services, with unsatisfactory warranties or hidden charges. The very complexity of the marketplace, with its bombardment of ideas and claims, its confusion of choices, is in effect limiting the valid choices open to the consumers of this country.

In our society I suppose it is accepted that the major responsibility for seeing that an efficient choice is made by the consumer does evolve upon the supplier on the one hand and the consumer on the other. But there are laws which do intervene. There are laws which prohibit or regulate the sale of goods or services likely to endanger health and safety. There are laws which prevent fraud or misrepresentation. These laws are already on the statute books. There are laws requiring or encouraging the disclosure of pertinent information to the consumer.

However, in this era of rapid technological change, new problems, new hazards, are appearing with increasing frequency. Because consumers are better educated, governments

are now expected to be better organized than in the past. They are expected to identify and respond quickly to new problems or hazards as they arise. In the broadest terms it may be said that the consumer interest embraces all policies which affect the level and quality of demand, which reduce the cost or improve the quality of supply, or which contribute to the competitiveness of the market. Therefore it is important that in the formulation of over-all government economic policy the consumer interest be specifically represented.

Agriculture, labour, industry, fisheries and forestry all have their special interests reflected at the cabinet level as well as in the functional departments reflecting those interests. It almost goes without saying that all governments are keenly aware of the need for broad policies to ensure a high rate of economic growth and steadily rising incomes. What has been lacking, however, is specific responsibility and adequate machinery for the identification of the consumer interest in those particular programs.

In its interim report issued in December last year the special joint committee of the Senate and House of Commons on consumer credit and prices stated that it believed the function of consumer protection was of such urgency as to require the establishment of a department of consumer affairs. This committee also suggested that because of the need for consumer protection, for the co-ordination of existing legislation and for the immediate establishment of machinery to receive and investigate consumer complaints, the Economic Council of Canada should be asked to report upon this part of its reference as soon as possible.

Subsequently, in its report of this year the committee said that the testimony presented to it indicated that there was widespread support for such an agency, that is to say, for an agency in government representing the consumer interest. Accordingly, the joint committee urged that the necessary legislative and administrative action be taken as quickly as possible. The joint committee, Mr. Speaker, pointed out that present responsibility in this field was spread over several departments and that the lack of a completely co-ordinated approach was evident. It pointed out that consumer protection was a technical field; it involved specialization economically and legally.

The committee consequently believed there would be greater advantage in assembling in one agency the expertise necessary to deal with a wide range of consumer matters.