

Product Warranties Act. It is about time something was done about this on a national basis. It is for that reason, Mr. Speaker, that I table this bill and urge the provinces or the federal government to get on with the job because what is happening in the market place is criminal.

That is all I have to say, as I understand there are other members who wish to make a contribution on this subject.

Mr. John Evans (Ottawa Centre): Mr. Speaker, I am very interested in this particular piece of legislation. I was one of the members of the federal-provincial task force on legislative programs to which the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) referred. I was also one of the people who established the subcommittee looking at the whole question of products liability into which the question of warranties falls.

One of the problems this particular piece of legislation overlooks is the jurisdictional problem that exists in Canada in this area. It is essential that that be recognized, and it is essential that this piece of legislation be taken back and rethought. The whole area of contract law lies within the purview of the provincial governments. That is why the provinces of Saskatchewan, Quebec and New Brunswick have passed legislation in this area and why the federal government has refrained from doing so.

When I was with the federal Department of Consumer and Corporate Affairs it was the intention to move ahead with the area of products liability, not only with regard to products and performance of them but also with regard to product safety matters as we now have covered them under the Hazardous Products Act. It was the intention to move ahead to incorporate the Hazardous Products Act as well as product performance standards within one piece of legislation. The immediate reaction from the provinces was one of "Keep your hands off, it belongs to us". There was no question in any of our minds that the provinces were not going to allow the federal government to pass legislation in this area without a great deal of difficulty.

It seems to be rather peculiar that a government which prides itself on consultation with the provinces does not know what the provinces' positions are on federal intervention in this area. It is all also peculiar that we would be talking about putting a piece of legislation forward which does not even cover the major problems of products liability but does it through an amendment in the Combines Investigation Act which is an inappropriate piece of legislation in the first place.

The part of the Combines Investigation Act to which this bill refers is section 36. This is the misleading advertising portion. If we were talking about a piece of legislation that is going to change disclosure that is one thing, but this bill goes much further than just changing the disclosure requirements on consumer product warranties.

First, if you look at proposed section 36.01(3), it says that:

The governor in council may make regulations prescribing, with respect to any class of consumer product, minimum standards which qualify a warranty as a "full warranty" in relation to products of that class.

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Effectively the bill would be asking the federal government or agencies of the federal government, such as the Department of Consumer and Corporate Affairs or the Standards Council of Canada, to establish test methods for evaluating products and to set standards. The time and the cost associated with setting standards in these particular areas, given that there are well in excess of 30,000 to 40,000 consumer products on the market, are obvious even to the slowest mind.

• (1640)

The second area is proposed subsection 4 of 36.01 which reads:

Where a warranty made in connection with the sale of a consumer product does not qualify under subsection (3) as a "full warranty" in relation to that product, the words "limited warranty" shall appear conspicuously upon the product or its packaging.

What this says is that if a product is produced and a manufacturer does not comply with all of these disclosure items (a) through (k), then the manufacturer has to put the term "limited warranty" on the product. The question arises: what if a manufacturer fails to meet any of the conditions in the warranty legislation? He still has to put "limited". This means that every product, whether it bears a warranty or not, is going to have "limited warranty" put on it. As a matter of federal law, does it make sense that every product, whether or not it carries a warranty, will be forced to say that it does carry a warranty, even though it is a limited one?

A number of factors have to be considered here and the bill does not seem to me to be one which understands the massive complexity and technicalities involved in the warranty field. It certainly overlooks the important area of federal-provincial harmony and federal provincial jurisdiction. It is beyond my understanding how a government which says it is so concerned about putting a new face on federalism and establishing a new co-operative relationship with the provinces could put forward a piece of legislation like this which flies in the face of everything the Department of Consumer and Corporate Affairs has been working on for the last four years in an effort to develop harmony in the field of consumer protection by setting up the task force on legislative programs, by setting up the federal-provincial task force of deputy ministers which meets once a year to talk about all these issues. The whole subject of warranties and liability was, in fact, referred back to the officials.

I agree with the hon. member that the area of warranties is a serious problem. In Canada, right now, a large number of products are inadequately guaranteed. I agree with the hon. member that disclosure is the key. But disclosure also happens to be an area which falls within the provincial domain which is why, as I have said before, the provinces have already moved in there.

At this point I would not recommend any policy if I were not able to go back through all the work which has been done in this field by the Department of Consumer and Corporate Affairs. I would suggest that a good place to start, though, would be with the disclosure provision. The simple language provision in the bill which says you have to understand what is