

Corporate and Consumer Affairs

Speaker, it is clearly essential that the laws which provide the ground rules within which business must operate, must be designed in such a way as to encourage maximum efficiency and responsiveness to the needs of the public at large.

I know there are many people, including some hon. members of the house, who quite honestly believe there is something incompatible about a combination of corporate affairs and consumer affairs. We heard something about this at the resolution stage, and indeed the subject was brought up last summer during debate on the estimates of the department. The hon. member for Vancouver-Kingsway (Mrs. MacInnis) made quite an issue of this in the debate on the resolution last Friday. If I thought really and sincerely that this concern of hers was well founded I would share it, but I do believe it is based on a misunderstanding of the operations of the department.

There are several ways of looking at the matter in its proper light, but based on what I have said about ground rules it is evident that this department has growing responsibility over most of the range of the whole field of business activity. I believe it is important to have a department which is knowledgeable over an entire area because the consumer interest in turn is extremely wide.

We are all consumers. Personal expenditure on consumer goods and services is now running at a rate of about \$37 billion a year in Canada. That represents about 60 per cent of gross national expenditure. In the long run the adequacy of the ground rules for business activity must be tested largely by their effect upon the consumer.

With the indulgence of the house, sir, may I look at it in another way. The consumer interest is directly effected both by policies which reduce the cost and improve the quality of supply, and on the other hand by policies which affect the level and quality of demand. On the supply side, for instance, we have the task of ensuring that our market system is competitive and vigorous. On the demand side the consumer needs to be informed about the nature of the choices open to him in the marketplace. In order to give the consumer proper representation, and in order to give the consumer what protection we can within the limits of government responsibility, we must be able to influence both the demand and supply sides of the market relationship.

Let me make it clear that the functions of this department, the functions we class under

[Mr. Turner.]

the heading of corporate affairs for want of a better name—although I may say to hon. members it will be a good deal easier to explain this to the people of Canada than to explain “Registrar General”—do not involve representing the interests of corporations in the government. Just as the consumer branch will be directly concerned with representing and helping consumers, the corporations branch will be available to protect and help investors. The combines branch has a duty to protect consumers and producers, particularly the small businessman, against the unfair use of market power. The bankruptcy branch serves to protect creditors. The patent and copyright office protects the rights of inventors and authors. So, we are combining certain economic and legal tools to achieve certain economic goals, and the availability of expertise in the use of these tools already found within the department will, I believe, be of considerable significance to the consumer.

[*Translation*]

At this stage, we should perhaps ask ourselves why, in an era of so-called prosperity, the Canadian consumer is increasingly hard to please. This phenomenon is not confined to Canada. As the Economic Council pointed out, this trend corresponds to increased interest in consumer affairs, in all countries of the western world. It also corresponds to the widespread adoption of more vigorous programs for the protection and promotion of consumer interests.

A hundred years ago, consumers who had to make a decision were faced with a limited supply of goods and services, for the most part simple everyday goods and services.

As a rule, buyers and producers knew each others closely and a great proportion of consumers' expenses were used for essential needs.

For many consumers of today, such is not the case. The relationship between purchasers and buyers is becoming increasingly impersonal. Even the market becomes more involved. We are faced with a discouraging display of goods and services, many complex products, of a quality which is often difficult to assess.

The consumer may not know that some merchandise offers certain features. He may not know that some other merchandise associated with some other products, may combine the qualities that he is looking for.