

*Consumer Protection*

**Mr. Herbert:** May I suggest that if I have raised the matter time and time again it is because it has not been resolved. Now, for the first time, we see a possible resolution.

**Mr. McKenzie:** Thank you, Mr. Speaker. I might come in next week when there are some other private members' bills coming up to continue this debate.

The intention of Bill C-214 is to amend the Combines Investigation Act and to provide for clearer warranties. The intent of the bill is to amend the Combines Investigation Act to provide for the standardization of warranties and define the minimum provisions thereof of such warranties so that consumers will know precisely what they are going to receive. As many consumers have all too painfully learned, legal gobbledegook pervades most warranties. As a result, persons seeking redress get a great deal less than they expect. Sadly, there is little protective legislation in this field. The legislation that has been developed in Saskatchewan, New Brunswick and Quebec seems to be different for different jurisdictions. I believe that my bill will fill this void and ensure standardization.

I expect this bill will be talked out, Mr. Speaker, but I hope the government will refer it to the federal provincial task force on consumer legislation programs for further discussion at the next federal-provincial meeting. Warranties are mainly a provincial concern, but if the provinces do not take some concrete action toward improving warranty legislation, then the federal government is going to have to step in.

In the United States, bills are being introduced to improve warranties. They are more commonly referred to as the "anti-lemonaid" bills.

I should like to refer hon. members to a story in a recent edition of *Economics and Business*, which reads in part as follows:

• (1630)

The story is all too familiar. A shopper buys a refrigerator, handsaw or any of hundreds of thousands of other products covered by a warranty only to have the product quickly break down. When the consumer reads the warranty's fine print, he discovers that the document is so filled with exceptions and qualifications as to make the manufacturer's promise to fix or replace the item almost useless. That situation is likely to become far less common in the years ahead because of the first of a series of strict new warranty regulations issued recently by the Federal Trade Commission under the Warranty Act of 1975.

I would like now to refer to a few bizarre cases. These concern individuals who have purchased automobiles. I will read one example into the record. The situation occurred in the United States. An architect purchased a cream coloured station wagon with wood grain moulding on October 1, 1979. He said:

"It was a real pretty car."

However, it had a habit of stopping dead in traffic because the motor gave out. And the dealer had trouble fixing it.

Ten weeks after purchasing his car the gentleman returned it to the dealer along with a list of 14 complaints. Besides the motor problem the car was supposed to get 15 miles per gallon but was only getting 5 miles per gallon. When he got the car

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back four months later, he said that the engine died in traffic before he had driven ten miles. Consequently, he took it back to the dealer. When it was still not fixed by May 18 he decided he wanted his money back.

That is just one example, and I am sure anyone listening to me today will be reminded of similar cases.

Rachel Miller, a federal trade commission staffer working on warranty problems, said the American bill would eliminate costly court disputes over just how many unsuccessful repair attempts it takes before a car is judged a "lemon". She said that sometimes it takes 28 or 30 repair attempts before a car owner can get satisfaction. That is a sad situation, Mr. Speaker.

Consumer advocate, Phil Edmonston, stated that auto manufacturers have defrauded car buyers of millions of dollars in the last 25 years by selling cars as new that have actually been manufactured in the previous model year.

I hope my bill will protect citizens from these sorts of things.

We have even seen situations where people have to turn to their daily newspapers. They run help columns to assist automobile and truck buyers in getting their lemons fixed by dealers and car manufacturers. *The Ottawa Journal* runs such a column, called "Square Deal". It is absolutely ridiculous that people have to turn to newspapers in order to get some action. Nevertheless, this is an excellent service, provided by newspapers.

We all remember the Firenza automobile and its accompanying problem. It was many years before owners received settlements. There were parades, court costs and various petitions before any lemons were fixed.

In general, warranty rights are contractual rights. That means that a buyer can only enforce his rights against the seller. Only in special circumstances can he enforce them against the manufacturer, although we are always led to believe that the warranty right is one that is enforced against the manufacturer.

In early 1979, the Supreme Court of Canada decided the case of Kravitz and General Motors. That case established that in the province of Quebec a Quebec consumer can recover compensation from the manufacturer for various defects. But it took Mr. Kravitz almost ten years—a whole decade—to prove his point and recover his money.

There is no way that any individual purchasing a car, or any other product, should have to take on any of the big three, or any car manufacturer when he has received a lemon.

There has been a great deal of activity in the United States on this subject ever since the well-known Magnuson-Moss Warranty Act which forces sellers to label their warranty as a full or limited warranty depending on what it offers.

In addition, three Canadian provinces have acted in this area. Saskatchewan and Quebec have actually dealt specifically with the issue addressed by my bill. In Quebec, this is covered in section 45 of the new Consumer Protection Act, and in Saskatchewan, it is covered in section 17 of their Consumer