

*Proposed Consumers Affairs Department*

I would hate to leave the question on a purely negative note and would like to put forward my own proposal with respect to the matter of consumer protection, which differs from that put forward by the hon. lady and the hon. member for Welland. The hon. lady referred in her remarks to some of the difficulty caused by reason of the fact that jurisdiction over the matter of consumer affairs is divided between the two levels of government. I had the opportunity previously to observe, and would like to take the opportunity to say again, that there is no real logic in considering a consumer transaction on the basis of the jurisdiction between the two levels of government in Canada. For example, the hon. lady referred to a cooling off period. I would advance as my opinion that it is unquestionable that the question of a cooling off period on a door-to-door sale is one that falls under the jurisdiction of the provinces. In the same way the question of warranty as to the sound operation of a particular apparatus is clearly a matter for the provincial sale of goods acts and is so dealt with at the present time under their legislation.

If the consumer is buying a piece of hard goods on time, his initial rights and obligations are established under the conditional sales act or perhaps the chattel mortgages act of the particular province, and in either case his rights and obligations are determined by provincial law. One of the most serious problems and one which lawyers in the house will recognize, I am sure, as occurring most often and coming to their attention, is that raised by the exercise of rights in default, what steps must be taken in order to recover the particular piece of hard goods, the refrigerator, car or television set, and what is the obligation of the purchaser after that. This again falls under provincial jurisdiction.

On the other hand, some aspects of this problem—this matter has been referred to—now fall under federal jurisdiction. The question of the obligation to state interest under a contract, as already provided by the federal Interest Act, is a matter within federal jurisdiction and the federal government has with the consent of the provinces—I think we must recognize this—in the past exercised control in respect of small loans to people for essentially consumer uses under the Small Loans Act, which again is federal law.

The suggestion I should like to make is that we should consider the establishment at

[Mr. Macdonald (Rosedale).]

the federal level of a semi-autonomous body like the Restrictive Trade Practices Commission, which would have the responsibility of carrying out at the federal level, and through delegation at the provincial level, surveillance over the field of consumer affairs.

My inspiration in this regard comes, of course, from the consumer council which is now in effect in the United Kingdom and was set up by the British government as a result of the Molony report, that is to say, the final report of the committee on consumer protection which was published in July, 1962. The operation of the consumer council can be best summarized by a brief reference to the annual report for the year 1964-65. I quote from the foreword by the chairman of the council:

Our aims are twofold; first, better self-protection by consumers through education and information; second, more safeguards for consumers through better codes of practice in industry and commerce or by legislation, where this will be the only effective way to provide protection against unscrupulous salesmen or manufacturers.

A little later the chairman referred to the Molony report as follows:

The Molony committee, in their report on consumer protection, said that it should be the duty of the council "to secure presentation of the consumer viewpoint at high national levels." We have found increasingly that government departments and others are consulting us on matters affecting consumers. We cannot pretend, of course, to represent the views and attitudes of all the consumers in the country. In some cases, however, we can base our comments on data which we have derived from special inquiries, such as field surveys; in others we present the collective view of a body of people who from various angles are informed about consumer matters and interests. The Molony committee in this context mentioned particularly the monopolies commission and the restrictive practices court.

I am suggesting that it would be possible to establish a federal entity of this kind to which the provincial governments, as a result of arrangements between the federal and provincial governments, could delegate the responsibility for carrying out such provincial legislation as may be related to consumer affairs. There are unquestioned difficulties, which the hon. lady inclined to make light of, in the division of jurisdiction between the two levels of government. But it is also clear that by a proper process of delegation to an entity of this kind, individual provincial governments could give the responsibility to this federal entity for the purpose, first, of carrying out education—that is, education of the buying public on these very important consumer questions—and, second, the purpose of