

a full passthrough of FST savings until inventories are depleted. One witness suggested to the Committee that it could be some time before full price savings attributable to the elimination of the FST are completely available on a broad range of goods.

Finally, the sheer volume of products on the market also militates against the examination of specific prices. At most, the CIO could sample only a small fraction of these.

What implications does all of this have for the mandate of the GST Consumer Information Office to provide information to consumers on anticipated price increases and decreases for certain goods and services?

The Committee strongly believes that the government has an important role to play in providing information to consumers about the GST. We are of the view also that consumers must have some information about the potential price effects of the tax. If this information is not available, the many misconceptions about the effects of the GST will continue and the level of confusion among consumers will remain high.

The Committee, however, has grave concerns that the government could inadvertently provide inaccurate information or information that might be easily misinterpreted by consumers. It is our view that it would be worse to provide inaccurate information than to provide no information at all. Moreover, we are concerned that public authorities might be held responsible for prices that did not conform to predicted amounts. The fact that some businesses might use the introduction of the GST as an opportunity to increase profit margins is something for which the government should not be held accountable.

The evidence plainly indicates that attempting to provide information on the specific price effects of the GST would be a time-consuming, costly exercise fraught with difficulty. But there is also clear evidence that consumers need information in order to cope with the transition from the FST to the GST. The Committee concurs with the view of the Minister of Consumer and Corporate Affairs (the Minister) that it would be inappropriate for the CIO to undertake to tell consumers that the price of a particular product will increase or decrease by a certain dollar value or percentage amount. Anticipated price changes for broad categories of goods and services, however, could be made available. Such information would make consumers aware of the general price trends that could be expected but at the same time avoid the problems associated with attempting to predict specific price movements.

The Committee notes that the CIO is to provide pricing information prior to the implementation of the GST. Several witnesses felt that it was imperative for the CIO to act as quickly as possible to get information out to the public. The Committee concurs. False expectations about the GST are prevalent; if consumers are to take advantage of the