

Legislation to implement the GST (Bill C-62) has passed the House of Commons and is now before the Senate of Canada. A number of witnesses were of the view that prolonging the passage of the GST legislation would be detrimental to business and to consumers. One felt that delay would increase opportunities for double taxation and for higher prices for consumers. Another, the Retail Council of Canada, called for early passage of the bill so that "customers and merchants will know ... the rules of the game." The Minister of Finance contended that uncertainty caused by legislative delay would impose additional costs on business and consumers. He also argued that delay would postpone the sizeable economic benefits that are expected from sales tax reform. The Minister of National Revenue told the Committee that a delay in the implementation of the tax would cost business, government and consumers millions of dollars.

It is the Committee's view that delaying the movement of Bill C-62 through the legislative process would jeopardize a smooth transition to the GST regime. Business requires certainty; the rules must be clear. Ultimately, consumers will benefit if business understands what is required.

The Committee strongly urges that there be no further delays to Bill C-62 becoming law. We therefore recommend that:

A message be sent to the Senate by the House of Commons detailing the costs to consumers, business and government of delaying the passage of Bill C-62.

C. The GST Consumer Information Office

In the Technical Paper on the Goods and Services Tax the government expressed the view that consumers capable of forming their own opinions about the price consequences of implementing the GST would strengthen the competitive market forces at work to ensure the passing on of the FST savings and would act as a safeguard against any unfair pricing practices that might arise.

To assist consumers, the government has established a special GST Consumer Information Office (the CIO) within the Department of Consumer and Corporate Affairs. The CIO will operate as an independent body and report to the Governor in Council and to the public. The CIO's mandate is (1) to provide, prior to the implementation of the GST, information to consumers on anticipated price increases and decreases for key goods and services; (2) to monitor prices to encourage businesses to pass on to consumers savings from the elimination of the FST; (3) to receive and investigate consumer complaints about pricing practices; (4) to assess the implications of the GST on consumer prices through