

Finally, a major point of concern for the Committee is that the public should fully understand the limited mandate of the CIO. We feel that it is incumbent upon the government to ensure, for example, that the public is aware that the CIO does not have the power to order price reductions. It would be most unfortunate to repeat the experience of the Food Prices Review Board in the early 1970s, where much of the public was under the impression that the Board had the power to stop food price increases and to require that unwarranted prices be rolled back; in reality, its mandate was to carry out research, investigate food prices and pricing practices and receive complaints about the prices of food products.

3. Research

Part of the mandate of the CIO as announced in the GST Technical Paper was to undertake and publish independent research into the consumer aspects of sales tax reform. Few witnesses addressed this aspect of the CIO's mandate. Those who did, however, expressed divergent views. Some felt that the CIO's research would be valuable while others questioned whether it was necessary.

In his statement to the Committee, the Minister indicated that the CIO's research would be limited to assessing the implications of the GST on consumer prices. The Committee does not envisage a broad research mandate for the CIO. In our view, general research into the consumer aspects of sales tax reform would be better handled by consumer groups and other organizations that work in the consumer interest. The Committee therefore recommends that:

The GST Consumer Information Office focus its research to support its role of educating consumers about the GST and its effect on prices.

4. Transitional Nature of the Consumer Information Office

It is generally accepted that the CIO will be established to deal with consumer concerns during a short transition period from the FST to the GST. The Minister of Consumer and Corporate Affairs told the Committee that the Office would be discontinued at the end of 1991. The Committee recognizes that the consumer issues arising from the implementation of the GST are transitory. We strongly urge the government to ensure that the CIO does not continue after it has served its purpose. The Committee therefore recommends that:

The GST Consumer Information Office be reviewed no later than six months after the implementation of the GST and disbanded no later than one year after implementation.