

The Committee believes that government should work together with consumer groups and the business community to ensure that accurate, timely information is provided to consumers. The Retail Council of Canada and other witnesses indicated that it would be willing to work closely with the CIO in this regard. Where appropriate, the government might consider joint information programs with the business community and consumer groups. The Committee therefore recommends that:

**The GST Consumer Information Office work closely with trade associations, businesses and consumer groups to educate consumers about the anticipated impact of the GST and, where appropriate, undertake GST education and information programs jointly with these groups.**

## **2. Monitoring Prices, Investigating Consumer Complaints and Providing Information on Pricing Practices.**

Part of the mandate of the CIO will be to monitor prices, to receive and investigate complaints about pricing practices and to inform the public of irregular pricing practices.

Several witnesses questioned whether the CIO should have the power to order a price reduction if it found that the FST savings had not been passed on to consumers. None felt that this would be appropriate. The CAC was of the view that an agency with price-reduction powers would have to be a large, costly organization requiring broad investigatory powers and quasi-judicial procedures. In its opinion, this would be neither useful nor cost-effective. Others suggested that price roll-back powers were impractical because of the difficulty in determining whether a price increase or a lower than expected price decrease could be attributed to failure to pass on an FST saving or to other factors.

The Committee does not support the granting of formal investigatory and price reduction powers to the CIO. None of the evidence suggests that these powers are needed. It is the Committee's view that the primary mandate of the CIO is to educate and to provide information. Anything beyond that would be a costly, bureaucratic exercise with marginal utility. We believe that it is best to let the competitive forces of the market work to ensure that the FST savings are passed through and to strengthen these forces by having well-informed consumers.

Furthermore, the Committee does not contemplate any formal role for the CIO in monitoring specific price changes. Several witnesses argued that it was virtually impossible to identify the components of price changes for specific products and attribute a particular price shift to the tax. This is because a relatively minor tax change could be overshadowed