lar, he objected to the use of the words "fraud" or "fraudulent" in the course of those interviews.

I want to make completely clear that I did not, and do not, impute fraudulent intent to Senator Gigantès or to anyone else taking part in this debate. My concern was, and is, with a process and its costs. Indeed, I have no hesitation whatever in withdrawing completely any reference that Senator Gigantès or any other senator finds personally offensive. It is not my habit to make personally offensive remarks. Indeed, I try to avoid anything that might be so considered.

In the case of Senator Gigantès, I also, needless to say, accept completely the explanation given by him in this chamber concerning his books and their publication and translation.

Hon. Philippe D. Gigantès: Honourable senators, I would like to thank the Leader of the Government. I do accept his statement and explanation. One thing that really did hurt was that anyone would believe that someone who has earned his living by writing could possibly dare submit for publication, under his own name, any text in French coming from the hurried translation, under very great pressure, of our translators, who are fine people, but who cannot, in the limits of the time given, produce a decent text. Writing is rewriting. Whenever I submit something for publication, I have written it at least nine times and rewritten it nine times.

● (1600)

QUESTION PERIOD

GOODS AND SERVICES TAX

ELIMINATION OF FEDERAL SALES TAX—CALCULATION OF REFUND—DISCRIMINATION AGAINST WHOLESALERS—GOVERNMENT RESPONSE

Hon. Gildas L. Molgat: Honourable senators, my question is to the Leader of the Government in the Senate and is in regard to the proposed GST. This is a specific question that has been put to me by a wholesaler in Winnipeg. I will read the material so that the minister will have the full knowledge of the problem. The wholesaler writes as follows:

> I would like to bring to your attention a very unfortunate and disturbing situation in connection with the implementation of the Goods and Services Tax on January 1, 1991. As you may be aware, the intention of the Government was to refund the amount of Federal Sales Tax in corporate inventories at December 31, 1990. This was to be done in order to ensure that sales in 1991 do not include this latter mentioned tax. Unfortunately, the Government has decided that a standard percentage of 8.1 per cent will be used to calculate the amount of Federal Sales Tax paid at the rate of 13.5 per cent for these inventories. This 8.1 per cent may be sufficient in some industries and for some retailers, but it is not sufficient to recover the cost of inventories owned by many wholesalers.

> Our company would normally have about $10 million of inventory on hand at December 31, 1990. The Federal Sales Tax component of this inventory would amount to approximately $1,180,000. The Government intends to allow us to claim as a rebate 8.1 per cent of $10 million or $810,000. The difference between these two amounts, or $370,000, would be a direct loss to this company as a result of the Government's measures. We believe this amounts to highway robbery!

He then goes on to give an example based on $100 of what the specific cost would be. There would be a loss of $4.23 on $100 of inventory.

> I am sure that you can appreciate that our Company cannot afford to incur the loss of $370,000. Our choices of trying to prevent or reduce this loss are but two. One is to try to pass this loss on to our customers who are retailers. This would be a poor choice because:
>
> a) The Government has stated that all Federal Sales Tax has to be eliminated from pricing after December 31,1990 and,
>
> b) Several of our competitors are manufacturers who sell direct to retailers. These competitors, because they are manufacturers, will not have any Federal Sales Tax in their December 31, 1990 inventories. Accordingly, if we were to include the F.S.T. loss in our price of goods, our prices would be uncompetitive.

My question is: How does the minister propose to avoid discriminating against companies like this one, remembering that in the west, in particular, we do not have the concentration of manufacturing facilities that exist in the central provinces? We have a multitude of wholesalers—this is just one example—who have to purchase their goods essentially from eastern manufacturers and are not, as this individual indicates, in the same position as the manufacturers who will get the full amount of the sales tax back. The wholesalers will therefore be discriminated against.

Can the minister indicate any remedy if the sales tax does proceed?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I cannot deal with the question fully at the moment, but what I can undertake to do is take the details that the honourable senators has placed on the record and ask for at least a comment from the officials of the Department of Finance and bring that to the attention of the Senate at some point before we have completed the debate on Bill C-62.

OFFICIAL LANGUAGES ACT

REQUEST FOR TABLING OF REGULATIONS

Hon. Dalia Wood: Honourable senators, I have a question for the Leader of the Government in the Senate. The Official Languages Act received Royal Assent July 28, 1988. That is 28 months ago. Is the honourable senator aware that the refusal of the government to table the regulations of the