

interesting precedent for the Standing Senate Committee on Banking, Trade and Commerce which I would hope we could continue to pursue in the months and years ahead.

Last May the committee, and subsequently this chamber, passed Bill C-118, to amend the Export Development Act. That act substantially broadened the powers of the Export Development Corporation, giving the corporation a mandate to support international exports for expansion of Canada's export trade. The word "support" replaced "facilitate," which is a more narrowly defined legal word.

At the time the bill was before the Standing Senate Committee on Banking, Trade and Commerce, it was very clear that there was a clause in the bill which said that a significant amount of the constraints which would be placed on the Export Development Corporation would be established by regulation. The regulations were not ready at the time the committee was considering the bill. Therefore, we had some difficulty deciding whether the bill was a particularly good or bad one.

At the time the Honourable Michael Wilson, then Minister of International Trade, volunteered to the committee, in a sort of precedent-setting offer, that prior to the regulations being put into force and after they had been published in the *Canada Gazette*, he would institute a period of delays so that the committee could hold hearings on the regulations. This would result in businesses affected by these regulations having an opportunity to appear before the committee and the committee would, in turn, have an opportunity to give the government advice on whether or not the regulations should be amended.

An election intervened, the regulations were published in the *Canada Gazette* and the new Minister of International Trade, the Honourable Roy MacLaren, continuing the offer that Mr. Wilson had made, said to the committee, "I will not put the regulations governing EDC into effect until such time as the committee has held hearings."

We held those hearings about three weeks ago, focusing on two specific issues. One of these issues related to the extent to which EDC would provide commercial bank financing for companies doing business in Canada; companies that might only be peripherally involved in the export business. The second issue related to the concerns of the insurance industry. They felt that EDC was substantially increasing the range of insurance products it could provide to its customers.

One reason the government was anxious to have us proceed with these hearings was the very clear and almost diametrically opposed points of view between EDC on the one hand and the banking industry on the other, and between EDC and the insurance industry, each with respect to a different set of regulations.

The committee held hearings, and we then took the unusual step of encouraging an element of dialogue between the conflicting parties before we made our ultimate recommendation to the government. Accordingly, the report which I am asking the Senate to adopt tonight contains two or three major changes to the regulations which the government had originally published in the *Canada Gazette*. It is my understanding that, in fact, the

government will adopt the changes to the regulations which the Banking, Trade and Commerce Committee is proposing.

I draw this to the attention of honourable senators, not because I think you necessarily want to get involved in the nuances of what the banking and insurance industries liked or did not like, but because this is a new and important area in which the Senate can become involved.

Here we have a situation where, in a technically complex area, we did not follow the traditional method whereby the government simply proclaims a set of regulations and immediately puts them into effect without seeking an opinion from anyone. In this case, both the Conservative administration and the present Liberal administration asked the Senate Banking Committee to hold the hearings. In effect, what was said by the ministers was that they would take our point of view very seriously. They will, in fact, adopt the changes we made.

Honourable senators, speaking not only on behalf of the Liberals on this committee but also on behalf of the Conservatives there, this is an area which we hope to continue to study. There are a myriad of regulations which governments are constantly imposing upon the business sector. It is our hope that we could hold subsequent hearings when regulations are initially put forward in draft form, particularly in major regulatory areas, with a view to presenting to the government the opinions of the committee as developed on the basis of public hearings.

This could be an important role for the Senate, providing a point of view on issues upon which the government, until now, has not really focused. Previously, governments have simply proclaimed regulations with some minor consultation process but no formal public process. I would hope, honourable senators, that the business of holding hearings on major regulatory areas affecting the business community can become an element of focus for the Banking Committee in the years ahead.

Having said that, honourable senators, I reiterate that I move the adoption of this report.

Motion agreed to and report adopted.

THE BUDGET

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Phillips, calling the attention of the Senate to the Budget Statement made by the Minister of Finance, on Tuesday, February 22, 1994.—(*Honourable Senator Kinsella*).

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): I request that this order stand.

Hon. H. A. Olson: Honourable senators, this debate was adjourned by Senator Kinsella. Would honourable senators agree to my making a few comments at this time?