

S.C.I.'s previously submitted financial package. These discussions have not been concluded and must be fully addressed before negotiations can commence. The government will only proceed with S.C.I. if they are fully compliant and meet all the requirements.

S.C.I. have taken it upon themselves, at their own expense and financial risk, to conduct test drilling in the Strait. The test drilling is necessary so that S.C.I. can verify previous information and finalize their particular bridge design.

It is our understanding that S.C.I. has received all required permits and approvals from the various regulatory agencies. These agencies include the Department of Fisheries and Oceans, the Coast Guard, the N.B. Department of Natural Resources, the P.E.I. Department of Transportation and Public Works and Environment Canada.

It is important to note that if S.C.I. is to adhere to its pricing and construction schedules, this geotechnical work must be completed this fall prior to the winter elements.

AGRICULTURE

U.S. EXPORT ENHANCEMENT PROGRAM—INCREASE IN FUNDING—GOVERNMENT POSITION

(Response to question raised by Hon. H.A. Olson on September 9, 1992)

The announcement by President Bush on September 2, 1992 regarding the Export Enhancement Program (EEP) contained at least three new elements of concern to Canada:

- total allocations for targeted countries were announced concurrently. In the past, the US announced new initiatives randomly throughout the year. This left some doubt in the minds of importers as to whether new allocations would be made and as to what size those allocations might be. This left Canadian exporters in a somewhat stronger bargaining position than they are in now since all doubt about allocations has been removed;
- certain countries (India, Poland, Romania, Lebanon and Kenya) which were not targeted for EEP in 1991/92, but which had been previously targeted, are now re-targeted. Two countries, Pakistan and South Africa, became eligible for EEP bonuses for the first time;
- the allocations for certain countries where Canada has been the predominant supplier have been increased. Of particular concern in this respect is China where the allocation has been increased by one million tonnes.

Canada views these modifications to, and broadening of, EEP as a most serious matter. As an initial step, Ministers McKnight and Mayer have registered Canada's

strong concerns with the changes in a letter to Secretary of Agriculture Madigan dated September 4. In the letter the Ministers noted that under the Free Trade Agreement (FTA) the US and Canada have agreed to take into account each other's interests in the use of any export subsidy on agricultural goods to third countries. They requested clarification from the Secretary as to how the US plans to do that under the recent announcement.

To follow up on this letter, Canada will be seeking early consultations with the US. The purpose of the consultations will be two-fold: to re-register Canada's concerns and to seek clarification of the manner in which Canada's export interests will be taken into account in the administration of the EEP.

At the same time, Canada has also had discussions with the Government of Australia about the possibility of Canada supporting a GATT initiative by Australia against the US.

FEDERAL-PROVINCIAL RELATIONS

TRADEOFF OF TELECOMMUNICATIONS JURISDICTION FOR CONSTITUTIONAL SUPPORT—GOVERNMENT POSITION

(Response to question raised by Hon. Gildas L. Molgat on September 16, 1992)

Saskatchewan's request related to a provision in Bill C-62, slated for second reading later this fall; it did not relate to the Constitution as such. The Government has agreed, further to the transition period provision which was already in the Bill, to retain the Province's jurisdiction over Sasktel for another five years.

Telecommunications agreements are to be negotiated with all provinces and the particular needs of any province will be taken into account. There are and will be no secret deals. As part of the Charlottetown undertaking to harmonize and coordinate regulatory policies, the Government seeks to proceed with regionalization of the CRTC in a way which will give the provinces more say in the formulation of communications policy while at the same time preserving and strengthening a national policy in this area.

[Later]

DISTINGUISHED VISITOR IN GALLERY

DEPUTY SPEAKER OF POLISH SENATE

The Hon. the Acting Speaker: Honourable senators, with your permission I wish to recognize a distinguished visitor in the gallery this afternoon, Mr. Josef Slisz, Deputy-Speaker of the Polish Senate.

Mr. Slisz owns a 15-hectare farm and has been active in various farmers' organizations since 1980. He became Chairman of the Provisional Executive Council of Farmers Solidarity in March, 1987, and joined Lech Walesa's Citizens Committee in December of 1988, participating in the round table