

Participation in the plan will be voluntary, and the maximum contribution an employee can make to the plan will be a predetermined amount, as opposed to a percentage of salary. That, then, will guarantee that all employees, from the president on down, can make the same investment in their corporation. The record of shareholders will be kept private in order to respect the privacy of employees. The proper administration of the plan will be verified annually by the auditors of the corporation.

It is hoped and expected that these steps will ensure the plan contributes to improve labour relations at Canada Post. Of course, this is not a goal, honourable senators, that is guaranteed. It would be premature to say, now, that it will certainly have this effect. No one piece of legislation can accomplish that goal in itself, but I believe that an employee share savings plan is a tool — a useful and necessary tool — to help enhance the interests of workers in the growth and health of their company.

On the issue of privatization, the government has been very clear. The legislation before us simply permits Canada Post to create a plan. What it does not do is provide for the privatization of Canada Post.

This government has never hidden its intentions to privatize the corporation, and such is the case. When and if the decision is made that privatization is an appropriate course of action, the government would, of course, make no secret of such a decision. Legislation would have to be brought forward, because this bill before us specifically restricts the ownership of shares to the Crown and to employees of Canada Post. The merits of this plan, honourable senators, will determine its success with the employees of Canada Post.

Honourable senators, those are some of the reasons for which the government has put forward this employee share savings plan.

[Translation]

The government earnestly desires the unanimous support of this house for this bill which, as I already said, would establish a share ownership plan for the employees of Canada Post.

On motion of Senator Molgat, debate adjourned.

[English]

• (1640)

FARM CREDIT CORPORATION BILL

SECOND READING—DEBATE ADJOURNED

Hon. Eileen Rossiter, moved the second reading of Bill C-95, to continue the Farm Credit Corporation and to repeal certain Acts in consequence thereof.

She said: Honourable senators, I am pleased to present Bill C-95, the Farm Credit Corporation Bill, for second reading. This bill is designed to modernize the provisions of the Farm Credit Act and of the Farm Syndicates Credit Act. This will be achieved by continuing the Farm Credit Corporation and considerably enhancing its ability to serve rural Canada.

It was 64 years ago this year that the federal government took the initiative to provide a stable and secure source of financing for Canadian farmers. The creation of the Canadian Farm Loan Board in 1929 gave birth to a proud tradition of federal farm lending at a time when the nation was in great need of farm development. Over the years farmers have continued to invest in Canadian agriculture in response to constant mechanization, diversification and a steady increase in the size of farms. During this period, FCC maintained its leadership role in agricultural finance and established itself as the largest single farm mortgage lender in Canada.

In response to more recent and profound changes in the agricultural sector, the Minister of Agriculture announced in December 1989 the establishment of a task force to review current and potential issues in farm finance and farm management. This task force, composed of federal, provincial and industry representatives, was charged with ensuring that its policy recommendations would create an agricultural industry that would be more market driven, more self-reliant, more sustainable and more sensitive to regional diversity. One of the key findings was that the FCC indeed represented a strong alternative source of credit to commercial financial institutions and that it stimulated competition in the marketplace, with the result that farm financing was more generally available and at a lower cost than might otherwise be the case. The task force recommended that the Farm Credit Corporation be given a clearly defined role to reflect this contribution.

Following this task force, the federal government went a step further by creating a working group on farm finance whose report in June 1991 again strongly supported a new mandate for the FCC. This ultimately led to the introduction of Bill C-95 which is now before us for review. I emphasize that this bill is in line with extensive direct industry consultation and the recommendations of all provincial ministers of agriculture. Throughout the legislative process there has been excellent support and cooperation with members of all parties of the House of Commons.

The farm community has also welcomed this bill from the time it was introduced in the House of Commons on November 26, 1992. Comments from industry sources indicate a sense of excitement about the policies for rural