Senate, and the hon. member for Welland read out the answer given by the head of the Export Credit Insurance Corporation. At the present time, under the insurance plan 15 per cent is carried by the exporter and 85 per cent by the corporation. But after the operation has reached a much more advanced stage—that is, after the goods have been delivered by the exporter and accepted by the buyer—then the guarantees become operative and it is at that stage that the guarantee reaches 100 per cent.

A question was asked with regard to our trade with the United States and whether the corporation afforded facilities to our exporters to deal with the United States. That has not been necessary in the past. The first instance was brought to our attention just recently when I announced the sale of certain aircraft to the United States under the export credits insurance arrangement based on section 21 of the present act. But most of our transactions in the past with the United States have not required the assistance of this corporation.

Those, I think, Mr. Speaker, are the main points which were raised by my hon. friends. Other matters if unanswered, or other questions which may arise in their minds, might be dealt with at the committee stage.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. MacEwan in the chair.

On clause 1—*Export Credits Insurance Corporation.*

Mr. Benidickson: Mr. Chairman, this stage gives us a further opportunity to question the minister. We do appreciate the answers he has given so far to such questions as were asked on second reading; but naturally when one is restricted in that debate one, if dissatisfied as to the completeness of the answer, must take advantage at this stage to ask a few additional questions. I am very concerned about this question of whether this bill is really going to change the situation. We have evidence given before the Senate committee which considered this matter that in the opinion of the officers of the corporation this is merely a matter of a guarantee, and I think that is confirmed by the fact that additional financial liability is not sought in this measure. On page 8 of the minutes of the banking and commerce committee of the Senate, the assistant general manager of the corporation said this:

> The intent is not to finance the export transaction. The exporter would still have to arrange his own financing with any lender who would lend him the money he requires.

It is not my impression that banks, particularly during a period of tight money when they have more requests for money on short term than they can satisfy, are likely by reason of this guarantee to do anything different from what they did in the past to aid exporters.

Mr. Muir, the president of the Royal Bank of Canada, had something to say about this on the occasion of the last annual meeting of the bank. In January, 1958, he said this:

> What he requires is the discount of paper maturing over a period of years or a term loan for a similar period secured by that paper. During a period of tight money, the chartered banks do not have available in any quantity funds for this purpose.

In addition I ask the minister in so far as credit desirability in the hands of the chartered banks is concerned, what is there additional to the guarantee which was not in the existing legislation, which was an insurance, except for the possible difference that the guarantee may be at the rate of 100 per cent, and the evidence is that the insurance has had a co-insurance feature under which the exporter was liable to the extent of 15 per cent. These questions have to be answered. I said something yesterday about window dressing. I want to be assured that measure has some substance. If the intention is not to put up any money but to guarantee money which is put up by some other lender, then I ask: who is the other lender? The banks say that in a period of tight money they cannot lend for long terms because they cannot at the moment fulfil the demands of short term borrowers who are the people they look to first. In other words, is this another blank cartridge, a way of avoiding a problem which everybody recognizes, namely that we are facing worldwide competition with regard to financing long term credit for exports?

In his reply before we reached the committee stage the minister suggested that this matter of the guarantee became effective after the goods were delivered. Let us be practical. I suggest to the minister that this is utter nonsense. If the manufacturer, or seller, or exporter is contemplating a sale which he has not commenced, is there anyone in this committee who thinks that it is not prior to the delivery of the goods that he makes arrangements about the ultimate success of the transaction, including credit? Of course, it is not after the goods are delivered that we come to the question of a guarantee. Before any deal is made whatsoever the seller and the foreign buyer are each going to know what the arrangement is, not only whether or not they are going to get insurance under the legislation we have had in effect for some years but also whether or not they are going to get a guarantee. I say it is