

pursuant to section 10 of the said act, chapter 42, Statutes of Canada, 1959. (English text).

Report on the operation of agreements with the provinces under the Hospital Insurance and Diagnostic Services Act for the fiscal year ended March 31, 1962, pursuant to section 9 of the said act, chapter 28, Statutes of Canada, 1957. (French text).

Report of the Department of Citizenship and Immigration for the fiscal year ended March 31, 1962, pursuant to section 7 of the Department of Citizenship and Immigration Act, chapter 67, R.S.C., 1952. (English and French texts).

PRIVATE BILL

THE CHRISTIAN BROTHERS OF IRELAND IN CANADA—FIRST READING

Hon. John G. Higgins presented Bill S-7, to incorporate The Christian Brothers of Ireland in Canada.

Hon. Mr. Macdonald (Brantford): Could we have a short explanation of the bill?

Hon. Mr. Higgins: I shall be glad to give that explanation on second reading.

Bill read first time.

Hon. Mr. Higgins moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—SECOND READING— DEBATE ADJOURNED

Hon. M. Wallace McCutcheon moved the second reading of Bill C-63, to amend the Export Credits Insurance Act.

He said: Honourable senators, this bill contains three amendments. The first is for the purpose of clarification and deals with the total liability that the corporation may undertake under contracts of insurance for which the corporation itself is liable.

Under section 13 of the Export Credits Insurance Act, the corporation is authorized to enter into contracts of insurance to insure exporters carrying on business in Canada against any risk of loss as set out therein.

Under section 14 of the act, it is provided that the liability of the corporation under the contracts of insurance issued and outstanding shall not at any time exceed a total of ten times the aggregate of the amount of the subscribed capital and the surplus of the corporation.

With reference to the balance sheet of the corporation—and I think all honourable senators have had a copy of its eighteenth annual

report—the authorized capital of the corporation is \$15 million. In addition, there is a capital surplus paid in of \$5 million and an earned surplus of \$1,493,451, as at December 31, 1961.

The corporation is a taxpaying corporation, and after having paid income tax at normal corporate rates, appropriations are made from time to time from earned surplus to reserve. The amendment to section 14 is to introduce the word "capital" before the word "surplus", so as to make it clear that the earned surplus of the corporation is not to be taken into account in determining the total liability. So that the total liability of the corporation—and this was what was always intended under section 14—is \$15 million, plus \$5 million, multiplied by 10, making a total of \$200 million, and the amendment is purely to clarify that situation.

The next amendment is to section 21, under which the Governor in Council may approve and authorize the corporation to enter into certain contracts of insurance in circumstances where the board of the corporation, having regard to the limitations imposed by section 14, is of the opinion that a proposed contract of insurance will impose upon the corporation a liability for a term of years or an amount in excess of that which the corporation would normally undertake in relation to any one contract, exporter, commodity or country. In other words, if the corporation feels it will be putting too many eggs in one basket, and if in the opinion of the Minister of Trade and Commerce it is in the national interest for the proposed contract to be entered into, then the Governor in Council may authorize and approve the corporation entering into the proposed contract of insurance. Those insurance contracts are undertaken for the account of the Government and not for the account of the corporation, but the liability of the corporation under subsection 3 of section 21 is now limited to \$200 million.

The proposed amendment is to increase the amount for which the corporation may become liable, which really means the amount under which the Government may become liable, to \$400 million. The reason for that is that under policies currently outstanding, under this section 21, the corporation is liable for \$138.8 million. It has additional commitments of \$34 million, and commitments in prospect for another \$27 million, which total \$200 million. In other words, it is anticipated that very shortly the authority contained presently in section 21(3) will be exhausted, and it is considered in the interests of our export trade that this additional authority shall be granted.