

the other place quickly, and the main reason, as the sponsor also pointed out, was that it was greatly overshadowed by another very important measure, Bill C-251, to amend the Old Age Security Act. Probably another reason was because we are getting very close to Christmas and there are many who would like to make reservations to get home, if possible, to greet Santa Claus.

This is nonetheless important legislation, and I am disappointed that the Government felt there was such urgency as to warrant its being considered at this time. Frankly, I do not think it would have mattered much had its introduction been delayed until after the recess, but I always take the word of my good friend Senator Leonard, in the manner in which he expresses it, and if he says it is urgent legislation, then we will not object; however, I am not altogether convinced of its urgency.

We are all familiar with the objects of this bill. No objection is being taken to it by any party in this house or the other place, and I believe that each member has been and is greatly in favour of it. I do hope, though, honourable senators, that some time before this session ends we will have another opportunity to discuss the Export Credits Insurance Act itself, because I know that there are those who are unavoidably absent today who have left their names with me with an indication that they intended to speak on this bill when it came before us for consideration after the recess, as anticipated.

I have no intention of undertaking an analysis of any of the sections of the bill, the chief reason being that I could not do so, even if I had intended to, on this short notice. Suffice it to say that I am satisfied it is an important bill, and that under the act itself the economy of this country is greatly assisted.

Taking these matters into consideration, there will be no objection from this side of the house to the bill receiving third reading expeditiously; and, frankly, I really do not see any necessity for its being referred to committee. However, I think my good friend Senator Thorvaldson, who is more familiar with these matters than I am, might possibly have a few words to say and might have other views.

**Hon. Mr. Grosart:** Honourable senators, may I ask the honourable sponsor of this bill a question with respect to the new subsection 2(b) in clause 1? I should like to know if it is clear that these unconditional guarantees are to be limited to the liability already undertak-

en by the E.C.I.C. in connection with these insured loans.

**Hon. Mr. Leonard:** My information is that the guarantee will extend to the full liability of the exporter to his bank. There is a possibility that the amount insured might be under a co-insurance policy, the full amount of which might not be sufficient to cover the full amount of the debt. My understanding is that so far as the guarantee to the bank is concerned, it is to the extent of the liability of the exporter to his bank. What the Export Credits Insurance Corporation might decide in those circumstances will be up to it. I would probably agree with the honourable senator that this change is not actually limited to the same liability that might exist under the policy. There could be that possibility, but I would be inclined to think that the Export Credits Insurance Corporation would not enter into a guarantee beyond the extent of its own liability without security or recourse against the exporter.

**Hon. Mr. Thorvaldson:** I should like to direct a question to the honourable sponsor of this bill, and it is a question that I would have asked if the bill was before a committee. What practical circumstances have arisen at this late date, after this corporation has been in existence for many years, to make it necessary for the corporation to issue insurance policies directly to a bank? I ask this question because I would have thought that the policy issued by the corporation to the exporter was assignable to the bank, and would have been assigned to the exporter's bank as a regular practice. I am wondering if something has happened to make it necessary to issue a policy directly to a bank covering the same transaction that is made with the exporting company.

**Hon. Mr. Leonard:** Honourable senators, I shall attempt to answer this question in my own way, and perhaps I should say that I am not as fully informed as I would have been had I had more time.

Two or three years ago I received representations from exporters who were very much interested in this act. They sent me a copy of a brief that was submitted by the Canadian Export Association to the Honourable Mitchell Sharp, in which the point was made that they could not get bank credit in connection with these transactions without full recourse. In other words, the exporter was still under complete liability with respect to this contract, notwithstanding that the credit was insured