

Export Credits Insurance Act

goods, coverage could be provided for engineering services, goods sent out of the country for exhibition purposes and goods sent out of the country on consignment. In 1958 the present government further amended the bill to increase the amount of insurance the corporation could have outstanding at any one time. This amount was increased from \$100 million to \$200 million.

In his remarks this morning the minister, as I recall it, did not deal particularly with that phase of the matter. In view of the reasons he gave one year ago for asking for the increase in the liability the corporation could incur, and in view of the fact that he has come back so soon thereafter in effect to reduce the amount the corporation will have available for insurance purposes, I am wondering if the minister, when he closes this debate would clarify that point. In other words, this has been a very good piece of legislation, a very successful piece of legislation; yet the minister is in effect, by this bill, asking that the volume of business the corporation can do be reduced; that is in so far as the insurance aspect is concerned.

Mr. Benidickson: Because of the new purposes.

Mr. McIlraith: Because of the new purposes for which the gross amount may be spent. I ask the minister, therefore, if he would develop that point in his closing remarks at this stage of the legislation.

There are some other aspects of the bill to which I think the attention of the house should be drawn. Up to this point the scheme of the direction of the corporation has been by a statutory requirement that the Minister of Finance, the deputy minister of trade and commerce and the governor of the Bank of Canada be directors of the company and that four additional directors serve with them. I notice that this bill provides that the governor of the Bank of Canada be not included as a director of the corporation. The minister did not deal with that very important change. The corporation has been well directed and well run, and I for one am apprehensive as to the significance of the removal of the governor of the Bank of Canada from the board of directors of the corporation. I would hope the minister would clarify the reason for that change before we are asked to approve the principle.

There is another aspect of the bill before us. The minister carefully set out the need of exporters for financing in their operations; that is, as export trade has become more competitive there is a need for exporters to be able to give longer term credit to purchasers and this makes it difficult to finance their operations. I am in accord with his

expression of the need in trade circles for that kind of assistance. This amendment puts the Export Credits Insurance Corporation into the business of buying, selling and guaranteeing the export paper, if I may use that term.

Now, we recently had before this house legislation setting up in Canada a corporation for the purpose of financing exports, discounting export paper if you will. I thought that legislation was particularly significant in our trade development, and very important. I should like to know whether the minister intends that this crown corporation should compete in the field of buying export paper with the export finance corporation recently set up by private legislation.

Then there is another aspect of this matter that concerns me. If I heard the minister correctly before the luncheon adjournment, I believe he said it was the intention to use the guarantee provisions of this bill only in cases where the amount of the transaction exceeded \$250,000 and the term of the guarantee exceeded two years, I think I heard him correctly on that point.

That raises an interesting point. If we are to develop trade it is our total trade which must be developed. A very important factor there is not only the big exporters but the smaller manufacturing exporters in particular, because the expansion must come in that area as well as in the area referred to by the minister. In dealing with the minister's estimates a few days ago I raised a matter in connection with that point and asked him to examine the possibility of taking measures that would assist exporters, particularly the smaller exporters, in the very large potential market in the United States. I am sorry to see him limit the new legislation to what I might describe in general terms as big business. It seems to me that the need for financing is just as great in the smaller industrial business in Canada as it is in the big industrial business and if you are to legislate on this particular subject we should provide for all our manufacturers and exporters the benefit of the assistance or facilities we are providing. That distinction made by the minister seemed to be quite unrealistic.

There is one other criticism I have of this measure. I have spoken in rather enthusiastic terms of the present act, the Export Credits Insurance Act. Indeed, some members would think I had been very laudatory of the farsightedness of the former government in bringing it in, and I have spoken of the great benefits it has brought to this country. I for one am sorry to see the minister now come forward with legislation which will divert that corporation from its