

"Before the Canadian exporter can make an application he must, of course, have a specific sale or project in mind. It will be necessary for the Canadian exporter, prior to making application, to know the amount involved, the credit terms necessary and full financial information about the buyer. With this and other information available to it, the Export Credits Insurance Corporation will carefully study the application, giving consideration to various factors, including the economic implications for the Canadian economy; the feasibility of the particular sale in the importing country; the balance of payments and general economic conditions in that country; the ability of the foreign country to absorb additional debt; and the credit terms extended by other governments under similar conditions.

EXTENSION OF CANADIAN CREDIT

"In the less than 20 months since we signed our first financing agreement, long-term credits have been spread throughout four continents and six different countries. Today negotiations are active that could result in the financing of Canadian capital goods for export to four other countries. Projects in several additional areas have also been brought before us, and we anticipate that in the coming years our long-term financing programme will reach out into many other nations.

"This week we finalized export credits arrangements for the sale of \$2.4-million worth of diesel-electric locomotives to Brazil. This was a repeat order on a previous order for \$5.6-million worth sold to that country last year. We also finalized this week export credits arrangements for the sale of \$1.85-million worth of road graders to the Argentine. This also was a repeat order.

"Since the inauguration of long-term credits... Canada has financed in excess of \$105 million in sales of heavy equipment, and we are prepared to increase this amount materially in line with the requirements of good business procedure.

"You have visited and examined various machinery plants throughout Canada during the past week and you have seen some of the products we have been exporting under this long-term financing. They are products which a glance at a map of Canada will tell you have played a large part in the development of this vast country.

AN ACCUMULATION OF EXPERIENCE

"For instance, decades of experience have been accumulated in the building of the great network of our railways and airlines, our roads and waterways, our telephone and other communications systems, and our radio and television systems. It is an accumulation of experience that is now available to other countries developing their own transportation and communications. It is an accumulation of experience that justifies our pride in our ability to produce these diesel locomotives, steel rails, aircraft and telecommunications equipment, which we believe are comparable or superior to those produced by any other nation of the world today. It is, therefore, not surprising that Canada should specialize in the export of this equipment or that such exports should be financed by the Canadian Government.

"A second area of capital-goods production in which Canada excels is that of equipment to harness nature's energy for industrial use. We have the world's largest supply of fresh water and we have harnessed much of its potential to provide hydro-electric energy. We have utilized thermal-electric power and are now crossing the threshold of developing nuclear energy. Many Canadian firms have participated in building the power dams, the generating stations and the transmission lines, and today these Canadian firms are prepared to make their experience available to others who require industrial power.

"A third significant area of capital-goods production for Canada is related to our abundant forest wealth. We have not become the world's leading producer of newsprint without at the same time becoming proficient in producing the required pulp-and-paper machinery. From our Newfoundland forests in the East, through Quebec and Ontario, and West to the forests of our Pacific coast, Canadian pulp-and-paper machinery efficiently transforms the wealth of our woods into an endless stream of newsprint. This, too, is machinery which we are marketing in other parts of the world today.

CANADA'S ENGINEERS PRE-EMINENT

"And let us not lose sight of an essential ingredient that has made possible these capital goods and projects. I am referring, of course, to the engineering know-how, without which none of them could have occurred. Our Canadian engineers are in the forefront of technological process. Part of our long-term credits have included financing of these engineering services.

"I cannot over-stress the fact that this long-term financing is a two-way street, a street which brings benefit to both Canada as the exporting country and to you as the importing country. Here in the Canadian economy, this long-term financing makes possible a fuller utilization of our economic resources. And for the importing country, it provides essential capital goods which will help increase your productive capacity. We, of course, hope that it will be a continuing market which we are developing.

"In terms of years, we are comparatively a young nation. In terms of trade, we believe we are competitive with other countries, and we have proved this on numerous occasions. The particular reason why it would be of advantage to you, as purchasers, to look carefully to Canada for your requirements, is the fact that: (1) we have developed in Canada the technical know-how to produce goods competitive with those of other world producers; (2) we have the plant capacity to make deliveries on schedule, competitive with any other source of supply; and (3) because of our comparatively limited domestic market, arising from our small population, we are, as a nation, gearing our production with a view to export markets under a threefold programme of offering products that are comparable or better in quality, design, and price to those obtainable elsewhere.

"To further augment our competitive position in world markets, we have a programme to provide credits for the sale of capital goods, which we believe comparable to that offered by any other country. We have also inaugurated a programme of trade

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