The WITNESS: Crown Assets Disposal Corporation has nearly $2 million in cash. I might say, this was one case where we did feel that they were a little on the excess side, and after discussions with the officials of Crown Assets Disposal they made a payment of $500,000 to the Receiver General a few months after the close of their fiscal year, reducing their cash balance by that amount.

Hon. Mr. ROWE: They would hold then $1½ million?

The WITNESS: Yes. Their cash balance, of course, fluctuated from time to time. That is on page 19, is it not? Of course, of their $1,900,000, $800,000 was in their agency account. They had, what you might call a free balance of $1,164,000; shortly after they paid us half a million of that.

The CHAIRMAN: Now the item Eldorado Mining and Refining, that is $5,000,000 cash.

The WITNESS: That corporation had a very extensive capital program actually under way at that time, and that did not seem to us to be an unreasonable cash balance to be carried.

The Export Credits Insurance Corporation has a cash balance which is quite moderate, $400,000. They have in addition some $12,000,000 in government bonds. That, of course, is the capital of the insurance corporation which was provided by the government when the corporation was formed, and that is really their underwriting reserve, which they maintain in government bonds, and have over a great many years.

The CHAIRMAN: The next large item is the National Harbours Board.

By Mr. Fulton:

Q. Excuse me, Mr. Chairman. The assets and liabilities of the export credits, on page 97 of Volume II, shows an authorized capital of $15,000,000, and an issued capital of $10,000,000, but they have bonds in the amount of $12,000,000.—A. Yes. The other $2,000,000 is their accumulated underwriting reserve, or accumulated operating profit over the last 10 years.

Q. Would I be correct in saying that they would have pretty heavy contingent liabilities?—A. Yes. I forget the amount, but it is up in the tens of millions. The insurance in force at any given time is of the order of $30 million or $40 million.

Q. The $2,000,000 available cash reserve, then, would not, you feel, be in any way excessive in view of that contingent liability. Would that be your thinking?—A. No, I do not think so.

I am a director of the Export Credits Insurance Corporation, and we have on occasion had to pay out $2 or $3 million in the course of a few months.

Of course, the big risk we insure against is on blocked currency.

A couple of years ago, Brazil was in exchange difficulties. The Brazilian importers had deposited their payments in the Bank of Brazil, but they could not get it transferred out of the country, and we had to pay Canadian exporters in dollars. In the case of Brazil we were finally paid in dollars over two or three years. Then more recently Turkey, got into exchange difficulties. We had large exports of farm machinery to Turkey, which we had insured. Again we have the Turkish funds deposited in Turkey, but the Canadian exporter cannot get Canadian dollars, so we have had to pay them. We have had to pay out several millions of dollars. Undoubtedly we will get the money back in due course, in instalments as the Turkish government finds it possible to make foreign exchange available.

The CHAIRMAN: Now the National Harbours Board, Mr. Taylor.

The WITNESS: National Harbours Board, that is on page 38 of volume II.