

For the account of the Government:

..outstanding as at December 31, 1968, amounted to \$208,673,000.

Senator Grosart also asked whether section 34 was confined to developing countries. I asked the same question. The wording of that section does not specifically refer to developing countries. It does not even specifically refer to Canadian exports. All we can do is speak of the tenor of it. It is insuring an investor against risk of loss by reason of:

War, riot, insurrection, revolution or rebellion in that country;

or,

the expropriation, confiscation or deprivation of the use of, or the arbitrary seizure of any property by a government.

I do not say these things happen only in developing countries, but they are the kinds of risks being insured against here. The bill goes on to say in subsection 2:

The Governor in Council shall not authorize the Corporation to enter into a contract of insurance...

in respect of any investments in a foreign country that will not provide economic advantages to Canada or contribute to the economic growth and development of the country in which it is made.

Those phrases are being interpreted, at least I think in intention as far as the operation of the corporation is concerned, to confine this section to developing countries and to Canadian exports. It will be noticed that the total amount that may be used is \$50 million, which suggests it is of a rather experimental nature to see what can be done by way of investments of this character in developing countries.

In reply to Senator Thorvaldson, I would say that sections 29, 30 and 34 are all new powers and the corporation really steps from being just a credit insurer to being a credit-giving organization. I quite agree that the situation vis-à-vis the United States might well be a matter to be discussed before the committee to which it will, I hope, be referred.

Hon. Mr. Grosart: Might I have leave to clarify the reference I made to developing countries, in case I did not make it clear? The reason I made that statement was that I was quoting—not, Your Honour, from the proceedings of the other place—from a statement by the Honourable Otto Lang, who

introduced the bill, in which he said, speaking of this bill:

The most obvious new facility is, of course, the provision for insurance of private investments abroad, now to be available to Canadian business for the first time. The scheme is limited to developing countries...

That was what I was referring to.

Hon. Mr. Leonard: Quite right. The wording of the section does not specifically say so, but this is apparently the intention.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

EXECUTIVE COMMITTEE MEETINGS IN GIBRALTAR

Leave having been given to revert to Inquiries:

Hon. John J. Connolly rose pursuant to notice:

That he will call the attention of the Senate to the meetings of the Executive Committee of the Commonwealth Parliamentary Association held in Gibraltar, 24th May to 1st June, 1969.

He said: Honourable senators, even though it is late in the day I thought it appropriate to make a brief report on the recent meetings of the Executive Committee of the Commonwealth Parliamentary Association held in Gibraltar between May 24 and June 1 of this year.

Honourable senators will remember that when the Commonwealth Parliamentary Association Conference was held in Ottawa in September 1966 a working party was appointed to inquire into the advisability of having a more or less permanent committee to run the affairs of this association. The initiative for that proposal was taken by the Australian delegation, and it was led at that time by the Honourable Peter Howson, who subsequently became the first Chairman of the Executive Committee.

The working party met in Malta in 1967, and it reported to the General Council at