EXPORT CREDITS INSURANCE

Mr. Gordon Churchill, Minister of Trade and Commerce, tabled in the House of Commons on March 24 the annual report of the Export Credits Insurance Corporation, which indicates that exports valued at \$47.5 million were insured in 1959. This is an increase of 13 per cent over the total for 1958. In addition, goods having a value of \$90.7 million were insured by authority of Section 21, under which the Consolidated Revenue Fund, not the Corporation, carries the risk.

Since the establishment of the Corporation in 1945, a total of \$818 million of export sales have been insured. It has paid out claims to Canadian exporters amounting to \$9.8 million, of which \$7 million have been re-

covered.

The net result of the year's operations showed an addition of \$1,164,400 to the underwriting reserve, which now stands at \$4.9 million. Interest on invested capital has provided the bulk of this underwriting reserve, and the Corporation continues to provide its services at close to "break-even" premium rates.

There were 230 policies current at the end of 1959. These covered a wide variety of products shipped to some 87 different countries. The classification of these policies by export volume shows that insurance protection was obtained by large, medium and small exporters. Liabilities under these policies totalled \$58

The business of the Corporation is to provide insurance, at a suitable premium, for Canadian exporters who wish to cover themselves against certain risks of non-payment for goods sold to buyers in foreign countries. There is the risk of a foreign buyer becoming insolvent. Exporters are unable to protect themselves against this by means of ordinary commercial insurance except in the case of sales to the U.S.A. There is also the risk of cancellation of an import licence, and the to see page 52 age one orthor to a

risk of adverse changes in foreign exchange regulations in the buyer's country. These are risks over which the exporters themselves have no control, and against which ordinary commercial insurance is not available. Generally, the policies protect against losses arising from circumstances beyond the control of both the buyer and the seller.

AIR-TRAINING AGREEMENT RENEWED

The Secretary of State for External Affairs, Mr. Green, announced on March 25 the renewal of the existing aircrew training agreement with Denmark. A formal exchange of notes took place the same day in Copenhagen between the Canadian Ambassador, Mr. J.B.C. Watkins, and the Danish Foreign Minister, Mr. J.O. Krag.

On April 17, 1957, notes were exchanged with the Government of Denmark to provide for the continuation, for a reasonable time, of limited Canadian training facilities for Danish aircrew students. This agreement, which was concluded as Canada's NATO Air Training Programme was reaching its completion, was aimed at assisting the Danish Government in making the transition to a suitable national

training scheme.

The agreement provided that, at some mutually convenient time during the third year thereof, discussions would take place on a bilateral basis on the need or otherwise of extending it for a further period. Consultations to this end have been held with the Danish authorities during the last few months. As a result, and on the basis of the request submitted by the Danish authorities, the Canadian Government has agreed to extend the present agreement for a further four-year period beginning July 1, 1960. Training to "wings" standard will be provided annually to 45 student pilots from Denmark. A token payment of \$5,000 for each student-pilot entrant will be made by Denmark. Canadian costs will be defrayed under the Mutual Aid Programme.

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