

Export Credits Insurance Act

finance; Mr. J. A. Roberts, associate deputy minister of trade and commerce; and Mr. H. T. Aitken, who is president and general manager. I think the vacancy would be filled from among experienced civil servants.

Mr. McIlraith: May I point out that at the very time the minister is authorizing the corporation to engage in wholly new operations which are by their nature commercial banking operations, he is removing from the board of directors the only banking authority we have on it. I would ask him to bear that point in mind. I realize that there would be no point in my going further in this matter. I express to him the hope that he would seek to acknowledge the need for experience in the commercial banking field on the board of directors.

Clause agreed to.

Clause 4 agreed to.

On clause 5—*Definitions*.

Mr. McIlraith: I want to ask the minister about the buying and selling of instruments under clause 5. What does he contemplate as the extent to which the corporation will be expected to engage in the buying and selling of instruments?

Mr. Churchill: The privilege is there and it is a case of looking toward the future. The present thinking of the corporation is that we will not be buying, and there it rests. Experience will show whether or not that is a correct forecast.

Mr. McIlraith: Under the form of the bill the buying and selling of guaranteed instruments is in exactly the same position as the right to guarantee. I take it from what the minister has said today and from the evidence given before the banking and commerce committee in the other place that it is the intention of the minister that under the new legislation the corporation will be engaged primarily in the guaranteeing part of the operation as opposed to the buying part.

Mr. Churchill: That is quite correct. My hon. friend has summarized it very accurately.

Mr. McIlraith: There is one question here that I think should be clarified. It is interesting that the provision of the right to buy and sell this type of paper, for which there is great need, should be brought before the house by the government shortly after parliament has granted a charter to a private corporation by special act to engage in the buying and selling of this type of paper. If it is a fair question, I should like to ask the minister if at the time the bill was brought forward in the first instance he knew about

the private legislation on this subject or had it been brought forward at that time?

Mr. Churchill: I was not aware that a private bill was coming forward when steps were taken leading up to the bill now before the house. As a matter of fact, this matter goes back quite some time. I raised this problem with the officials of the department early in the fall of 1957. The hon. member for Greenwood, Minister without Portfolio, spent a great deal of time working on the problem and consulting with experienced people in the business world. In the early conversations we had he expressed the hope to me that something would be done by private financial institutions or private individuals along the line we are now suggesting. Subsequently as the matter carried on month after month, I reached the conclusion and he concurred that there was no assurance that a corporation would be set up under private auspices and therefore we should go ahead with the proposal now before the committee. The direct answer to my hon. friend's question is that at the time we laid the foundation for this bill and commenced drafting it we were not aware that the other measure was going to come before the house.

Mr. McIlraith: I think the minister has dealt satisfactorily with the point that was troubling me and has made it quite clear that it is not the intention of the government to enter unduly into direct competition with the private corporation set up in this field. He has indicated that while technically he has the right to do so it is not what he contemplated in bringing the bill forward.

I wish to pursue one other point for a moment. The minister indicated that it was proposed to guarantee instruments of more than \$250,000 in amount and two years in duration. I assume that the amount is set by regulation under the act and I would ask him to consider reducing it. My information is that there is a volume of business available in Canada for small manufacturers by way of increased exports and that these small manufacturers who do not have the financial resources who may need assistance in order to make a start in the export field.

I have in mind particularly export to the United States. These firms are so small in size that they just do not have the financial resources to enter into the export market. I think there is a field for expansion there which should be examined very carefully. I know that there has been practically no need for the insurance provisions of the act to be used for exports to the United States. I am aware of that, but it seems to me there is this other new field where there is a good possibility of expanding our exports and I