

56. The Committee was informed that the corporation's aim was neither to subsidize exporters nor to make profits. Instead, the aim was to break even in the long run, and this aim had been achieved—the excess of premium income over the operating expenses and net claims having been less than one-tenth of 1 percent on \$818,000,000 of exports insured up to December 31, 1959. The Committee concurred in this aim.

57. The Committee was informed that the corporation extends credit in accordance with policies adopted by the Berne Union, of which it is a member, and whose purpose is to promote the exchange of information, techniques, policy and procedure with a view to maintaining orderly competition in international credit. The corporation's maximum terms of credit vary according to the nature of the goods exported—from six months in the case of consumer goods to five years in the case of heavy capital equipment—and these terms were stated to be in harmony with principles agreed upon by the Berne Union.

#### *Crown Assets Disposal Corporation*

58. A statement was given by the Auditor General supplementing his statutory audit report respecting the operations of this corporation for the year ended March 31, 1959, and including references to the operating results for the year ended March 31, 1960, together with comments on the scope of the audit that had been made of the corporation's accounts.

59. The President gave statements on the operations and organization of the corporation and was examined at length by the Committee.

#### *Sales of Surplus Equipment on Behalf of the United States Government*

60. Representations were made to the Committee by representatives of the Canadian Association of Equipment Distributors to the effect that the disposal, on behalf of the United States Government, of its surplus equipment in Canada was prejudicial to the interests of Canadian firms engaged in the business of distributing equipment and detrimental to the Canadian economy.

61. The Committee, noting that the Agreement with the United States Government under which the sales were being made is terminable by either Government on thirty days' notice to the other, recommends that the Government make a careful study of the situation in order to satisfy itself whether action should be taken to terminate the Agreement in view of the anticipated increase in the quantity of United States surplus equipment becoming available, having regard to the position of Canadian equipment distributors among other factors.

62. So long as sales continue to be made on behalf of the United States Government, the Committee recommends that the corporation include in its annual reports information regarding such sales, in the same detail as in the case of sales made on behalf of the Government of Canada.

#### *Management Consultants' Report*

63. The President of the Corporation referred to an examination of the corporation's management organization and its operating and administrative practices, recently completed by a firm of management consultants. The Committee required the report to be tabled and studied it in detail.

64. In the opinion of the Committee, the Corporation had not acted with reasonable promptness in giving effect to recommendations contained in this report.