twenty-first parliament have to elect during that parliament? Suppose he were here during that parliament and did not elect at that time; is he in the position of being able to elect today?

Mr. Lesage: No, he cannot.

Mr. Howe (Port Arthur): No, he cannot elect for that parliament today. He can elect for the current parliament, but not for the preceding parliament.

Mr. Diefenbaker: Having elected just for the current parliament, his time does not count until the date on which he elects?

Mr. Howe (Port Arthur): That is my understanding.

Clause agreed to.

Clause 3 agreed to.

Title agreed to.

Bill reported.

EXPORT CREDITS INSURANCE ACT

AMENDMENT TO INCREASE AUTHORIZED CAPITAL STOCK, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Export Credits Insurance Act to increase the authorized capital stock of the Export Credits Insurance Corporation from five million dollars to fifteen million dollars; also to require the corporation to continue the underwriting reserve to cover future losses under contracts of insurance; and to provide further for certain changes in connection with the administration of the act.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Howe (Port Arthur): Mr. Chairman, the Export Credits Insurance Act which was passed by this parliament some years ago has been of great assistance to exporters. It has fully justified its existence in that it has allowed a good deal of business to be carried out that could not possibly have been carried out otherwise. The volume of business insured under the act has been constantly expanding, and the purpose of this amendment is to provide additional capital to the corporation and to make such revisions as will permit the act to meet the needs of present-day circumstances.

This amendment affects only part I of the Export Credits Insurance Act and has nothing to do with part II under which the authority to make loans to foreign governments expired on December 31, 1947. The main purpose of the amendment is to increase the effectiveness of the Export Credits Insurance Corporation by authorizing an increase in its capital. I think it would be helpful if I were to review briefly the operations of the corporation since the Export Credits Insurance Act was passed in 1944.

Under the act—

—the corporation may for the purpose of facilitating and developing trade between Canada and any other country enter into a contract of insurance with an exporter to insure him against any risk of loss in connection with the export or an agreement for the export of goods by reason of the failure of the exporter for any cause not avoidable by the exporter to recover the selling price of the goods.

There are no private commercial concerns who provide the insurance offered by the corporation. In all other countries in the world where similar insurance protection is available, the service is provided by the government or with government backing.

The Export Credits Insurance Corporation protects against these unexpected and unpreventable losses that occur in spite of every precaution taken by the exporter. Some of the risks covered include the insolvency of the foreign buyer, cancellation of an import licence in the country of destination, and the risk of adverse changes in foreign exchange regulations. While the corporation will insure against delays in collection that are not the fault of the exporter, it does not cover trade disputes as to the quality or quantity of goods received. The corporation does not cover straight repudiation on the part of the buyer if the buyer is able to pay for the goods. However, if the exporter were to secure a court judgment against the buyer and the judgment could not be satisfied, then the corporation would be on risk. The exporter is insured against blockage of funds or transfer difficulties which prevent him from receiving payment for his goods in the currency agreed upon at the time of the sale. Such calamities as war or revolution in the country of the buyer are also covered. In other words, the policies protect against credit risks and political risks, but the protection extends just to the accounts receivable and has nothing to do with the goods themselves.

This provision of export credits insurance in no way subsidizes the exporter for he still has to compete in the markets of the world on the basis of quality, price, credit terms, services rendered, etc., and in addition pays premium for the insurance protection. By insuring one of his most important liquid assets the exporter finds it easier to obtain financial assistance from his bankers. The policy he holds gives him the benefit of advice and assistance of the corporation in recovering as much as possible of his losses in the event of default, and by being given coverage against