

Export Credits Insurance Act

Mr. McIlraith: That is the point I wish to have clarified.

Mr. Churchill: If the guarantee was not established, the insurance would continue. The one replaces the other. There is no change in the total sum. There is no reduction in the amount of money available for insurance. Let us consider a concrete example. Aircraft are being exported to another country under an insurance policy. As time elapses and the terms are suitable, the guarantee is applied rather than the insurance. That is the only difference. The amount of money is the same.

Mr. McIlraith: I think I have not succeeded in elucidating my point. Under the existing law, when exporters are not able to finance their exports or are having difficulty in doing so—or else we would not have had this legislation—we authorize the insurance of export credits up to the amount of \$200 million. Now we are seeking to help the exporters still more to obtain contracts they cannot at present obtain because they cannot meet the long term credit financing arrangements given by competitors in other countries. We are therefore seeking to enlarge the export business by this measure. If we have provided for that additional business by way of guaranteeing long term credit or long term negotiable instruments, then surely that reduces the amount available for the export insurance features of the existing act.

Mr. Churchill: We looked at it in this way. We thought it would make it easier for the exporter to get the money required to finance the sale of his goods abroad. It is additional to the insurance factor which has been extremely helpful up to the present time. But this provision goes one step beyond that and is an inducement to the lender to give assistance to exporters.

Mr. McIlraith: It will undoubtedly assist the exporter. I have some hopes of the bill doing a good deal to help him. However, I still think that the net effect of it is to reduce the funds available for the insurance features of the act as it now exists. In any event, perhaps I could come at the point in another way. There may not be a need over the present limit under section 21 of the act. It may be that the amount authorized under that section is larger than was actually needed. Perhaps we can come at that point in another way. Would the minister give to me the total amount of insurance policies outstanding for general commodities, outstanding for capital goods policies and outstanding under section 21, if he has it available in that form, or in whatever form he has it available for the latest period?

Mr. Benidickson: Since the annual report.

Mr. Churchill: We will have the answers in just a minute. Under section 21 the total outstanding is \$42,798,873. Yesterday two policies were issued in a total amount of \$50 million, raising that total under section 21 to \$92,798,873.

Mr. Benidickson: One of those policies was an aircraft policy, was it?

Mr. Churchill: Both were aircraft policies.

Mr. McIlraith: Were those aircraft policies additional to the aircraft policies covered by the orders in council of June 11, 1959 covering the purchases by the Flying Tiger Line, Inc., and Seaboard and Western Airlines, Inc. from Canadair Limited?

Mr. Churchill: The same ones as mentioned in those orders in council.

Mr. McIlraith: That means that there is only \$108 million available for the additional insurance under section 21 and for the guaranteeing and buying of paper?

Mr. Churchill: That is right.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Board of directors.*

Mr. McIlraith: The present set-up of directors under the present legislation is that in addition to the deputy minister of finance, the deputy minister of trade and commerce and the governor of the Bank of Canada, there shall be four other directors. The new legislation provides that the deputy minister of finance and the deputy minister of trade and commerce shall be directors and that there shall be five other directors. Those four other directors were all public servants; that is to say, they were either the president of the corporation or associate deputy minister of trade and commerce and so on. What I want to ask the minister is this. Does the minister contemplate replacing the governor of the Bank of Canada by a civil servant or does he propose to replace him by a director appointed from outside the public service of Canada?

Mr. Churchill: That matter has not been given consideration. My thought at the moment is that we would more than likely continue the present practice of having senior civil servants as members of the board of directors. The present chairman is Mr. John H. English, deputy minister of trade and commerce; Mr. K. W. Taylor, deputy minister of finance; Mr. L. C. Audette, chairman of the Canadian Maritime Commission; Mr. A. F. W. Plumtre, assistant deputy minister of