

Kingdom undertook to buy certain quantities of Greek tobacco, which, as far as I know, nobody in the United Kingdom is going to smoke. As a result, the United Kingdom won the order.

The amounts that will be available for the funding of exports under this bill are indeed very large. I do not think Senator Leonard indicated the total obligations that might be undertaken, but my recollection from the discussion that has taken place is that it would be approximately \$1.8 billion, that is to say \$1 billion in the insurance sector and \$800 million in the broad financing sector.

Of course this is an amount of much larger magnitude than that which the former corporation, the Export Credits Insurance Corporation, had available to it, and we can hope that this corporation, even with more flexible policies, will have a similar degree of success to the one it succeeds.

I understand that the former corporation is not entirely out of business, and I would be interested in knowing, because I have not been able to get the information otherwise, what are the outstanding obligations of the Export Credits Insurance Corporation. I believe these are largely obligations arising out of government-to-government undertakings in the early post-war period; but it would be useful information, in assessing the starting point of the new corporation, to know what obligations it is taking over. However, as I say, it has an outstanding record in respect to the security of its loans.

There are some problems we will have to face up to in the operation of this corporation. One is that we may well, in the powers given to the corporation, be sailing very close to the line of the undertakings we have made in some international agreements. Under GATT, as honourable senators are aware, interest subsidies in the manufacturing sector of exports are forbidden, and there could be an interpretation of some of the sections of this act that they are actually interest subsidies. It is unfortunate, but the answer one would immediately be given would be that there may be a breach of GATT, but that everybody else is doing it. Of course, this is one of the problems we are up against in international affairs, because it seems to me that too often Canada is about the last one to break some of the rules, when everybody else is getting an advantage.

There is an international convention called the Berne Union dealing with this field, usually called by public servants who are directly

responsible. I have always been mystified as to why it is so named, because there has been an earlier Berne Union, operating since about 1885, in the copyright field. However, it is called the Berne Union, and this is an attempt by similar agencies to the new Export Development Corporation to work out, on an international basis, some rules of the game. As I understand it, at the moment it is not on a nation-to-nation basis, but on an entity-to-entity basis; and I am given to understand that the Export Development Corporation will become a member of that union. I am sure that all honourable senators hope that we will be able to work out some rules in this international export market business which will have at least the full co-operation of the other countries.

One very interesting aspect of this bill, if I read it correctly, is that it seems to be designed to support to some extent the work of another Government corporation, C.I.D.A.—formerly the External Aid Office and now the Canadian International Development Agency—because there is provision in this bill, for the first time, for the insuring of private-sector investment in developing countries.

I am quite confused as to whether that authority is limited to developing countries. The act seems to be quite clear that it is to be so limited, and yet I have seen statements from interested parties saying that they hope this will not be so. It is a point the sponsor of the bill might care to consider and clear up.

I refer particularly to statements that have been made by the minister, by the former president of the insurance corporation and others, that there was this limitation of the extension to developing countries. I am not myself quite clear as to why such a limitation should be in the act, because it is obvious that our largest export market is the United States, which takes something like 65 per cent of our total exports.

Rather interestingly, in connection with developing countries there is a requirement in this act that we must have a written agreement from any country in which we extend this insurance, that they will themselves undertake to provide the same kind of protection against non-commercial risks in their own country as we would be covering in our insurance.

I would like to make the point that I think it important that this be a written assurance.