

*Export Credits Insurance Act*

bearing on it. But I was merely seeking to find out why this gentleman was being dropped from the board, and I was wondering whether it is because he is too busy. We know, or we have reason to believe, that most of his investment activities in connection with the unemployment insurance fund at least were done by telephone, and if he is too busy to engage in the work of this corporation that is a perfectly good and sound reason for dumping him from the board of directors in this case.

In any event we are pleased to see this legislation being continued, and we are glad to see it is being extended. We think the expansion of this legislation is very necessary, because unless Canada is exceedingly aggressive in the export field a great danger to our economy is likely to develop. Perhaps before the passage of this measure I should ask the minister whether or not its provisions will facilitate the extension of credit in regard to the sale of Canadian commodities, and I refer in particular to Canadian wheat. I have in my hand a Canadian Press report of May 20 which states that a \$28 million sale of Canadian wheat to Poland is being financed by West Germany because proper credit facilities are not available in Canada. At a time when the international market for wheat is exceedingly competitive, when it is difficult to obtain sales, even with the provision of credit, it seems a rather startling piece of information that a \$28 million sale of Canadian wheat to Poland must be financed in Germany because no such financing is available in this country.

This measure can be of help to our nation, and we hope that with the passage of this amendment it will be used to the maximum.

**Mr. W. M. Benidickson (Kenora-Rainy River):** Mr. Speaker, I do not wish to speak at length in connection with this measure because the views of this party were very well expressed by the hon. member for Ottawa West.

This amendment represents an extension of the field of government participation from insurance to finance to encourage our exports, and I am sure all hon. members of the house would approve of that objective. I share with the hon. member for Ottawa West curiosity as to how this function can be reconciled with the initiation of private enterprise in this field, as evinced by legislation which we have had before us during the current session. In addition, if this is likely to be an impressive field I share with the hon. member a desire to question the minister as to why we are including in an insurance act this additional function which seems to be so closely related to the export-import bank function of our neighbour to the south.

[Mr. Argue.]

That raises a question as to why, if this is to be an impressive function, this bill does not in any way increase the total financial liability under the act, which was set at a maximum of \$200 million. If the government is to go into a new field, and if this new field is to accomplish anything, surely it cannot be accomplished solely by endorsing a certain amount of paper without requiring over a period of operation an actual requirement for financial resources. No request has been made for an increase in financial resources.

I note from the annual report that the liabilities under section 21 of the act were \$51 million and those under section 13 were \$84 million as at December 31, 1958. I do not think the minister brought us up to date as to the current position with respect to liabilities particularly under section 21, and I wish he would do so.

This bill was introduced in the other place. The banking and commerce committee of the other place examined Mr. A. W. Thomas, assistant general manager of the Export Credits Insurance Corporation, who in his initial statement to that body on Wednesday, June 10, 1959, as reported at page 7 of the evidence of the committee, said:

—the substance of the bill is in this matter of guarantee. The responsibility is going to be taken by the government and not by the corporation, for we are an insurance corporation.

I believe that highlights the suggestion of the hon. member for Ottawa West that if the statute we are now amending is essentially related to insurance, there is some merit in thinking about the possibility of separating the two functions. That would not be done here and I do not think we propose to divide the house on that point, but I feel that the minister should consider the advantages of there being two acts providing for a separation of functions, particularly when the assistant general manager of the company asserts that decisions with respect to matters of this kind are going to be government decisions rather than decisions of the corporation itself.

Another question that has concerned me in connection with the new sphere of activity suggested under this bill is related to our knowledge that in the insurance realm we have had coinsurance. On the same page of the proceedings of the banking and commerce committee of the other place Mr. Thomas said:

The policy of insurance—

That has hitherto been the function of the corporation.

—is subjected to terms and conditions and to a co-insurance which is normally—