

ing and developing Canadian export trade, in so far as it may prove necessary to continue to give export credit assistance in any form.

Mr. GREEN: The plan is twofold. In the first place this Export Credit Insurance Corporation will insure the business of the exporters, and then for a period of three years the Canadian government will lend money say to the Belgian government or to any other government, with which money the Belgian government can buy goods from Canadian firms.

Mr. MacKINNON (Edmonton West): Quite.

Mr. GREEN: Or it may be done in the way of a guarantee—

Mr. MacKINNON (Edmonton West): Yes.

Mr. GREEN: —of the purchases by the Belgian government. Why are those loans and guarantees restricted to governments or governmental agencies. In the normal course of business goods are exported by a Canadian exporter to a Belgian importer. Apparently there is no provision for helping to develop that trade. The loan now goes to the Belgian government.

Mr. MacKINNON (Edmonton West): My hon. friend has just referred to what is covered in part I of the bill. Part I of the bill provides for the insurance of a contract entered into by a shipper in Canada with an importer or a purchaser in another country. Part II of the bill provides for a loan to the government to enable the purchaser in that country to pay for goods purchased in Canada.

Mr. GREEN: There is no intention of lending to foreign firms?

Mr. MacKINNON (Edmonton West): No.

Mr. GREEN: The loan will be made only to a foreign government?

Mr. MacKINNON (Edmonton West): Yes, or their agencies.

Mr. GREEN: The second portion of the plan is more or less of a mutual aid proposition?

Mr. MacKINNON (Edmonton West): Yes.

Mr. GREEN: In effect the Canadian government will buy the goods from the Canadian firms, trusting that the purchase price will eventually be paid by the government of the foreign country. Is not that what it means?

Mr. MacKINNON (Edmonton West): Possibly, in a roundabout way; but actually what will happen is this. The Canadian government purposes making a loan to the foreign government, the proceeds of which will be used for the payment of goods imported from Canada so that the exporter in Canada will be paid.

Mr. GREEN: What supervision will there be over those loans so that we shall be sure that the money is used by the foreign government for the purchase of Canadian goods?

Mr. MacKINNON (Edmonton West): That will all be covered in the bill when I bring it down.

Mr. GREEN: That is covered in the bill?

Mr. MacKINNON (Edmonton West): Yes.

Mr. CHURCH: I should like to ask the minister two or three questions about this proposal. I fail to see how this is going to facilitate trade and exports to these countries at the present time. As you know, Mr. Chairman, they have what they call section 7 of the lend-lease agreement in which Great Britain and the United States are interested. Some of the countries are empire countries and some are other classes of countries. This government is going to guarantee \$200,000,000 and the amount outstanding on loans made at any one time is not to exceed \$100,000,000. This is the very subject matter that has been covered by the conference going on in the United States on international finance lend-lease matters for the past month.

In this resolution we are dealing with a guarantee of a loan to an export insurance corporation to a great many countries that are within the empire, some of them dominions, crown colonies and dependencies, others invaded countries. The other countries are countries that formerly came under the most favoured nation treaty so far as exports and imports are concerned. Others are in a different class. Many of those countries have been devastated by the axis powers during this war. Some of the countries covered by this proposed export corporation are in the Pacific. I doubt whether New Zealand and Australia have a separate lend-lease agreement as is proposed here. This is distinctly such a separate lend-lease agreement with no guarantee of repayment of loans. It seems to me, Mr. Chairman, to be embarking on a separatist policy toward those other countries not within the empire and giving them some special form of treatment under a separate lend-lease arrangement with no chance of any payment back. While we believe in some of the prin-