fatuous to assert that this question of guarantee comes up only after the goods have been delivered.

The next question I wish to reiterate in the hope of something more definite from the minister by way of an answer, is this: the minister has indicated that the governor of the Bank of Canada is no longer to be a member of the board of this corporation and he has told the committee this was due to the fact that the governor had intimated that he did not have time in which to fulfil this obligation. But I want the minister to be more positive in this respect. Will he assure the committee that the governor of the Bank of Canada has not shown in any way any distaste for this particular legislation and that his desire to be relieved of his responsibilities in this connection is entirely due to obligations elsewhere and not to any distaste with respect to the amendments before us today.

Mr. Churchill: The hon. member for Kenora-Rainy River is wondering whether this measure is going to be effective at all, and suggests there is no money available for this purpose—

Mr. Benidickson: The bankers say there is not. I quoted an eminent banker as saying there is no money available for this purpose.

Mr. Churchill: Yet much of this was discussed with banks during the last year or so, and the bankers association in consultation with our officials have assured us that they are satisfied that the banks will be able to provide credit when there are guarantees by the government. This is a question of having to wait and see what will happen, but if we have this legislation before us, if it is passed, and the corporation has the authority to guarantee these advances, the exporter is in a position to approach his bankers and discuss the matter with them. At the present time he is not in that favourable position because he has no guarantee available. I suggest it is speculation on the part of the hon. member for Kenora-Rainy River to say that nothing can happen under this legislation. We are prepared to wait and see.

Mr. Benidickson: I did not say that. I said I was sceptical. I want you to encourage me.

Mr. Churchill: The hon. gentleman is a sceptic but we shall prove to him that he is wrong before 12 months are out. With regard to the other point he made, he suggested there was something fatuous—I think that was what he said—with regard to the procedure which I outlined briefly—

Mr. Benidickson: Your statement as to the procedure.

Mr. Churchill: I made that statement this morning and perhaps the wording might have been altered.

Mr. Benidickson: I was referring to what you said this afternoon.

Mr. Churchill: In the first instance, the policy of insurance will be available to the exporter during the time he is getting his goods ready to ship and the guarantee becomes applicable after the goods are accepted by the buyer. One can use the word "accepted" or the word "delivered". The hon. gentleman understands the use of the terms. But naturally—and I think this would be understood—when the exporter is arranging his deal he would ordinarily request a guarantee from the Export Credits Insurance Corporation at the time he was telling them about his prospect and asking for insurance on his proposed transaction, and the corporation, having examined all the factors in the case, as they do now with regard to insurance, would indicate to the exporter whether or not they would be prepared to guarantee the deal. I think that covers the point which was raised. Was there a third question my hon. friend raised or have I covered all points?

Mr. Benidickson: There was another question with which the minister has not dealt. I outlined in quoting the president of the largest commercial bank in this country that banks find difficulty in lending for long periods of time and particularly in a period of tight money. I asked him what was more attractive and more likely to induce these banks to change their attitude in this respect by reason of this legislation which refers to a guarantee in contrast to an insurance coverage to the extent of 85 per cent in the event of possible loss to the original vendor in Canada under the existing legislation? What is more attractive in this legislation to a commercial bank to dissolve the objections I quoted Mr. Muir as outlining as reasons why the commercial banks are not interested in financing four or five year term loans for exporters?

Mr. Churchill: I think the answer to that is that the guarantee makes it more attractive and the fact that the corporation is empowered to buy back under certain circumstances with regard to these guaranteed loans. Therefore the chartered banks would consider that any doubts in their mind would be dispelled because of the possibility of selling to the corporation that loan they had made. That seems to me to give the attractiveness about which my hon. friend is somewhat worried and I believe it represents a slightly better condition than that which prevails at the present time.