

Export Credits Insurance

has been passed, is concerned with providing insurance for exporters, that is, firms exporting from Canada to other countries.

Mr. JACKMAN: Part II has to do with the corporation, under the act, buying—

Mr. MacKINNON: Part II of the act has nothing whatever to do with the corporation. It provides for the making of loans to foreign countries.

Amendment (Mr. St. Laurent) agreed to.

Mr. ST. LAURENT: I move:

That section 11 of the bill be further amended by striking out paragraph (g) and substituting therefor the following:

"(g) 'security' includes bills, promissory notes, bonds, debentures, and any other evidences of indebtedness, shares and any agreement to pay amounts drawn or to be drawn under a letter of credit."

Mr. GREEN: Will the minister explain what types of securities have been taken up to the present time to cover the various loans that have been made?

Mr. MacKINNON: This has to do with the guarantee provision in part II, and no guarantees have been issued to date.

Mr. GREEN: Have any securities been taken in connection with any of the loans made to foreign governments?

Mr. MacKINNON: None.

Mr. GREEN: Canada has merely a written agreement?

Mr. MacKINNON: We have their promise to pay.

Mr. GREEN: No securities at all?

Mr. MacKINNON: No.

Amendment (Mr. St. Laurent) agreed to.

Mr. KNOWLES: Before the section carries, will the minister give the assurance I asked for a little while ago that loans to persons in other countries are in all cases either at the request of, or guaranteed by the governments of those other countries. I note the expression "or any person ordinarily resident in such other country".

Mr. MacKINNON: Previously the government had to do the purchasing as well. The loan is made to the government, but a person may do the purchasing for the government. This encourages the return to private trading.

Mr. GREEN: Is it not that the purchasing is done by the private buyer in the foreign country? He does not make the purchase for the foreign government, but the foreign government stands behind his purchase. Is that not what happens?

[Mr. MacKinnon.]

Mr. ST. LAURENT: The foreign government allows the private purchaser to use the money borrowed on the credit of the foreign government to pay the amount of the purchase.

Mr. PROBE: In other words, it covers all transactions envisaged in this bill as between this and foreign governments?

Mr. MacKINNON: Yes.

Section as amended agreed to.

Sections 12 and 13 agreed to.

On section 14—Coming into force of section 11.

Mr. GREEN: What is the position respecting the loan to the U.S.S.R.? When the minister gave the figures a few minutes ago I think he said that loan amounted to only \$3 million.

Mr. MacKINNON: I would refer the hon. member to the report respecting these loans under date of May 28, 1946, which was tabled by the Minister of Finance, and in which a detailed explanation of the loan to the U.S.S.R. is given.

Mr. GREEN: Would the minister give us a summary in so far as the U.S.S.R. is concerned?

Mr. MacKINNON: Agreement was reached with the government of that country for a small credit to enable it to pay for certain hydro-electric equipment being purchased from Canadian manufacturers.

Mr. GREEN: Has there been any difficulty in promoting trade with Russia?

Mr. MACKENZIE: That's a hot one.

Mr. GREEN: I ask that question because I have here a press dispatch dated May 2, taken from the Vancouver *Sun*. The heading is, "Exports to Soviet wait cash or loan; Rail supplies rusting in B.C. while Russia passes up credit". Then in the first paragraph it states:

If the U.S.S.R. wants the flat cars, cranes, rails and other railway equipment now stored on the Pacific coast she can have them by negotiating a loan to pay for them or by making other financial arrangements.

This was the reply of government spokesmen when asked what was delaying shipment of large stock-piles of the khaki-coloured equipment in railway yards at Vancouver and in the Port Mann district.

Could the minister give any further explanation?

Mr. MacKINNON: There is nothing I wish to say in regard to the newspaper report. The only loan made to the U.S.S.R. is one for \$3 million. At the present time negotiations for further loans are not in progress.