the post-war period is bound to bring, was implemented by passage of the Export Credits Insurance Act in August, 1944. This Act is divided into two parts:—

Part I provides for the establishment of the Export Credits Insurance Corporation, the function of which is to insure exporters of Canadian goods against the risk of loss accruing upon non-payment, when due, of the purchase price by reason of insolvency or delay on the part of the importer or his inability to secure the proper kind of currency—because of moratoria, foreign exchange restrictions or other occurrences in his own country. It is intended that the Corporation shall form a permanent feature of assistance to exporters of Canadian goods.

Part II of the Act is limited in operation to a transitional period of three years from August, 1944, and empowers the Governor in Council, on the recommendation of the Minister of Finance and Minister of Trade and Commerce, to enable the former to guarantee the obligations of, make loans to, or purchase or guarantee any security issued by the Government or an agency of the Government of any other country.

Export Credits Insurance Corporation.—This Corporation was established under the above Act with an authorized capital of \$5,000,000 (50,000 non-transferable Government-owned shares of \$100 each) together with a \$5,000,000 surplus account, under the management of a board of not more than seven directors, including the Deputy Minister of Trade and Commerce, Deputy Minister of Finance, and the Governor of the Bank of Canada. An advisory council consisting of not more than fifteen members may be appointed to advise the Corporation on matters of administration.

The Corporation is empowered to issue insurance contracts to exporters of Canadian-produced goods to insure against risk of loss caused by insolvency, delays in collection and transfer difficulties. Similar facilities have existed in many other countries over a period of years. With Canada's productive capacity vastly greater than her ability to consume, it is essential that her position be maintained in the historic markets and trade extended into the new markets of the world. The scheme of export credits insurance is designed to assist exporters of Canadian goods in their objectives. If an exporter does not wish to insure with the Corporation he is under no compulsion to do so. Exporters wishing to take out policies of insurance are required to pay premiums established by the Corporation. It is the duty of the Corporation to establish premium rates which are adequate to cover probable losses. It is expected that officers of the Canadian Government and trade commissioner services will collaborate with the Corporation and with exporters in providing credit data respecting the reliability and financial standing of foreign firms. In essence, the Canadian scheme is to be on an insurance basis, where those paying the premiums participate in the benefits.

The limit of liability of the Corporation on contracts of insurance outstanding at any one time is ten times the paid-up capital and surplus as shown by the Corporation's latest quarterly statement.

Export Credits to Other Governments.—During the period of transition from war to peace it is possible under Export Credits Insurance Act, Part II, for the Canadian Government to provide loans or guarantees to governments of other countries or their agencies for three years from the coming into force of the Act.