

Capital Goods offers protection to exporters of such commodities as plant equipment, heavy machinery, etc., which are subject to extended credit of longer periods than is customary for General Commodities. Specific Policies are issued for transactions involving Capital Goods, but the general terms and conditions are the same as those applicable to Policies for General Commodities.

The Corporation insures exporters under all Policies up to 85 p.c. of the contract price, or gross invoice value of shipments. This co-insurance plan also operates in the distribution of recoveries obtained after payment of a loss, and these recoveries are shared by the Corporation and the exporter in the proportion of 85 p.c. and 15 p.c., respectively.

**Loans to Foreign Governments.**—Part II of the Export Credit Insurance Act provides for the extension of loans to foreign countries for the purpose of developing trade between Canada and those countries. The Act empowers the Governor in Council, on the recommendation of the Minister of Finance and the Minister of Trade and Commerce “if he deems it advisable for the purpose of facilitating and developing trade between Canada and any other country”, to make loans to, guarantee the obligations of or purchase, acquire or guarantee any security issued by the government or by the agency of the government of such country. These loans, guarantees, acquisitions or purchases must be requested by the government concerned who must undertake to indemnify the Government of Canada against the loss in connection therewith.

The aggregate of the loans to be made and securities held was increased from \$100,000,000 to \$750,000,000 on Dec. 8, 1945. See also p. 477.

### **Section 3.—The Easing of Controls on Enemy Trading Regulations**

Because of occupation by an enemy State, or by reason of real or apprehended hostilities, a number of countries, during the years 1939 to 1942, were brought within the scope of the provisions of the Enemy Trading Regulations (originally brought into force by Order in Council P.C. 2512 of Sept. 5, 1939, and later provided for under “Revised Regulations Respecting Trading with the Enemy, 1943”, Order in Council P.C. 8526 dated Nov. 13, 1942). A list of these countries or territories and the dates on which they were brought under the Regulations is given at p. 474 of the 1945 Year Book.

The Regulations prohibited trading or attempting to trade with “enemy territories”; dealing in the property of enemies for the purpose of enabling them to obtain money or credit thereon; aiding or abetting any person, whether resident in Canada or not, to so deal in enemy property; knowingly discharging any enemy debt, promissory note or bill of exchange, or purchasing enemy currency.

Beginning late in 1943, it became possible to grant permission for the resumption of trade with certain liberated areas and also for the opening up of communications and the making of remittances. The areas to which such permission has been granted and the dates (to Apr. 30, 1946) are listed in the following statement:—