

securing supplies of cereals and certain cereal products for the Supply Missions of various countries and also for UNRRA's requirements. The Director of the Division serves as the Secretary to the Wheat Committee of the Cabinet and as the departmental liaison officer to the Canadian Wheat Board. In addition, the Director represents Canada on the International Wheat Council.

Subsection 5.—Export Credits

For the general purpose of protecting and expanding Canadian foreign trade interests, the Export Credits Insurance Act was passed by Parliament in August, 1944. The Act is in two Parts, Part I incorporating the Export Credits Insurance Corporation, and Part II providing for loans or guarantees to governments of other countries or their agencies.

Export Credits Insurance Corporation.—Administered by a board of directors, including the Deputy Minister of Trade and Commerce, the Deputy Minister of Finance and the Governor of the Bank of Canada, the Export Credits Insurance Corporation insures exporters against credits losses involved in the export or an agreement for the export of goods. Policies are issued on a yearly basis, covering exporters' sales to all countries and protecting them against certain risks of loss involved in foreign trade. The main risks covered by Export Credits Insurance Policies include: insolvency or protracted default on the part of the buyer; exchange restrictions in the buyer's country preventing the transfer of funds to Canada; cancellation or non-renewal of an import licence or the imposition of restrictions on the importation of goods not previously subject to restrictions; the occurrence of war between the buyer's country and Canada, or of war, revolution, etc., in the buyer's country; and additional transport or insurance charges occasioned by interruption or diversion of voyage outside Canada or continental United States.

The insurance is available under two main classifications: (1) General Commodities, (2) Capital Goods. Coverage for General Commodities can be procured by exporters under two types of Policies: (1) the Contracts Policy, which insures an exporter against loss from the time he books the order until payment is received; or (2) the Shipments Policy, obtainable at lower rates of premium, and which covers the exporter from the time of shipment until payment is received. Insurance of 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,