Wheat and Grain Division.—Matters related to Canada's grain trade are handled by the Wheat and Grain Division. This Division assists foreign governments in purchasing Canadian wheat, flour and other cereals, and serves as liaison between the Department of Trade and Commerce and the Canadian Wheat Board.

Export Credits.—For the general purpose of protecting and expanding Canadian foreign trade interests, the Export Credits Insurance Act was passed in 1944, and amended in August, 1946, and May, 1948. This Act is in two parts; Part I incorporates the Export Credits Insurance Corporation, and Part II provides for loans or guarantees to governments of other countries or their agencies. In May, 1946, Parliament gave assent to the United Kingdom Financial Agreement Act making available a large credit to the United Kingdom. (See also p. 964.)

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 losses arising from credit and political risks involved in the export or an agreement for the export of goods. Policies are generally issued on a yearly basis, covering exporters' sales to all countries. 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 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.

The insurance is available under two main classifications—general commodities and 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 dealing in plant equipment, heavy machinery, etc., where extended credit for longer periods is often necessary. 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 on a co-insurance basis up to a maximum of 85 p.c. of the gross invoice value of shipments. This co-insurance basis 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 proportions of 85 and 15, respectively.

The Corporation from its inception to June 30, 1949, has issued policies having a total value of $169,187,189. Claims paid to exporters covering losses sustained by them under the terms and conditions of their policies amounted to $294,062. A great majority of these claims resulted from exchange transfer difficulties with relatively few arising from insolvencies.

Excess of income over expenditure to June 30, 1949, was $794,795, which has, in accordance with the practice followed by the Corporation since it began operations, been added to its underwriting reserve.