

The Branch's work also involves co-operation with a committee set up, in conjunction with the Canadian Universities Foundation, to administer the Commonwealth Fellowship and Scholarship Plan in Canada. The Branch is responsible for financial and administrative arrangements for bringing to Canadian universities candidates selected by the committee.

**Energy Studies Branch.**—The functions of this Branch were to follow developments *re* Canadian energy sources, prepare studies and advise on particular problems as they arose. The effect of changes in United States oil import restrictions on the Canadian oil industry, Canadian natural gas export policy, and planning and negotiation related to co-operative international development of the Columbia River basin were examples of the specific areas treated by the Branch during 1959. On Nov. 2 of that year most of the Branch functions were taken over by the new National Energy Board (see p. 1066).

**Export Credits Insurance Corporation.**—The Export Credits Insurance Corporation was established under the provisions of the Export Credits Insurance Act 1944 (amended in 1946, 1948, 1954, 1957 and 1959), and is administered by a Board of Directors that includes the Deputy Minister of Trade and Commerce and the Deputy Minister of Finance. It insures persons carrying on business in Canada against risks involved in the export, manufacture, treatment or distribution of goods or the rendering of engineering, construction, technical or similar services. The main risks covered 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 three main classifications: general commodities, capital goods, and services. Coverage for general commodities may be procured by exporters under two types of policies: the Contracts Policy, which insures an exporter against loss from the time he books the order until payment is received; or the Shipments Policy, obtainable at lower rates of premium and covering the exporter from the time of shipment until payment is received. These policies are issued on a yearly basis, covering exporters' sales to all countries.

Insurance of capital goods offers protection to exporters dealing in plant equipment, heavy machinery, etc., where extended credit for lengthy 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. Specific policies are also issued to cover engineering, construction, technical or similar service contracts entered into between Canadian firms and persons in foreign countries who have agreed to purchase such services.

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; these recoveries are shared by the Corporation and the exporter in the proportions of 85 and 15 p.c., respectively.

Under the Export Credits Insurance Act, Sect. 21, the Corporation may be authorized to enter into certain contracts of insurance, where the Board of Directors of the Corporation is of opinion that a proposed contract of insurance would impose upon the Corporation a liability for a term or in an amount in excess of that which the Corporation would normally undertake, and in the opinion of the Minister of Trade and Commerce it is in the national interest that the proposed contract be entered into. Under Sect. 21A of the Act, the Corporation may be authorized to provide a guarantee in respect of an export transaction. Such a guarantee would be given to the financial institution lending money to the Canadian exporter to carry out the export transaction.