

sources and the rediscounted export bills. There is no limit to the EFC's borrowing capacity, and as of 30 April 1966 its outstanding debts totalled Can \$168 million.

53. From the beginning of its operations to 30 April 1966, the EFC had rediscounted bills amounting to Can \$327 million. Somewhat less than half of that sum was devoted to transactions involving capital goods and services, the balance having been used to refinance grain exports to eastern European socialist countries, which were carried out not on the traditional cash or short-term credit basis but on a medium-term credit basis, backed by export credit insurance granted under section 21 of the Export Credits Insurance Act (see section below on Export credit insurance). The following table shows the EFC's outstanding debts at the end of the fiscal years 1962 to 1966:

As at 30 April:	Millions of Canadian dollars
1962	57
1963	85
1964	128
1965	209
1966	168

TABLE 13.—CANADA: EXPORT FINANCE CORPORATION REFINANCING

[Millions of Canadian dollars]

Fiscal year, May 1 to Apr. 30	New refinancing	Cumulative refinancing, end of fiscal year	Outstanding at end of fiscal year
1961-62	74	74	65
1962-63	45	119	93
1963-64	77	196	138
1964-65	130	326	218
1965-66	1	327	178

Export Credits Insurance Corporation

54. Under section 21A, which was added to the Export Credits Insurance Act in 1959, the Export Credits Insurance Corporation² may, when authorized by the Governor-in-Council, provide long-term export credits for sales of capital goods and related engineering and technical services. The purpose of section 21A is "to give encouragement and assistance to enterprising Canadian exporters of capital equipment who develop business possibilities abroad. Through these facilities exporters who can meet international competition in terms of price, quality and deliveries, are afforded the opportunity of competing in terms of credit as well. Section 21A financing is a useful form of capital assistance for economic development in recipient countries, but is not intended as an instrument of Canadian foreign aid. Accordingly, while the terms of Section 21A credits match international financing terms for viable projects, they are not intended to match aid-type financing facilities".³

55. The ECIC obtains funds for disbursement under section 21A from the Consolidated Revenue Fund, that is, the Canadian Treasury, up to a global ceiling established by Parliament which was increased from an original Can \$200 million to Can \$300 million in 1962 and Can \$400 million in 1964. From the inception of the programme until December 1965 the ECIC concluded thirty-two financing agreements, all covering contracts for export sales to developing countries, involving an aggregate of Can \$272.3 million in authorized credits, and total disbursements of Can \$165.8 million.

² For more details on ECIC, see section below on Export credit insurance.

³ Export Credits Insurance Corporation, *What it is and how it operates* (Ottawa, October 1965), pp. 15-16.