

66. The maturities of credits granted by the ECIC have, on the whole, tended to range from seven to twenty years, including when necessary grace periods on principal repayments, which are designed to allow the project to begin yielding a revenue. In the absence of a grace period, repayments of principal usually begin six months after the projects come into operation and must be made on a semi-annual or quarterly basis. There is no grace period on the repayment of interest, which begins six months after the signing of the financing agreement. Since the inception of the programme a flat interest rate of 6 per cent has been charged.

EXPORT CREDIT INSURANCE

67. Although, as has been seen, the ECIC grants long-term export financing which is not available from commercial sources, its main purpose is to operate the export credit insurance scheme. It is a proprietary Crown corporation (i.e., wholly Government-owned), established under the 1944 Export Credits Insurance Act, which has been amended several times. The ECIC is administered by an eight-member Board of Directors appointed by the Governor-in-Council. As of the end of 1965 the Board consisted of the Deputy Minister of Trade and Commerce, the Deputy Minister of Finance, the Chairman of the Tariff Board, the Deputy Under-Secretary of State for External Affairs, an Assistant Deputy Minister of Trade and Commerce, an official of the Department of Finance, and the President and Vice-President of the ECIC. The Board of Directors is assisted by an Advisory Council, also appointed by the Governor-in-Council, whose members represent different sectors of the economy, namely, agriculture, finance, fisheries, forest industries, light and heavy manufactures and engineering and construction services. The ECIC's day-to-day operations are handled by the staff of the ECIC, which currently numbers sixty-five.

68. The ECIC has an authorized and subscribed capital of Can \$15 million, of which Can \$5 million is fully paid up. In addition, Can \$5 million capital surplus has been paid in. The shares of the capital stock are not transferable and are held in trust for the Canadian Government. The ECIC covers both commercial and non-commercial risks on short-term and medium-term transactions for its own account; under section 14 of the Export Credits Insurance Act, the outstanding liability thereby assumed may not at any time exceed a total of ten times the aggregate of the subscribed capital and the capital surplus of the corporation: this means that at the present time the ECIC's maximum liability for its own account is Can \$200 million.

69. Under section 21 of the Export Credits Insurance Act, the ECIC insures commercial and noncommercial risks for account of the Government, on instructions from the Governor-in-Council. Such operations are carried out when the ECIC Board of Directors considers that the contemplated insurance transaction will impose upon the Corporation a liability for a term or an amount in excess of that which it normally undertakes in relation to any one contract, exporter, commodity or country, and when the Minister of Trade and Commerce considers that it is in the national interest that the proposed contract be entered into. Claims against policies issued for account of the Government are paid by the Treasury out of the Consolidated Revenue Fund. The maximum outstanding liability under section 21 may not at any time exceed Can \$600 million, so that total outstanding liabilities on insurance policies assumed by the ECIC for its own account and that of the Government may not exceed Can \$800 million.