major elements of the private sector of the Canadian travel industry. The Branch also keeps under review the tourism and travel policies and practices of other countries, studies trends and developments in international tourism, and concerns itself with the activities of international organizations and agencies that affect Canada's travel industry.

18.1.3 Export Development Corporation

The EDC is a Crown corporation empowered by federal statute to insure Canadian firms against non-payment when Canadian goods and services are sold abroad; to make loans to foreign purchasers of Canadian capital equipment and technical services; to guarantee financial institutions against loss when they are involved in an export transaction by financing either the Canadian supplier or the foreign buyer; and to insure Canadian firms against loss of their investments abroad by reason of political actions. Direction of the affairs of the Corporation is vested in a 12-member board, having its head office in Ottawa and district offices in Montreal, Toronto and Vancouver.

Export credits insurance. EDC may insure Canadian exporters against non-payment when they grant credit to foreign buyers under contracts involving the following classes of export transactions: consumer goods sold on short-term credit usual for the particular trade, which normally ranges from documentary sight draft to a maximum of 180 days; capital goods such as heavy machinery sold on medium-term credit which may extend to a maximum of five years; services rendered to a foreign customer, such as design, engineering, construction, and technological and marketing services; treatment or servicing of goods for a foreign customer; photogrammetric and geophysical surveys, etc. EDC may also insure the payment of "invisible" exports such as the sale or licensing to a foreign customer of any right in a patent, trademark or copyright, advertising fees, fees to auditors, consultants, etc. To assist him in financing for exports, a policy-holder may request EDC to assign the proceeds of any losses payable under a policy to a bank or other agent providing financing in respect of export sales. An exporter may assign an individual bill or he may make a blanket assignment of all his foreign accounts receivable.

The main risks covered under an EDC policy are: insolvency of the foreign buyer; failure of the buyer to pay to the exporter within six months after due date the gross invoice value of goods which he has duly accepted; repudiation by the buyer which does not result from a breach of contract by the exporter and where proceedings against the buyer would serve no useful purpose; blockage of funds or transfer difficulties which prevent the Canadian exporter from receiving payment; war or revolution in the buyer's country; cancellation or non-renewal of an export permit and the imposition of restrictions on the export of goods not previously subject to restriction; and any other cause outside the control of both the exporter and the buyer which arises from events occurring outside Canada and continental United States of America, e.g., the cancellation of an import licence or the imposition of import restrictions on goods not previously subject to licence or restriction.

Export finance. EDC also makes long-term loans to foreign purchasers or guarantees private loans to foreign purchasers at internationally competitive interest rates, to finance Canadian exports of capital equipment and services when extended credit terms are not required and when commercial financing is not available. In addition, where international competition so requires, EDC may guarantee local cost financing provided by the private sector, or may finance directly up to a maximum of 20% of the value of the goods and services exported from Canada in respect of a finance project.

While it is not exclusive, the following capital equipment and services, by industry, are eligible for export financing. Power industry: conventional and nuclear power plants, electrification programs and transmission lines, etc.; transportation industry: aircraft, airport projects, flight simulators, navigational equipment, ocean-going vessels, locomotives, rolling stock, subway systems, integrated pipelines, etc.; communications industry: equipment for telecommunications such as telephone systems, microwave facilities, earth satellite stations, etc.; other capital goods industries: equipment for wood, pulp and paper, chemical, mining, construction and metallurgical projects, etc.; under certain conditions long-term loans and guarantees would be available for airport terminals and hotels; and services: services related to appraisal and development (but not feasibility studies) of natural resources and primary and secondary industry projects. EDC may make loans to foreign national development banks for re-lending to importers in their respective countries to enable them to buy Canadian capital goods.