

on foreign government trade and economic regulations and practices; maintain contact, normally through Canadian posts abroad, with foreign markets and foreign governments on matters pertaining to markets for Canadian exports; and provide advice to the department, to other Canadian government agencies and to the Canadian business community on export market problems and opportunities.

The trade commissioner service promotes Canada's export trade and represents and protects its commercial interests abroad. Accordingly, a trade commissioner has a variety of responsibilities: to act as an export marketing consultant; to bring foreign buyers into contact with Canadian sellers; to help organize trade fairs and trade missions; to recommend modes of distribution and suitable agents; and to report on changes in tariffs, exchange controls and other matters affecting Canada's trade with the countries to which he or she is accredited. A trade commissioner initiates programs to develop new markets for Canadian products, responds to inquiries from Canadian firms and provides advice to the visiting Canadian exporter.

The scheduled return of trade commissioners for official tours of Canada helps Canadian firms interested in the export trade. Trade associations are informed in advance of these visits so that business persons wishing appointments may arrange them through one of the 15 regional offices of the department of regional and industrial expansion. These offices are the primary links between the business community and trade commissioner service posts abroad.

The grains marketing bureau is concerned with federal government activities in marketing assistance and industrial development for grain, oilseeds and their bulk derivatives. It contributes to overall grain production, transportation and marketing policy formulation and works closely with the Canadian Wheat Board on grain sales and promotion programs (see Chapter 9, Agriculture). Among these programs are the grain credit sales and prairie grain advance payments. The office also administers programs designed for more specific applications such as a canola utilization assistance program and a freight assistance program for canola products. The office participates in the activities of international organizations concerned with grain and oilseeds such as the International Wheat Council and the Food and Agriculture Organization of the United Nations.

A trade fairs and missions bureau administers a program of promotional projects which are initiated and implemented by the department. This includes participation in international trade fairs, solo shows and in-store promotions overseas; organizing technical seminars and incoming and outgoing trade missions; and sponsoring foreign visits to Canada to

stimulate the sale of Canadian products and services in various export markets.

A defence programs bureau promotes defence export trade through marketing programs aimed at the sale of Canadian defence and defence-related high technology equipment to the United States, to NATO and other friendly countries. It makes arrangements for co-operative industrial research, development and production in defence-related matters. The American defence department is not obliged to comply with the Buy American Act in purchasing Canadian defence products.

Tourism program abroad. External Affairs is responsible for the delivery of the tourism program through personnel at posts abroad. In 1982, tourism expenditure in Canada totalled over \$17.6 billion. This expenditure represented slightly over 5% of Canada's gross national product, provided direct and indirect employment for over one million Canadians, provided \$8.0 billion in government revenue and induced over \$2.5 billion in investment. Of the total \$17.6 billion, \$3.8 billion or 22% represented earnings from foreign visitors. It is this portion of the program that External Affairs is responsible for delivering.

21.6.2 Export Development Corp. (EDC)

EDC is a Crown corporation that provides insurance to exporters, guarantees to banks and financing to foreign buyers of Canadian capital goods and services to develop Canada's export trade. The corporation is required by legislation to operate on a self-sustaining basis. To benefit from its services, Canadian exporters must compete in foreign markets on the usual commercial criteria of price, quality, delivery and service. To qualify for EDC support, exports must have a Canadian content of at least 60%. All goods and services are eligible for EDC export credits insurance but only capital goods normally sold on credit terms of two years and more are eligible for financing support. Anyone carrying on business in Canada is eligible for EDC support.

Export credits insurance protects exporters for up to 90% of their losses if their foreign customers are unable or unwilling to pay their bills. The most widely used policy is global comprehensive, which provides protection against both political and commercial developments. Political developments include war or revolution or foreign exchange blockages, and commercial developments include insolvency or repudiation. Global political insurance is similar to global comprehensive but without the commercial coverage. Selective political insurance covers exports to specified countries for political risk. Global policies cover exports sold on short-term credit. For exports sold on medium-term credit of two to five years, EDC provides specific transaction insurance, which covers individual transactions. It also provides specific transaction guarantees to banks