of Canada's trade commissioners abroad have a specific responsibility to promote Canadian defence exports.

Tourism program abroad. External Affairs is responsible for the delivery of elements of the federal tourism program through personnel at posts abroad. In 1985, tourism expenditures in Canada totalled over \$19.9 billion. This expenditure represented slightly over 4.4% of Canada's Gross National Product, provided direct employment for over 590,000 Canadians, provided over \$9.0 billion in government revenue and induced over \$3.2 billion in investment. Of the total \$19.9 billion, \$5 billion or 25% represented earnings from foreign visitors. It is for this portion of the program that External Affairs, in co-operation with DRIE/Tourism Canada, is responsible.

21.6.2 Export Development Corporation (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. Buyer/borrower credit-worthiness is a major criterion for all transactions supported by the Corporation, since it is the established policy of the Corporation to conduct its operations on a financially self-sustaining basis. Commercial prudence is, of course, balanced against the need to assist exporters. 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 one year 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.

In addition to the global policies and specific transaction insurance, EDC also offers a number of specialized policies, including policies which cover: commercial risks on sales to the United States, both for small companies, and for large-volume companies willing to accept a deductible in return for lower premiums; political risks on sales of bulk agricultural products sold on 360-day credit; and political risks for equipment used on foreign job sites. It also offers insurance that protects bid and performance instruments posted in export transactions, and foreign investment insurance that protects investors against expropriation, war or revolution, and inability to repatriate earnings. There are also policies that protect exporters supported by EDC loans during the pre-disbursement period, and subsuppliers on EDC-supported transactions against non-payment resulting from developments involving the buyer or the exporter of record (the company that has the main contract). Members of an exporting consortium can get coverage against the call of a performance instrument due to the non-performance of another member or members of the consortium, and a domestic surety company can get coverage if it provides a performance bond to a foreign buyer on an exporter's behalf.

Guarantees are issued to banks making export loans, issuing bid and performance securities on behalf of an exporter, or purchasing notes given to an exporter by a foreign buyer in payment for capital goods or services. There is also a guarantee for banks that provides financing for exports of agricultural products sold on credit terms of up to three years when warranted by international competition, and a short-term line of credit guarantee that provides cover to banks and financial institutions extending lines of credit to foreign banks, which in turn finance purchases of Canadian goods sold on short-term credit.

Export financing supports sales of capital goods and services on credit terms of one year or more. Examples of products financed by EDC include subway cars, airplanes, electronics equipment, machinery, flight simulators, services, and turnkey construction projects. There are eight types of financing programs available: loans; multiple disbursement agreement loans; protocols; lines of credit; note purchases; forfeiting; simplified note purchases; and specialized credits. In the case of loans, the financing agreement is made with the buyer for a specific purchase. In the case of multiple disbursement agreement loans, protocols and lines of credit, agreements are signed to cover future business. Because rates and terms are established when these agreements are signed,