

continue to be utilized on an exceptional basis to respond to special situations.

On the international front, the continuing aggressive use of credit mixte by certain developed countries coupled with anticipated strong demand for trade credits will result in continuing pressure for concessional funding.

In terms of the overall management of the resources earmarked for the Canada Account program, the current imbalance between the demand for funds and the limited supply is expected to continue. This imbalance results in part from a convergence between Canadian exporters' marketing efforts and those of the Government, which intensified in the mid-eighties and which are now producing results, and the continuing requirement for the Government to manage its financial resources (particularly budgetary resources) in a conservative manner during a period of fiscal restraint. In the current circumstances, it is not possible with the limited funding available to satisfy all demands for Canada Account support. Consequently, EDC will continue to keep exporters and exporter associations appraised of the difficult budget situation with a view to bringing exporters' demands for funding, particularly concessional financing, more in line with estimated availability.

The basic eligibility criteria which govern the actual approval of specific transactions for support under Canada Account will remain unchanged. That is:

only transactions which the EDC Board is unprepared to accept for its own Corporate Account will be considered;

every transaction supported will be reviewed in accordance with certain stipulated national interest criteria and only those which are judged by the Minister for International Trade to be in the national interest will be supported; and

every transaction supported will require the approval of Cabinet.

8.2 Expenditure Plan

An outline of the Expenditure Plan is provided in Table 8.2.1. Based on the EDC's best current forecasts, the reference levels for 1990 - 1991 are very heavily committed. These forecasts are based on the EDC's most recent projections for