

Export credits of this type are included by the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD) in calculations of the total international flow of financial resources to the developing countries under the 1 percent target. However, because their principal purpose is to promote exports of the creditor country, they are not regarded as a part of official assistance.

The EDC offers Canadian exporters a broadened range of lending and insuring services. It can make direct loans for credit-worthy foreign governments or corporations up to a total of \$600 million on its own decisions, and up to a total of \$200 million at the direction of the Government to finance exports that the Cabinet decides are in the national interest. It can insure a broad range of commercial dealings, including consulting services, up to a maximum of \$1 billion, against both commercial risks (insolvency, default) and political risks (confiscation, war, restrictions on transfer of earnings or invested capital).

From 1961 to March 31, 1970, Canadian goods and services valued at about \$481 million were sold overseas under the Government's program of export finance.

When international competition makes it necessary, a limited portion of EDC financing may be used to cover local costs that are an integral part of an export transaction. With these new powers and capacities the EDC can help Canada remain competitive with other exporters and can assist in the development of new trade channels to the "Pacific Rim" countries, to Latin America, and to Middle East.

Emergency Relief

For 1970-71, \$350,000 was allocated for emergency relief. Contributions from this fund are usually in support of Red Cross work in the aftermath of natural disasters. The fund was not designed, however, to handle disasters of the magnitude of those that took place recently in Peru and East Pakistan. Consequently, the allocation was enlarged through special Cabinet approval to include an extra \$1 million for the Peruvian earthquake disaster and \$2 million for the flood disaster in East Pakistan.

Multilateral Aid

United Nations Agencies

In 1970, CIDA allocated over \$3 million for three United Nations relief and welfare programs - the United Nations International Children's Emergency Fund (UNICEF), the UN Relief and Works Agency for Palestinian Refugees (UNRWA), and the UN High Commissioner for Refugees (UNHCR), and approximately \$23 million for various economic assistance programs (United Nations Development Programs, Indus Basin Fund, World Food Plan, and the Desert Locust Control Organization).