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\$500 MILLION LINE OF CREDIT ESTABLISHED BETWEEN CANADA AND USSR

International Trade Minister John C. Crosbie announced today the establishment of a \$500 million line of credit between the Export Development Corporation (EDC) and the Bank for Foreign Economic Affairs of the USSR (Vnesheconombank). The agreement, which replaces the previous protocol, is the first such facility of this type between the two countries, and will finance sales of Canadian goods and services to the USSR.

"The line of credit will be a major asset to develop trade with the Soviet Union and meet the high interest expressed by the Canadian exporting community for that market," said Crosbie.

EDC will provide competitive financing terms and conditions to the Bank for Foreign Economic Affairs, which in turn will lend funds to Soviet buyers of Canadian goods and services. The line of credit will be effective for two years.

The new facility will be easy to administer from both a Soviet and Canadian perspective. "We expect that the facility will trigger an increase in the demand for various Canadian products and services from the USSR," said Crosbie.

In the past, Canada has provided financing amounting to \$360 million and representing more than 4,500 person-years of employment in Canada.

EDC is Canada's official export credit agency, responsible for providing export credit insurance, loans, guarantees, and other financial services to promote Canadian export trade.

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