Mr. Cloutier said that five of the 110 financing agreements EDC signed during the year were for amounts of more than $100 million and 44 were for amounts of less than $1 million, indicating EDC activity at both ends of the export spectrum.

Turning to the corporation's financial picture, Mr. Cloutier said that the challenge facing EDC is to operate without cost to the taxpayer, yet meet the challenge from other nations that subsidize export financing and resort to predatory practices.

OECD consensus arrangement

He said that the greatest single influence on EDC rates is the Consensus Arrangement of the Organization for Economic Co-operation and Development (OECD). Under it, the major industrialized nations of the world set minimum rates for officially-supported export lending.

At the beginning of 1982, the Consensus Arrangement permitted officially-supported export loans at interest rates as low as 11.25 per cent to rich countries and 10 per cent to poor ones despite the fact that the cost of funding the loans was in excess of 15 per cent.

During the year, interest rates fell on the world's capital market and the Consensus Arrangement was revised upward as countries began to respond to the nearly crippling amount of export financing subsidy burdens they had accumulated.

As a result, at the end of the year, the cost of funds was roughly in balance with consensus minimums.

"Given the expectations of a year ago, the positive profit performance of the corporation in 1982 was a satisfying achievement," he said.

By seeking to optimize revenue whenever competitive circumstances permitted, the corporation has been maintained in a healthy financial condition. All earnings have been re-invested in the business.

Reschedulings of principal and interest totalled $26 million in 1982, a decrease of $3.5 million since 1981, and claims paid on insurance and guarantees totalled $9.1 million, an increase of $1.9 million over the 1981 figure.

Both reschedulings and claims continue to be manageable and favourable in comparison with the experience of similar agencies in other countries.

The major product groups supported by EDC financing services in 1982 were transportation equipment; engineering and trade services; communications and electronics equipment; and aircraft; followed by power plant equipment; machinery; general manufacturing; non-residential buildings; petrochemical equipment; avionics; electrical equipment; and shipbuilding.

The commodity groups supported by insurance and guarantees, in order of value, were forestry products; minerals, metals and chemicals; transportation equipment; other manufactured products; services; machinery; textiles, related products and consumer goods; agricultural and animal products; and electronics equipment.

Recent agreements

EDC recently announced the signing of five financing agreements. They are:

- a $24-million (US) financing agreement to support the sale of petroleum storage facilities to the Republic of Kenya by Lavalin International Inc. of Montreal; the $39.5-million (US) sale involves the engineering, procurement, and construction of additional petroleum storage capacity at the existing marine terminal in Port Reitz near Mombasa;
- a $4.05-million (US) financing agreement to support the sale of the design, manufacture, and commissioning of a Landsat processing system by MacDonald, Dettwiler & Associates Ltd. of Richmond, British Columbia, to the Ministry of Finance of Indonesia on behalf of the National Institute of Aeronautics and Space (LAPAN) of Indonesia;
- a $154 440 (US) forfeiting of promissory notes to support the sale of 65 head of Holstein-Freisian breeding cattle by Luzza International Livestock Corporation of Mississauga, Ontario, to Alcides Gonzalo Aranda of Caracas, Venezuela. The notes are guaranteed by Banco de Comercio S.A. of Caracas. This is the first application of a recent decision to provide forfeiting financing for exports of breeding stock;
- a $107 003(US) allocation under a line of credit agreement with Magyar Nemzeti Bank of Hungary to support the sale of tobacco producing and drying machines, including spare parts, operating manuals, and assembly services, by DeCloet Ltd. of Tillsonburg, Ontario, to Agrotek of Hungary;
- a $85 000(US) allocation under a line of credit agreement with Magyar Nemzeti Bank of Hungary to aid the sale of geophysical instruments for surveying mineral deposits by Geoprobe Ltd. of Mississauga, Ontario, to Nikex of Hungary.

Soviet parliamentary delegation visits Canada

A Soviet parliamentary delegation, headed by Mikhail Gorbachev, Member of the Central Committee of the Communist Party of the Soviet Union, recently concluded a seven-day visit to Canada.

Canadian Prime Minister Pierre Elliott Trudeau flanked (left) by, Mikhail Gorbachev, Member of the Central Committee of the Communist Party of the Soviet Union, and Canadian Minister of State for External Relations Charles Lapointe.

In Ottawa for three days, Mr. Gorbachev met with Prime Minister Pierre Elliott Trudeau; Minister of State for External Relations Charles Lapointe; Minister of Agriculture Eugene Whelan; and Minister of State responsible for the Canadian Wheat Board Senator Hazen Argue.

Mr. Gorbachev also met with the members of the Senate and House of Commons Committees on External Affairs and National Defence, and members of the Agriculture Committees.

During discussions, Mr. Lapointe reaffirmed the Canadian interest in developing constructive and productive relations between Canada and the USSR. He noted that, in specific sectors, such as agriculture and trade, the two countries had already made substantial progress. Also discussed were opportunities for future co-operation in the exchange of information and experience in matters relating to the development of the Arctic.

Mr. Lapointe reiterated Canada's keen