



CANADIAN
COMMERCIAL CORPORATION

SECOND ANNUAL REPORT
TO THE
MINISTER OF TRADE AND COMMERCE

APRIL 1, 1947 TO MARCH 31, 1948

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CANADIAN COMMERCIAL CORPORATION

Established by Canadian Commercial Corporation Act
Statutes of Canada 1946, 10 George VI Chap. 40
as amended by Statutes of Canada 1947, 11 George VI Chap. 51.

PRESIDENT

M. W. MACKENZIE,
Deputy Minister of Trade and Commerce

DIRECTORS

W. D. LOW,
*Director of Purchasing,
Department of Trade and Commerce.*

W. G. MILLS,
Deputy Minister of National Defence.

L. P. SAINT-AMOUR,
*Assistant Deputy Governor,
Bank of Canada.*

DAVID SIM,
*Deputy Minister of National Revenue,
(Customs and Excise)*

K. W. TAYLOR,
Assistant Deputy Minister of Finance.

H. B. McKINNON,
*Chairman, Tariff Board,
Department of Finance.*

H. O. MORAN,
*Chief, Economic Division,
Department of External Affairs.*

V. W. SCULLY,
*Deputy Minister of National Revenue,
(Taxation).*

CHARLES STEIN, K.C.,
Assistant Deputy Minister of Justice.

OFFICERS

W. D. LOW,
Managing Director.

J. D. McCARTHY,
Secretary and Legal Adviser.

G. F. WEVILL, C. A.
Comptroller.

W. J. ATKINSON,
General Purchasing Agent.

HEAD OFFICE

No. 2 Temporary Building, 70 Lyon Street
Ottawa, Ontario.

DISTRICT OFFICES

London, England
Halifax, N. S.
Montreal, P.Q.
Toronto, Ont.
Calgary, Alta.

Washington, D.C.
Quebec, P. Q.
Ottawa, Ont.
Winnipeg, Man.
Victoria, B. C.

CANADIAN COMMER
 (INCORPORATED UNDER THE CANADA)
BALANCE SHEET A

GENERAL

ASSETS

| | |
|--|-----------------|
| Cash on Hand and in Banks..... | \$ 2,234,717.79 |
| Accounts Receivable..... | 2,194,399.77 |
| Employees' Funds invested in Dominion of Canada Bonds (par value \$85,450.) at cost less portion of premium amortized..... | 89,230.18 |

4,518,347.74

AGENCY

| | |
|--|----------------------|
| Cash: | |
| In Bank..... | \$5,991,078.48 |
| Held by Receiver General of Canada..... | 2,940,221.88 |
| | <u>8,931,300.36</u> |
| Advances to Suppliers..... | 290,965.12 |
| Claims Receivable..... | 12,262.17 |
| Debit Balances of Foreign Governments..... | 5,916,446.14 |
| | <u>15,150,973.79</u> |

Approved on behalf of the Board:

(Sgd.) M. W. MACKENZIE,
President.

(Sgd.) W. D. LOW,
Managing Director.

CANADIAN COMMERCIAL CORPORATION
 (INCORPORATED UNDER THE CANADIAN COMMERCIAL CORPORATION ACT)
STATEMENT OF FINANCIAL POSITION AT MARCH 31, 1948

ASSETS

LIABILITIES AND CAPITAL

LIABILITIES

| | |
|---|-----------------|
| Accounts Payable and Accrued Charges..... | \$ 1,315,021.76 |
| Receiver General of Canada — employees' income tax, etc..... | 5,622.56 |
| Employees' Savings Plans: | |
| Pay deductions (with interest) repayable on separation..... | \$ 91,078.90 |
| Bond purchases..... | 10,913.07 |
| | <hr/> |
| | 101,991.97 |
| Deferred Revenue—surcharge on purchase orders placed for others, etc..... | 91,691.29 |
| | <hr/> |

\$ 1,514,327.58

CAPITAL AND SURPLUS

| | |
|--|--------------|
| Government of Canada: | |
| Advance for working capital provided under Section 8 of the Canadian Commercial Corporation Act..... | 2,500,000.00 |
| Surplus: | |
| Balance as at March 31, 1947..... | 59,717.02 |
| Add — Reserve for inventory storage and adjustment, no longer required..... | 186,923.86 |
| | <hr/> |
| | 246,640.88 |
| Excess of income over expenses for year ended March 31, 1948, per Schedule "A"..... | 257,379.28 |
| | <hr/> |
| | 504,020.16 |
| | <hr/> |
| | 3,004,020.16 |
| | <hr/> |
| | 4,518,347.74 |
| | <hr/> <hr/> |

LIABILITIES

LIABILITIES AND RESERVE

| | |
|------------------------------------|---------------|
| Accounts Payable to Suppliers..... | 10,001,115.35 |
| Reserve for Claims Receivable..... | 12,262.17 |
| | <hr/> |

10,013,377.52

ADVANCES FROM PRINCIPALS

| | |
|-------------------------------------|--------------|
| UNRRA..... | 2,009,453.98 |
| Foreign Governments and Others..... | 3,128,142.29 |
| | <hr/> |

5,137,596.27

15,150,973.79

I have examined the accounts of The Canadian Commercial Corporation for the year ended March 31, 1948, and have obtained all the information and explanations I have required. In my opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, as at March 31, 1948, according to the best of my information and the explanations given to me and as shown by the books of the Corporation.

WATSON SELLAR,
Auditor General.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expenses for the year ended March 31, 1948

INCOME

| | | | |
|--|--------------|-------------------|-----------------------|
| Surcharge earned on purchases, and miscellaneous revenue | | \$ 587,819.57 | |
| For defence purchasing services recoverable from Department of Trade and Commerce— Vote 638, 1947-48 | \$548,000.00 | | |
| Further amount required | 7,779.23 | | |
| | | <u>555,779.23</u> | |
| | | | <u>\$1,143,598.80</u> |

EXPENSES

| | | | |
|--|------------|-------------------|-------------------|
| Salaries: | | | |
| Executive officers | 28,649.94 | | |
| Others | 657,180.95 | | |
| | | <u>685,830.89</u> | |
| Rent, light and heat | | 52,014.51 | |
| Travelling expense | | 9,378.11 | |
| Telephone, telegraph and postage | | 58,660.74 | |
| Printing, stationery and office supplies | | 37,671.01 | |
| Furniture and equipment | | 4,636.54 | |
| Cost of power line fittings declared surplus..... | | 19,440.00 | |
| Other expenses | | 18,587.72 | |
| | | <u>886,219.52</u> | |
| Excess of Income over Expenses transferred to Surplus..... | | | <u>257,379.28</u> |

CANADIAN COMMERCIAL CORPORATION

June 23, 1948.

The Right Honourable C. D. Howe,
Minister of Trade and Commerce,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Accounts, as audited by the Auditor General of Canada, covering the year ending March 31, 1948.

I have the honour to be,

Sir,

Yours faithfully,

(Signed) M. W. MACKENZIE,

President.

ANNUAL REPORT
OF THE
CANADIAN COMMERCIAL CORPORATION

(Established by Statutes of Canada, 10 Geo. VI, Chapt. 40)

During the year ended 31st March, 1948, the Canadian Commercial Corporation has continued to discharge the functions assigned to it by the legislation under which the Corporation was established. In brief, these functions are to act as a procurement agency in Canada for foreign governments and governmental agencies, and to assist Canadian importers or exporters in matters of procurement of goods from outside Canada or disposal of goods available for export. In addition, acting for the Minister of Trade and Commerce, the Corporation conducts all procurement for the Department of National Defence.

There has been no important change in the policies under which the Corporation is operated from those which were outlined in some detail in the first Annual Report of the Corporation, which covered the year ended 31st March, 1947. The Corporation stands ready to assist importers or exporters in Canada, as well as foreign governments and governmental agencies who, for one reason or another, find it necessary that transactions be handled, in whole or in part, through a government agency. There has, however, been a substantial change in the activities of the Corporation, resulting from the tapering off of foreign government purchasing operations in Canada; which, however, has been offset by an increase in purchasing activities on behalf of the Department of National Defence.

During the year the Corporation continued to conduct such purchasing activities as were requested by foreign governments and agencies including United Nations Relief and Rehabilitation Administration. By March 31st, 1948, the Corporation had completed the initial purchasing steps with respect of all U.N.R.R.A.'s Canadian procurement programme; the total value of contracts awarded by the Corporation on behalf of U.N.R.R.A. during the year amounting to \$21,483,470.00. Other governments and agencies for whom the Corporation acted included — Argentina, Australia, Belgium, Chile, China, France, Czechoslovakia, Germany (Joint Export/Import Agency), Greece, Japan, Netherlands, The United Kingdom, The United Nations International Children's Emergency Fund and the United States of America on whose behalf the Corporation placed contracts in the aggregate to a total value of \$55,795,419.00.

The facilities established in the Corporation for purchasing, shipping and accounting on behalf of foreign governments and agencies were used during the period under review by certain Canadian government departments. The services of the Corporation as a purchasing agent were restricted however, to those departments or agencies of the Government of Canada whose activities involved Canadian exports or imports, since the Corporation's powers are limited, with the exception of those relating to the Department of National Defence, to matters of foreign trade. The Corporation acted on behalf of the Departments of External Affairs and Trade and Commerce, principally in connection with Canada's programme of post-U.N.R.R.A. relief, and the International Trade Fair, on behalf of Canadian Arsenals Limited and Commodity Prices Stabilization Corporation, and contracts placed on behalf of these departments or agencies totalled \$11,470,099.00.

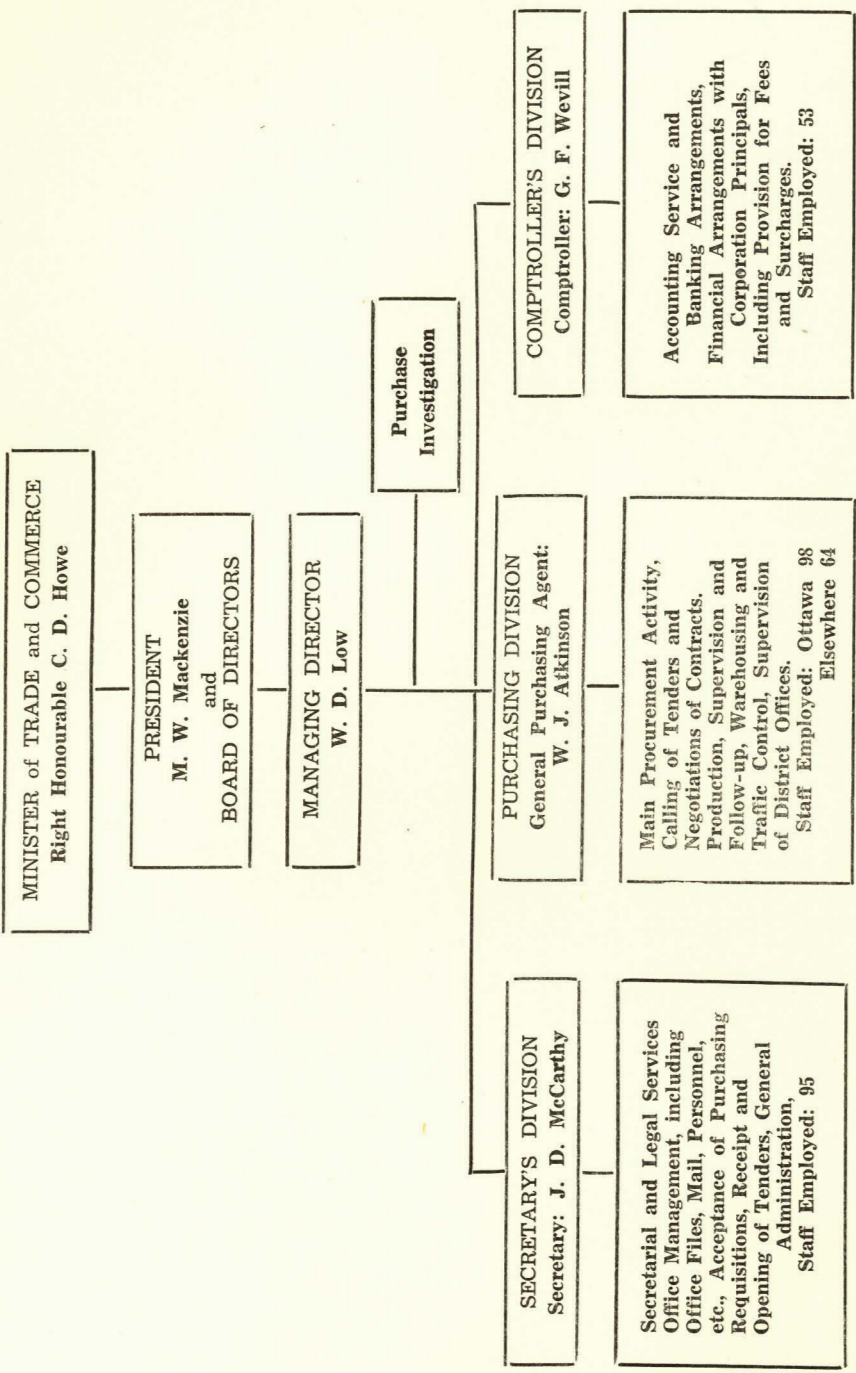
The completion of the initial purchasing steps with respect to the aforementioned volume of business aggregating \$88,748,-988.00 left the Corporation nevertheless with responsibilities which would not be fully discharged for some months to come, since production and delivery follow-up, shipment and payment were still required at the end of the fiscal year with respect to goods to the value of \$41,587,000.00.

During the year the Corporation, acting at the request and in the name of the Minister of Trade and Commerce, continued to fulfil the Minister's obligations as exclusive purchasing agent for the Department of National Defence. The requirements of that Department although greatly reduced as compared with the war years were very substantially in excess of those during the immediate pre-war period. Better liason was accomplished at various points of contact between the Department of National Defence and the Corporation; and improvements in procedure and practice were established with a view to effecting the greatest possible co-operation in the planning and carrying out of procurement programmes.

From April 1, 1947, to March 31, 1948, more than 45,000 contracts were placed by the Corporation for the purchase of stores for the Department of National Defence. These stores had a total estimated value of \$82,223,078.00, which, together with the business placed on behalf of others as above mentioned, brought the total value of new business placed by the Corporation during the year to \$170,972,066.00.

On March 31, 1948, 335 persons were employed in the Corporation as compared with 333 at March 31, 1947 (16 of whom were employed on a salary recoverable basis). The salaries of 17 of those employed at March 31, 1948, were directly recoverable either from U.N.R.R.A. or from the United Kingdom Government at whose request and on whose behalf they were employed.

CANADIAN COMMERCIAL CORPORATION



TOTAL STAFF: 318

