



CANADIAN
COMMERCIAL CORPORATION

THIRD ANNUAL REPORT
TO THE
MINISTER OF TRADE AND COMMERCE

APRIL 1, 1948 TO MARCH 31, 1949

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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
and Statutes of Canada 1949, 13 George VI Chap. 2

PRESIDENT

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

DIRECTORS

C. M. DRURY,
Deputy Minister of National Defence.

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

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

H. O. MORAN,
*Assistant Under-Secretary of State
for External Affairs.*

S. D. PIERCE,
*Associate Deputy Minister,
Department of Trade and Commerce.*

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

CHARLES STEIN, K.C.,
Under-Secretary of State.

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

Messrs. W. G. Mills, V. W. Scully and David Sim tendered their resignations as Directors during the fiscal year 1948-49. Mr. C. M. Drury, by Order-in-Council P.C. 1713 of April 7, 1949, and Mr. S. D. Pierce, by Order-in-Council P.C. 922 of March 1, 1949, were appointed Directors in their stead.

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

Victoria, B.C.

Vancouver, B.C.

Calgary, Alberta.

Edmonton, Alberta.

Regina, Saskatchewan.

Winnipeg, Manitoba.

London, Ontario.

Toronto, Ontario.

Ottawa, Ontario.

Montreal, Quebec.

Quebec, Quebec.

Halifax, Nova Scotia.

St. John's, Newfoundland.

London, England.

Washington, D.C.

July 8, 1949.

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, 1949.

Yours faithfully,

(Signed) M. W. MACKENZIE,
President.

ANNUAL REPORT
OF THE
CANADIAN COMMERCIAL CORPORATION

During the year the Canadian Commercial Corporation continued to negotiate and contract for the construction of defence projects at the request and in the name of the Minister of Trade and Commerce. During the year ended March 31, 1949, contracts for the construction of 1,624 houses required by the Department of National Defence were negotiated and awarded to the aggregate value of \$16,550,600.00. The completion of this programme will involve the placing of additional contracts involving some \$3,600,000.00.

Purchases, manufactures, service and construction arranged by the Corporation in the interest of National Defense during the twelve months ending March 31, 1949 amounted in all to \$145,033,051.00 and involved the placing of upwards of 65,308 contracts. This work was carried out at a total cost of \$773,811.07 or .53% of the total contract value.

With certain exceptions, chiefly where research or the development of technical equipment was required, or where, for reasons of security, general publication of details was not possible or where, because of limited industrial capacity allocation of work became necessary, the Corporation adhered strictly to its established policy of awarding contracts on a competitive basis. Care was taken to see that in every case all interested persons were given an opportunity to tender; and the selection of the contractor was determined by the competitive attractiveness of the tenders submitted and the known capacity of the tenderer to fulfill his contractual obligations.

Purchases were made in Canada by foreign governments and agencies through the Corporation to the total value of \$35,740,670.00 and these purchases included metals, industrial, agricultural and automotive equipment, chemicals, communications and electrical equipment, ships, ammunition, fertilizer, foodstuffs, petroleum products, aircraft, medical stores and clothing and textiles. The Corporation's services were retained in this connection by the Governments of China, Czechoslovakia, United States, Netherlands East Indies, Netherlands, Portugal, Pakistan, India, Mozambique, United Kingdom, Bi-Zonal Germany, France and South Africa, as well as by the International Refugee Organization, The United Nations International Children's Emergency Fund and the United Nations Relief for Palestine Refugees.

In the Fall of 1948 the Corporation, on the direction of the Minister of Trade and Commerce, purchased some 15,000,000 pounds of butter from Denmark, Australia and New Zealand. This butter valued at \$11,000,000.00 was sold by the Corporation at authorized ceiling prices to Canadian packers and creameries, the trading loss sustained by the Corporation being reimbursed to it by Commodity Prices Stabilization Corporation. The Corporation was also directed by the Minister of Trade and Commerce to purchase Tin to the value of \$2,788,494.00 to be stored against possible future requirements. Other contracts placed by the Corporation during the year in connection with foreign trade amounted to \$1,717,745.00, bringing the total business conducted by the Corporation during the period under review to the sum of \$201,657,727.00.

During the period under review, the Corporation established additional District Purchasing Offices at Vancouver, B.C. and London, Ontario, and as of March 31 arrangements had been completed for the opening of additional District Purchasing Offices at Regina, Sask. and St. John's, Nfld. At the fiscal year end 361 persons were employed in the Corporation as compared with 335 at March 31, 1948.

CANADIAN COMMERCE
(INCORPORATED UNDER THE CANADIAN
BALANCE SHEET AS AT

GENERAL

ASSETS

Cash on Hand and in Bank	\$ 3,793,684.67
Investments in Dominion of Canada bonds (par value \$104,750.) at cost—less portion of premium amortized	108,500.10
Accounts Receivable	975,220.66

4,877,405.43

AGENCY

Cash in Bank	\$10,894,446.74
Advances to Suppliers	5,518,782.90
Accounts Receivable	3,626.00
Inventories, at cost	3,370,131.30
Receivable from Foreign Governments, for indebtedness in excess of funds held—per contra	1,053,314.77

20,840,301.71

Approved on behalf of the Board
(Sgd.) SYDNEY D. PIERCE
for President.
(Sgd.) W. D. LOW
Managing Director.

COMMERCIAL CORPORATION
 (AN ACT TO INCORPORATE A COMMERCIAL CORPORATION ACT)
AS AT MARCH 31, 1949

ACCOUNT

LIABILITIES		LIABILITIES AND CAPITAL	
Accounts Payable and Accrued Charges...		\$ 499,347.95	
Employees' Funds—Staff Savings Plans: Pay deductions (with interest) repayable on Separation, etc.....		119,353.23	
Deferred Revenue—surcharge on purchase orders placed for others, etc.....		12,810.63	
		<u>631,511.81</u>	\$ 631,511.81
CAPITAL AND SURPLUS			
Government of Canada: Advances for working capital, provided under Section 8 of The Canadian Commercial Corporation Act.....		3,500,000.00	
SURPLUS:			
Balance as at March 31, 1948.....	\$ 504,020.16		
Add—Prior years' adjustments.....	7,521.36		
	<u>511,541.52</u>		
Excess of income over expenses for year ended March 31, 1949, per Schedule I	234,352.10		
		<u>745,893.62</u>	
			<u>4,245,893.62</u>
			<u>4,877,405.43</u>

ACCOUNT

LIABILITIES			
Accounts Payable to Suppliers: Covered by funds held.....	\$ 504,294.57		
Not so covered—per contra.....	1,053,314.77		
		<u>\$1,557,609.34</u>	
Contractors' Security Deposits.....		61,808.00	
			<u>\$1,619,417.34</u>
NET OBLIGATION TO PRINCIPALS			
Representing Advances from agencies of various governments (including Canada) and certain international bodies.....			19,220,884.37
			<u>20,840,301.71</u>

I have examined the accounts of the Canadian Commercial Corporation for the year ended March 31, 1949, 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, 1949, according to the best of my information and the explanations given to me and as shown by the books of the Corporation.

(Sgd.) WATSON SELLAR
 Auditor General.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expenses for the year ended, March 31, 1949

INCOME

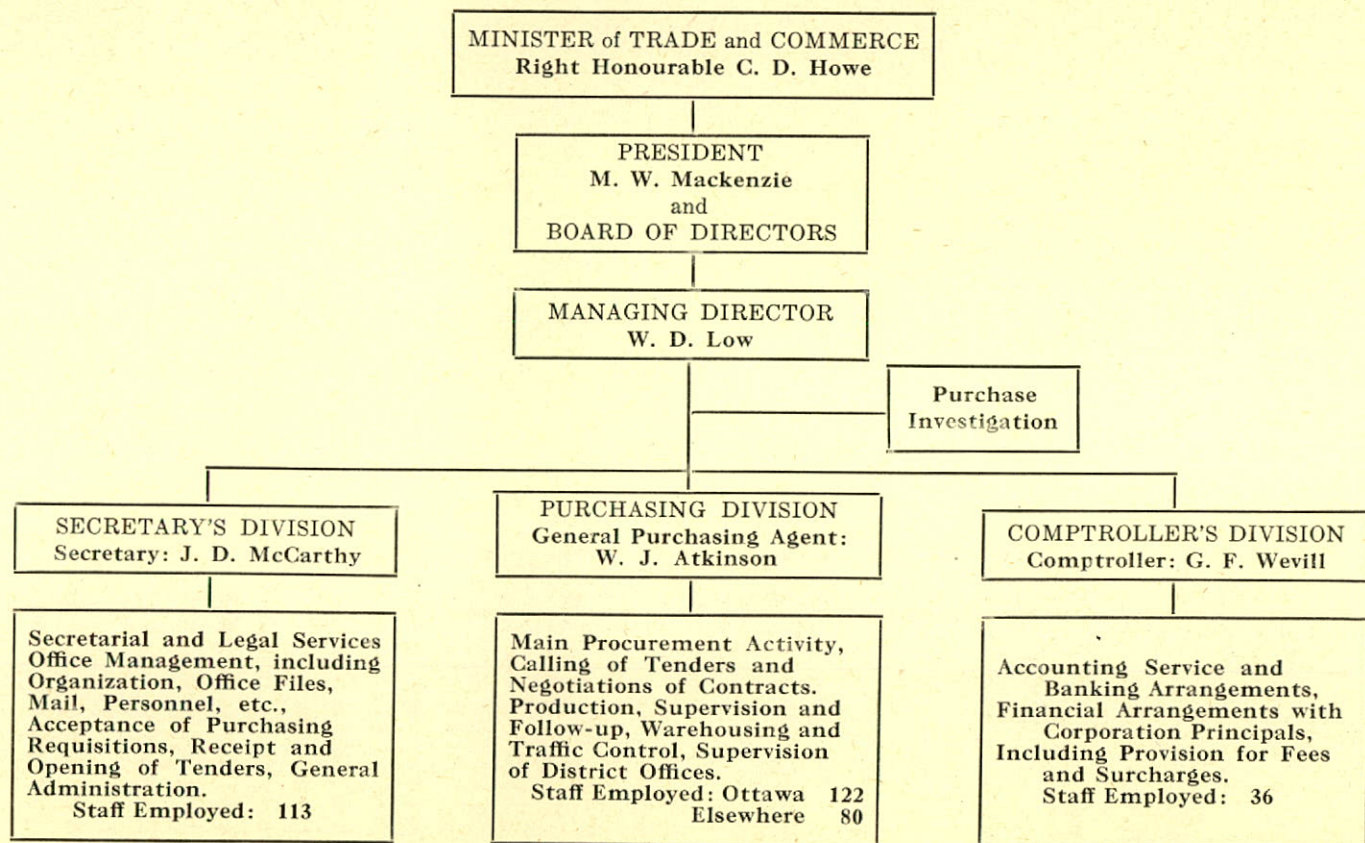
From defence purchasing services on behalf of the Government of Canada (Votes 461 and 889, 1948-49).....	\$773,811.07	
From Agencies of various governments (including Canada) and international agencies.....	367,913.82	\$1,141,724.89
Other Income.....		72,045.72
		<u>\$1,213,770.61</u>

EXPENSES

Salaries:

Executive officers.....	30,249.96	
Others.....	732,787.05	763,037.01
Rent, light and heat.....		42,941.63
Telephone, telegraph and postage.....		77,676.02
Printing, stationery and office supplies.....		38,286.62
Advertising for tenders.....		21,273.69
Travelling expenses.....		14,311.93
Unemployment insurance.....		4,976.21
Rental of office equipment.....		4,153.40
Furniture and equipment.....		3,705.62
Other expenses.....		9,056.38
		<u>979,418.51</u>
Excess of income over expenses transferred to Surplus.....		<u>234,352.10</u>

CANADIAN COMMERCIAL CORPORATION



TOTAL STAFF: 361

