



CANADIAN
COMMERCIAL CORPORATION

FIFTH ANNUAL REPORT
" " " " TO THE
MINISTER OF TRADE AND COMMERCE

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APRIL 1, 1950 TO MARCH 31, 1951

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.*

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.

OFFICERS

W. D. LOW
Managing Director

C. R. SNELL
General Manager

G. F. WEVILL
Comptroller

F. F. WADDELL
Secretary and Legal Adviser

W. J. ATKINSON
General Purchasing Agent

HEAD OFFICE

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

DISTRICT OFFICES

Victoria, B.C.	Toronto, Ontario.
Vancouver, B.C.	Ottawa, Ontario.
Calgary, Alberta.	Montreal, Quebec.
Edmonton, Alberta.	Quebec, Quebec.
Regina, Saskatchewan.	Saint John, N.B.
Winnipeg, Manitoba.	Halifax, Nova Scotia.
London, Ontario.	St. John's, Newfoundland.
Washington, D.C.	London, England.

CANADIAN COMMERCIAL CORPORATION

Ottawa, Canada

June 29, 1951.

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, 1951.

Yours faithfully,

(Signed) W. D. Low,
President.

ANNUAL REPORT
OF THE
CANADIAN COMMERCIAL CORPORATION

In the period under review the activities of the Corporation increased considerably, as a direct result of the increasing defence programme.

Contracts covering the acquisition of supplies, construction of projects and ships and the performance of various services connected with the Department of National Defence had a gross value of \$676,286,512 and numbered approximately 112,000 contracts, issued from Ottawa and from the district offices of the Corporation in Canada and abroad. The cost involved in negotiating and awarding these contracts and supervising delivery was \$1,401,416 or approximately .21% of the value of the goods and services obtained.

The Corporation continued to revise, improve and extend the lists maintained of the business organizations in Canada in a position to fulfill satisfactorily contracts placed with them. 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 the 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.

In the early part of the fiscal year, at the request of the Department of National Defence, the Corporation assumed the responsibility of maintaining records of all machinery, tooling and other equipment provided to contractors by way of capital assistance. In order to perform these added responsibilities there was established a Central Inventory Records Section under the Comptroller of the Corporation.

In view of the large defence construction programme, the Government arranged in November, 1950, for another crown company, Defence Construction Limited, to handle contracts for all new construction work required on behalf of the Department of National Defence. The Canadian Commercial Corporation continues to deal with all repair and maintenance work required by the Department of National Defence in respect of buildings, aerodromes, depots and other military establishments.

The facilities of the Corporation were employed in connection with various other Government activities; and contracts placed by the Corporation for these purposes had a total value of \$67,900,520, including the stockpiling of strategic materials and preparations to fulfill Canada's obligations to NATO countries.

Toward the end of the fiscal year the Corporation established a Wool Division with headquarters at Toronto. This Division was created after it had been ascertained that the Canadian textile mills could not undertake the large purchases of wool required in connection with the 1951-52 clothing programme of the Department of National Defence. The Corporation was, therefore, directed by the Minister of Trade and Commerce to assume the responsibilities of purchasing such wool and for the sale thereof to textile manufacturers. As of March 31st wool to the value of \$5,453,372 had been purchased.

The Corporation continued to act for such foreign governments and government agencies as requested its services. Purchases were made by the Corporation in an aggregate amount of \$35,036,927 on behalf of

France	Nicaragua
India	Pakistan
Israel	Portugal
Mozambique	United Kingdom
Netherlands	United States
The United Nations International Children's Emergency Fund	
United Nations Relief for Palestine Refugees	

During the period under review, the total business awarded by the Corporation had a gross value of \$784,677,331. At the

fiscal year end 665 persons were employed in the Corporation as compared with 411 at March 31, 1950.

At March 31st arrangements had been completed for the orderly transfer of the majority of the Corporation's active files and the majority of its personnel to the new Department of Defence Production, which Department assumed the duty of defence purchasing on April 1, 1951. The Corporation will continue to carry out the duties for which it was originally constituted, that is, to act as agent for foreign government procurement in Canada, and to act for the Crown in such transactions involving procurement outside of Canada as may be necessary, and will also undertake any other tasks that may be assigned to it by the Minister in connection with the defence production programme.

CANADIAN COMMERCE
(INCORPORATED UNDER THE CANADIAN
BALANCE SHEET A
G E N E R A L

ASSETS

Cash on Hand and in Bank.....	\$ 1,806,770.06
Investments—Government of Canada Bonds (par value \$186,200), at cost—less portion of premium amortized.....	190,926.83
Accounts and Claims Receivable.....	3,044,352.50
Inventory, at cost.....	135,464.57

5,177,513.96

A G E N C Y

Cash in Bank.....	\$ 4,733,650.15
Advances to Suppliers.....	5,578,105.78
Inventories, at cost.....	5,317,797.08

15,629,553.01

Market Value of Government of Canada Bonds at
March 31, 1951 — \$180,397.93

Approved on behalf of the Board

(Sgd.) M. W. MACKENZIE
President

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

CIAL CORPORATION
 (AN COMMERCIAL CORPORATION ACT)
 AT MARCH 31, 1951

A C C O U N T

LIABILITIES AND CAPITAL

LIABILITIES

Accounts Payable and Accrued Charges.....	\$	664,150.82		
Employees' Funds—Staff Savings Plans:				
Pay deductions (with interest) repayable on separation, etc.....		207,818.24		
Deferred Revenue—surcharge on purchase orders placed for others.....		1,671.53	\$ 873,640.59	

CAPITAL AND SURPLUS

Government of Canada:				
Advance for working capital provided under Section 8 of the Canadian Commercial Corporation Act.....		3,500,000.00		

SURPLUS

Balance as at March 31, 1950.....	\$	799,732.59		
Add—Prior year's adjustments.....		51,389.76		
		851,122.35		
Excess of expenses over income for the year ended March 31, 1951, per Schedule I.....		47,248.98	803,873.37	4,303,873.37

5,177,513.96

A C C O U N T

LIABILITIES

Accounts payable to Suppliers.....	\$	2,351,923.70		
Contractors' Security Deposits.....		23,563.47	2,375,487.17	

NET OBLIGATIONS TO PRINCIPALS

Representing advances from agencies of various governments (including Canada) and certain international bodies.....			13,254,065.84	
			<u>15,629,553.01</u>	

Contingent Liabilities: Claims pending \$97,808.93

I have examined the accounts of the Canadian Commercial Corporation for the year ended March 31, 1951, 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, 1951, 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, 1951

INCOME

From defence purchasing services on behalf of the Government of Canada	\$1,401,416.36		
From purchasing for agencies of various governments (including Canada) and international agencies....	86,639.15	\$1,488,055.51	
Other Income.....		19,157.05	\$1,507,212.56

EXPENSES

Salaries:			
Executive officers.....	38,179.96		
Others.....	1,183,138.89	1,221,318.85	
Rent, Light and heat.....		47,653.67	
Telephone, telegraph and postage.....		101,323.45	
Printing, stationery and office supplies..		57,722.90	
Advertising for tenders.....		29,433.85	
Travel expenses.....		34,514.68	
Unemployment insurance.....		10,508.95	
Interest on employees' retirement fund deposits.....		6,452.08	
Maintenance of office equipment.....		6,181.03	
Furniture and equipment.....		27,320.68	
Maintenance of building.....		3,000.57	
Other Expenses.....		9,030.83	1,554,461.54

Excess of expenses over income carried to Surplus.....			47,248.98
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