



CANADIAN  
COMMERCIAL CORPORATION

SIXTH ANNUAL REPORT  
TO THE  
MINISTER OF DEFENCE PRODUCTION

APRIL 1, 1951 TO MARCH 31, 1952

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## CANADIAN COMMERCIAL CORPORATION

*A Company wholly owned by the Government of Canada*

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,  
Statutes of Canada 1949, 13 George VI, Chap. 2,  
Statutes of Canada 1950, 14 George VI, Chap. 51, and  
Statutes of Canada 1951, 15 George VI, Chap. 13.

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### PRESIDENT

W. D. LOW

### DIRECTORS

- |   |   |
|---|---|
| R. M. BROPHY,<br><i>Co-ordinator of Production,<br/>Department of Defence Production.</i> | C. R. SNELL,<br><i>Deputy Co-ordinator of<br/>Purchasing, Department<br/>of Defence Production.</i> |
| T. N. BEAUPRE,<br><i>Special Assistant to Deputy<br/>Minister of Defence Production.</i>  | G. W. HUNTER,<br><i>Executive Assistant to<br/>Deputy Minister of<br/>Defence Production.</i>       |
| L. D. HUDON,<br><i>Financial Adviser, Department<br/>of Defence Production.</i>           |   |

### OFFICERS

- |  |                               |  |
|--|-------------------------------|--|
| R. G. PEERS,<br><i>Vice President</i>                | W. D. LOW<br><i>President</i> | C. R. SNELL,<br><i>Managing Director</i> |
| F. F. WADDELL,<br><i>Secretary and Legal Adviser</i> |                               | G. F. WEVILL,<br><i>Comptroller.</i>     |

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### HEAD OFFICE

No. 4 Temporary Building, 56 Lyon Street  
Ottawa, Ontario

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### BRANCH OFFICES

Washington, D.C. Toronto, Ontario.



**CANADIAN COMMERCIAL CORPORATION**

Ottawa, Canada

June 25, 1952.

The Right Honourable C. D. Howe,  
Minister of Defence Production,  
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, 1952.

Yours faithfully,

(Signed) W. D. Low,

President.



ANNUAL REPORT  
OF  
CANADIAN COMMERCIAL CORPORATION

General

The Corporation was established in 1946 by The Canadian Commercial Corporation Act, 10 George VI, Chapter 40, to assist in the development of trade between Canada and other nations, to dispose of goods that are available for export from Canada, to assist persons in Canada to obtain goods from outside Canada, and to perform under the Minister of Defence Production, any special duties provided for in any other Act of the Parliament of Canada.

During the fiscal year ending March 31, 1952, the activities of the Corporation fell into the following general categories:

(1) Sales of defence supplies and other goods to the United States Departments of the Army, Navy and Air Force, hereinafter referred to as "United States Military Departments";

(2) The procurement of goods and commodities in Canada for the Government of the United Kingdom and for the governments of the following Commonwealth countries, Crown colonies and other countries:

|                     |                     |             |
|---------------------|---------------------|-------------|
| Australia,          | Brazil,             | Israel,     |
| New Zealand,        | Chile,              | Nicaragua,  |
| Bermuda,            | Dominican Republic, | Portugal,   |
| India,              | France,             | Spain,      |
| Pakistan,           | Germany,            | Uruguay,    |
| Malaya & Singapore, | Greece,             | Yugoslavia. |
| Belgian Congo,      | Indonesia,          |             |

(3) Agency services covering the procurement of goods and commodities for such international organizations as the United Nations International Children's Emergency Fund and the United Nations Relief Works Agency for Palestine Refugees.

(4) Services rendered to departments and agencies of the Government of Canada, which services included the importation of wool for sale by the Department of Defence Production to Canadian textile mills in order to ensure that fabric would be available in sufficient quantities to meet Canada's defence programme; the purchase of strategic materials for the Department of Defence Production; the purchase of communication equipment for the Department of Transport; the purchase of certain defence supplies for Canadian Arsenals Limited; the temporary utilization of part of the Corporation's working

capital in order to provide funds to cover the importation of butter by the Department of Agriculture, which funds were subsequently repaid out of the proceeds of sales of butter by that department; and, at the request of the Department of Defence Production, the sale of newsprint to other nations in accordance with allocations recommended by the International Materials Conference and accepted by the Government of Canada.

#### Total Exports

The total exports of Canadian goods and commodities to governments and international organizations made through the Corporation during the fiscal year amounted to \$206,504,000.00.

#### Total Imports

The total imports of goods and commodities made by the Corporation on behalf of departments and agencies of the Government of Canada during the fiscal year amounted to \$33,592,000.00.

#### Exports to United States Military Departments

Of the above-mentioned sum of \$206,504,000.00, the sum of \$185,810,000.00 represented sales to the United States Military Departments. This business is due in a large measure to the efforts made toward the integration of the common defence efforts of the two countries and the promotion, by officers of the Corporation, of the sale of Canadian made defence supplies to the various procurement offices of the United States Military Departments. Included in this effort was the negotiation of a master agreement with those departments covering policies and procedures designed to increase their use of Canadian manufacturing facilities and providing for the utilization by the United States Military Departments of the audit facilities of the Canadian Government and also providing for the use by each country of the inspection facilities of the other. Co-operation between the personnel of the Corporation and the personnel of the United States Military Departments has developed in a very satisfactory manner, with the result that contracts in steadily increasing numbers are being placed with the Corporation. It is recognized that some of the larger contracts are placed by the United States Military Departments with the Corporation in order to further the standardization of equipment and the dispersal of production facilities and to ensure supplemental sources of supply.



### Procurement by the Corporation

Procurement of goods and commodities from Canadian suppliers for the purposes of the Corporation's operations, are processed by means of requisitions placed by the Corporation with the purchasing and production branches of the Department of Defence Production, after the Corporation has settled with the recipient government, department, agency or international organization all the terms of contract, including specifications, price, delivery, method of payment and general conditions of sale. Payment for the goods is made to the Corporation by the recipient government, department, agency or international organization, and the Corporation in turn arranges payment to the Canadian supplier. Other nations and international organizations are thus able to obtain goods in Canada at prices which, with few exceptions, are no higher than the Government of Canada would pay if it were buying for its own account. Where Canada is already buying the same type of goods for its own use, the requirements of other nations and international organizations may, in many cases, be obtained from current production with considerable saving to the purchaser.

### Wool Purchases

When it was found that Canadian textile mills were not prepared to purchase the large quantity and special types of wool required for the clothing and textile programme of the Department of National Defence of Canada, the Corporation established, in February 1951, a Wool Purchasing Division for this purpose. This Division is administered by executive officers and a Wool Advisory Board, all of whom are men experienced in the field. By March 31st, 1952, the Corporation had purchased approximately 8,770,000 pounds of wool at a cost of approximately \$26,500,000.00.

Upon delivery of the wool it was sold at cost to the Department of Defence Production for ultimate sale to manufacturers of cloth under defence contracts. It is anticipated that all wool will be disposed of and the activities of the Wool Division completed early in the next fiscal year.

### Staff

The total staff of the Corporation as at March 31st, 1952, totalled 38 persons including all executive officers and administrative personnel at its head office in Ottawa, Canada, and at its offices in Toronto, Canada, and in Washington, D.C.

# CANADIAN COMMERCE

(Incorporated under the Canadian Companies Act)  
Balance Sheet as at

## ASSETS

## GENERAL

|  |                 |
|--|-----------------|
| Cash on hand and in bank.....  | \$ 5,439,560.58 |
| Investments—\$186,200 Government of Canada Bonds,<br>at amortized cost (market value \$176,757)..... | 190,508.27      |
| Advances to suppliers.....   | 19,845,074.08   |
| Accounts and claims receivable.....  | 7,282,924.39    |
| Inventory of commodities on hand, at cost,<br>as determined and certified by the management.....     | 413,332.34      |

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33,171,399.66

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## AGENCY

|                            |                 |
|----------------------------|-----------------|
| Cash in bank.....          | \$23,059,909.87 |
| Advances to suppliers..... | 1,726,053.42    |

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24,785,963.29

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Approved on behalf of the Board

(Sgd.) W. D. LOW  
*President*

(Sgd.) C. R. SNELL  
*Managing Director*

# COMMERCIAL CORPORATION

(Canadian Commercial Corporation Act)

at March 31, 1952

## LIABILITIES AND CAPITAL

### ACCOUNT

#### LIABILITIES

|   |                 |                 |  |
|---|-----------------|-----------------|--|
| Accounts payable and accrued liabilities.....     | \$ 5,180,649.70 |                 |  |
| Advance payments—foreign governments.....         | 16,535,383.70   |                 |  |
| Reserve for price adjustment on export sales..... | 484,167.71      |                 |  |
| Deferred credits—surcharge.....                   | 97,703.84       |                 |  |
| Employees' funds—staff savings plans:             |                 |                 |  |
| Pay deductions (with interest) repayable          |                 |                 |  |
| on separation, etc.....                           | 35,213.62       | \$22,333,118.57 |  |

#### CAPITAL AND SURPLUS

|                                      |               |            |                      |
|--------------------------------------|---------------|------------|----------------------|
| Government of Canada:                |               |            |                      |
| Advance for working capital provided |               |            |                      |
| under Section 8 of the Canadian      |               |            |                      |
| Commercial Corporation Act.....      | 10,000,000.00 |            |                      |
| Surplus:                             |               |            |                      |
| Balance at March 31, 1951.....       | \$803,873.37  |            |                      |
| Excess of income over expenditure    |               |            |                      |
| for the year ended March 31, 1952,   |               |            |                      |
| per Schedule 1.....                  | 34,407.72     | 838,281.09 | 10,838,281.09        |
|                                      |               |            | <u>33,171,399.66</u> |

### ACCOUNT

#### LIABILITIES

|  |                 |                      |  |
|--|-----------------|----------------------|--|
| Accounts payable.....                  | \$ 1,323,031.36 |                      |  |
| <u>NET OBLIGATIONS TO PRINCIPALS</u>   |                 |                      |  |
| Representing advances from agencies of |                 |                      |  |
| various governments (including Canada) |                 |                      |  |
| and certain international bodies.....  |                 | 23,462,931.93        |  |
|  |                 | <u>24,785,963.29</u> |  |

CONTINGENT LIABILITIES: Claims pending \$96,722.79

I have examined the accounts of the Canadian Commercial Corporation for the year ended March 31, 1952, 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, 1952, according to the best of my information and the explanations given to me and as shown by the books of the Corporation.

(Sgd.) J. HOPKINSON  
Assistant Auditor General.

## CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expenditure for the year ended March 31, 1952

### INCOME

|   |              |              |
|---|--------------|--------------|
| Purchase surcharge from various governments<br>(including Canada) and international agencies..... | \$186,417.37 |              |
| Interest and other income.....  | 14,065.75    |              |
|   |              | \$200,483.12 |

### EXPENDITURE

|   |              |            |
|---|--------------|------------|
| Salaries:   |              |            |
| Executive Officers.....   | \$ 38,727.15 |            |
| Others .....  | 778,493.93   |            |
|   | 817,221.08   |            |
| <br><i>Less: Recovery from Department of<br/>Defence Production with respect to<br/>shared personnel.....</i> |              |            |
|   | 701,011.52   | 116,209.56 |
| <br>Rent, light and heat.....   |              |            |
|   |              | 1,892.44   |
| Telephone, telegraph and postage.....   |              | 5,079.33   |
| Printing, stationery and office supplies.....   |              | 6,496.00   |
| Advertising for tenders.....  |              | 417.71     |
| Travel expenses.....  |              | 13,484.79  |
| Unemployment insurance.....   |              | 4,693.26   |
| Interest on employees' retirement<br>fund deposits.....   |              | 4,526.87   |
| Maintenance of office equipment.....  |              | 598.32     |
| Other expenses.....   |              | 12,677.12  |
|   |              | 166,075.40 |
| <br>Excess of income over expenditure<br>carried to Surplus.....  |              |            |
|   |              | 34,407.72  |

















