

a substantial number of contracts. In this regard, it has helped to disseminate information to the private sector on other opportunities in those areas.

CCC deals with a wide variety of goods and services and its Canadian clients are drawn from all regions of the country. About half of the companies which CCC contracted during 1983-84 were small firms with fewer than 100 employees or less than \$5 million in sales. Over three-quarters of the contracts signed by CCC were valued at less than \$100,000.

CCC answers to Parliament through the Secretary of State for External Affairs and the Minister for International Trade. It is financed by annual parliamentary appropriations (\$17.2 million was drawn in 1983-84) to cover administrative and operating costs. Since 1946, the government has contributed a total of \$20 million of equity. The cost of CCC's operations have continued to decline and now average less than 3 per cent of the value of sales in 1983-84.

The corporation consists of two entities, a headquarters group (24 Crown corporation employees) in Ottawa, and the Export Supply Branch (ESB) of the Department of Supply and Services in Hull (98 public servants). The headquarters group is responsible for corporate matters including corporate policy, financial, information, legal and publicity questions as well as for policy direction to ESB and capital projects. ESB is responsible for managing CCC's procurement business.

Options for Discussion

- (i) Reduction of CCC's mandate to its basic required role under the Canada/U.S. Defence Production Sharing Arrangement, and beyond that to responding to demands for government-to-government contracting only where required by foreign governments

Clearly a government contracting agency is required in the case of Canada's Defence Production Sharing Arrangement with the U.S. There are other cases, such as some defence sales outside the U.S. and some commercial sales, where a Canadian government agent is required. Under this option CCC would be limited to those areas and would not be involved in some defence and commercial sales with which it is now involved. Also, it would no longer be involved in its United Nations and multilateral development bank role, or in capital projects. It is for consideration whether private companies could perform some of these functions alone or in some new relationship with CCC.