

Canadian Commercial Corporation

curtain, the Canadian Commercial Corporation acts as agent for this government in that regard. I may say that the trend of the work today is largely in the direction of a procurement agency for the Department of National Defence.

Mr. Drew: Is it correct that the amount that is provided in this act is simply a rotating fund that is used for the purpose of financing transactions from time to time, and that the actual transactions carried out in the course of a year by this corporation might be very considerably in excess of that amount?

Mr. Howe: Oh, yes. The total transactions for government to government buying have totaled about \$270 million to date, and Department of National Defence purchasing has totaled over \$200 million. The Canadian Commercial Corporation uses its funds to finance current purchases only during the time that it takes to acquire the material abroad and re-sell it in Canada. For defence purchasing, no use of the corporation's funds is involved. All bills for defence purchasing are paid directly by the Department of National Defence.

Mr. Drew: Is the procedure followed one which calls for a decision first by the defence procurement board, and then the fulfilment by the corporation of the recommendations of the defence procurement board?

Mr. Howe: Ordinary Department of National Defence procurements are initiated by a requisition signed by the proper officer of the Department of National Defence to purchase a certain commodity. It may be the building of a fortification, or it may be the purchase of guns or ammunition. The requisition signed by the proper officer of the Department of National Defence is accompanied by a certificate of encumbrance; in other words, with the requisition is a certificate to show that the appropriations of the department have been encumbered for an amount sufficient to pay for the purchase when it is made.

Mr. Macdonnell (Muskoka-Ontario): I asked the minister yesterday for certain figures, which I believe he told the hon. member for Kamloops would be available, in order to bring the operations of the corporation as near to the present date as possible.

Mr. Howe: I have one of those throats that make it rather painful to speak. If my hon. friend does not mind, the member for Ottawa West will give the figures.

Mr. McIlraith: Perhaps I should first give the figures of total business placed through the corporation. For the fiscal year 1947-48, the amount of business placed through the corporation for the Department of National

[Mr. Howe.]

Defence is \$76,075,342, and for all others \$76,447,701. For the eleven months of the current fiscal year ending on February 28, the total amount placed for the Department of National Defence is \$109,925,360, and for all others for the current fiscal year to the end of February, \$42,741,886. I believe there was also an inquiry about the cost involved. The amount charged to the Department of National Defence for that work for the current fiscal year up to the end of February was \$692,718, or a rate of .63 per cent.

There was also an inquiry as to the types of commodities being purchased for export by the Canadian Commercial Corporation. I have here a list of them. There were agricultural equipment, aircraft, munitions, automotive equipment, chemicals, clothing, communication and electrical equipment, fertilizer, fish, food, hardware, industrial equipment, instruments and photographic equipment, medical stores, metals, petroleum products, railway equipment and some ship-building contracts.

Mr. Macdonnell (Muskoka-Ontario): Those are all under the heading of purchases.

Mr. McIlraith: That is the description of the articles purchased by the corporation for export at the request of other countries, purchasers from outside of Canada.

Mr. Macdonnell (Muskoka-Ontario): You have given a figure for the 1947-48 fiscal year of approximately \$76 million for purchases for the Department of National Defence, and approximately the same amount for all others.

Mr. McIlraith: That is correct.

Mr. Macdonnell (Muskoka-Ontario): Does "all others" include foreign governments as well as Canadian citizens?

Mr. McIlraith: Yes, but it is substantially foreign governments plus UNRRA in that fiscal year. If you will look at the annual report for the year you will find an interesting breakdown of that figure. It shows that some \$21 million of it was for UNRRA and \$55 million of it was for export to foreign governments.

Mr. Macdonnell (Muskoka-Ontario): That indicates what the report of 1948 says, that there was a substantial change in the activities of the corporation resulting from the tapering off of foreign government operations in Canada, and then it speaks of an increase in the Department of National Defence. The last figures you gave are for nine months?

Mr. McIlraith: No, eleven months.

Mr. Macdonnell (Muskoka-Ontario): Then the falling off is greater than I thought. In