

*Commercial Corporation*

In order to accommodate large quantities of goods such as clothing, soap, farm implements, leather and fertilizer purchased by the Canadian export board on behalf of UNRRA it became necessary for the board to establish several packaging and storage warehouses. These are located at Halifax, Saint John, St. Lambert, Lachine, Beauharnois and Winnipeg. The stores are held in the warehouses and shipped overseas from time to time as vessels become available.

It is beyond question that the services rendered during difficult war years by the Canadian export board in obtaining essential civilian goods for members of the British commonwealth and foreign governments were of great importance to the export trade of Canada. Wartime restrictions made normal trading activities impossible in most instances and consequently the establishment of this government agency was invaluable both to buyers and sellers. In many cases the purchases made by the Canadian export board for the governmental agencies of other countries provided the only means whereby Canadians were able, at least in part, to supply traditional markets, in addition to which they assisted in introducing Canadian goods into new export markets.

The work which the Canadian Commercial Corporation will undertake, however, will embrace both the export and the import fields, and I believe that it will be useful to the house if I summarize in broad outline the projected activities of the corporation under both these heads, and refer briefly to the policies of government which underlie them.

All contracts placed by the Canadian export board and not completed as of May 1 were automatically transferred to the Canadian Commercial Corporation without specific amendment. I should like to emphasize, as a point of considerable importance, that while the corporation is government owned and controlled, the contractual relationship between buyer and seller is greatly improved by the establishment of the corporation. As a separate entity, the corporation may sue or be sued in its own name in an appropriate court of justice.

In general, the corporation acts only as an agent and does not of itself initiate purchases in Canada. Nevertheless, at the request of Canadian suppliers, it will bring commodities available in Canada to the attention of those whom it represents, supplementing in this regard the foreign trade service of my department. Should such inquiries result in orders, the contracts would then be let by the corporation. One exception to this is the purchase by the corporation of canned fish, surplus to Canadian requirements, at prices arranged in

[Mr. MacKinnon.]

collaboration with the Department of Fisheries. The stocks so purchased are held in storage awaiting release on allocation by the combined food board.

The corporation will not encroach upon the activities of private business; in fact, one of its primary objectives will be to assist it directly in many important ways. For example, in the import field, it will aid Canadian traders in obtaining essential supplies from ex-enemy territories under military occupation. It is impossible now, and may be for some years, to permit private business to be transacted in a normal fashion between ex-enemy nationals and private concerns in other countries, including Canada—this will apply particularly during the process of reorientating the Japanese and German economies toward peaceful occupations. During this period it will be the responsibility of the occupation administrations to control all industry in these countries and foreign commerce will, of necessity, have to be transacted through government agencies. The measuring-rod for the entrance into Canada of supplies from these areas will be the needs of Canadian business, it being borne in mind that exports from such countries must be permitted in order to pay for necessary imports.

The situation regarding goods available for export from ex-enemy countries is still obscure. Some commodities certainly will be available for export from these areas before long. The corporation is at present endeavouring to arrange for representatives abroad through whom specific information will be obtainable in response to enquiries from Canadian businessmen. In the meantime, the corporation will welcome inquiries from those interested, but it must be emphasized that it may be difficult for some time to obtain precise information.

As far as these ex-enemy areas are concerned, the function of the corporation would be to assist the Canadian importer by acting as an intermediary, having a position of prestige recognizable by the export licensing and foreign exchange government organizations of the foreign governments or military occupation administrations concerned. The corporation would be expected to certify that the goods would be permitted entry into Canada and that the necessary foreign exchange will be provided in payment. It would thus enable a private shipper in the other country to obtain an export licence. The terms of the transactions, for example arrangements as to shipment, insurance coverage, and the purchase from the foreign exchange control board of the foreign exchange involved