



Canadian Commercial Corporation

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BRIEFING NOTE



CCC



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Executive Summary

The Canadian Commercial Corporation (CCC) is a federal Crown corporation set up in 1946 to facilitate international trade on behalf of Canadian industries with governments of foreign countries. CCC's business lines support Canadian companies contracting in a range of industries and sectors in markets around the globe.

According to the Canadian Commercial Corporation Act, CCC's mandates are as follows;ⁱ

- To assist in the development of trade between Canada and other nations.
- To assist persons in Canada to obtain goods and commodities from outside Canada and to dispose of goods and commodities that are available for export from Canada.
- To exercise or perform, on behalf and under the direction of the Minister, any powers or functions vested in the Ministry...
- To exercise or perform any other powers conferred on it by any other Act...

CCC is headquartered in Ottawa, Ontario. It employs about 140 staff members. It regularly seeks skilled contracting and procurement professionals to deliver services.ⁱⁱ CCC complements the trade promotion and financial services provided by Global Affairs Canada and Export Development Canada respectively.

CCC is considered a parent Crown corporation under the Schedule 3 Part 1 of the Financial Administration Act (FAA). It reports to the Parliament through the Minister of International Trade.ⁱⁱⁱ

Historical Overview

The Canadian Commercial Corporation, as a crown corporation, was established in 1946 by an Act of Parliament.^{iv} It was set up in response to the post World War 2 demands for nation re-building and assistance of other national governments in their efforts. This new establishment led by the US under the Marshall Plan was also mandated to deliver critical Canadian resources direly needed by European governments for reconstruction efforts and was designed to offer rapid acquisitions to meet critical needs while maintaining careful control over the tremendous public funds it was managing for these purchases.^v

In 1956, the Government of Canada and the US Department of Defense (USDoD) formalized their defense procurement relationship by signing the Defense Production Sharing Agreement (DPSA). This arrangement empowered CCC to become the 'defense cooperation procurement portal' for most contracts (exceeding \$150,000 USD) awarded to Canadian firms, recognizing the importance of the integrated nature of the North American defense industrial base.^{vi} CCC attained \$1 billion in contract volume with the USDoD in 1961. Following the success of the DPSA, NASA signed an agreement to institute a similar level of support to NASA for contracts awarded to Canadian firms through CCC.

In 1968, the Government of Canada set up the Canadian International Development Agency (CIDA) - an independent agency for delivery of foreign aids.^{vii} Due to CCC's experience in providing international aid, it was chosen to act as CIDA's primary purchaser. For the rest of the century, CCC was involved in notable activities in food security, health development projects and defense.

In 2002, the Canadian Commercial Corporation Act was amended to separate the position of Board Chair from the President, modernize its borrowing authority and developing its commercial focus. In 2006, it began to sign a Memorandum of Agreement with the Ministry of Defense for defense and security purchases from Canada.^{viii} In 2007, it signed a Memorandum of Understanding with Global Affairs Canada to support the Global Peace and Security Fund. This makes CCC the Procurement Agent of choice for the Department. From this period to present, CCC has gone on to sign several contracts for procurement and construction including the largest manufacturing export contract in Canadian history with the Kingdom of Saudi Arabia in 2014.^{ix}

Quick Statistics

According to the CCC's latest annual report,^x

- The value of contracts signed stands at \$1.6 billion.
- Commercial Trading Transactions stands at \$2.6 billion.
- The number of Canadian exporters contracting with CCC stands at 144.
- CCC has been active in 90 countries around the world.
- 92 Canadian exporters provide goods and services to the US Department of Defense (DoD).
- CCC has signed 2,222 contracts and amendments with the US DoD.
- CCC's value of contracts signed with the US DoD stands at \$726 million.
- CCC has a total of approximately 140 full time equivalent staff members.

Current Issues

Despite the elaborate mandate of CCC, it has encountered some operational issues that have had negative repercussions for Canadian taxpayers. For example, a revelation from a review of spending at Crown corporations and government agencies by the CBC News Investigative Unit shows a pay out of huge compensation to board chairmen incommensurate with their duties and responsibilities.^{xi} These payments are made in what government calls per diems - a sort of daily rate for extra work.

More so, quite a number of deals brokered by the CCC have been accompanied by controversies. For example, according to a CBC report,^{xii} Canada's arms deals brokered by CCC was not as transparent and accurate as the government said they were. While the government called the deal a 'truck deal', the report revealed it was

one involving 'heavy assault' armoured vehicles and maintenance/support being brokered with Saudi Arabia. The report continued that in a bid to reconcile the conflict, the CCC refused to discuss details of the document on the grounds of 'commercial confidentiality'.^{xiii}

Perhaps the major point of criticism by this report is that there seems to be evidence that these Canadian manufactured vehicles might have been used in Human Rights violations.^{xiv}

Another similar deal brokered by the CCC that has suffered intense criticism is that involving the sale of 16 combat helicopters to the Philippines- a country where its president is facing widespread hues and cries for a war on drugs that has left about 12,000 people dead.^{xv} Steve Staples, vice president of the Rideau Institute in Ottawa commented that this deal would not have gone through without the backing of CCC.^{xvi} Again, while called upon to comment on reasons for the sale to a country involved in an ongoing war, the CCC still declined on the grounds of commercial confidentiality.

Endnotes

ⁱ Canadian Commercial Corporation 2016-2017 Annual Report. Growing Canadian Export Business. https://ccc.ca/~media/PDFs%20Essential%20Reads%20and%20Callouts%20-%20English/CCC_AR_e13.pdf (assessed on October 5, 2018)

ⁱⁱ *ibid*

ⁱⁱⁱ *ibid*

^{iv} Canadian Commercial Corporation. Growing Canadian Export Business: Our Evolving Role in Trade. <https://www.ccc.ca/en/ccc/about-ccc/our-evolving-role-in-trade> (assessed on October 5, 2018)

^v Canadian Commercial Corporation. Our History in Foreign Aid Delivery. <https://ccc.ca/en/partners/sourcing-supply-for-stabilization-and-reconstruction/our-history-in-foreign-aid-delivery> (assessed on October 5, 2018)

^{vi} *ibid*

^{vii} Canadian Commercial Corporation 2016-2017 Annual Report. Growing Canadian Export Business. https://ccc.ca/~media/PDFs%20Essential%20Reads%20and%20Callouts%20-%20English/CCC_AR_e13.pdf (assessed on October 5, 2018)

^{viii} Canadian Commercial Corporation. Growing Canadian Export Business: Our Evolving Role in Trade. <https://www.ccc.ca/en/ccc/about-ccc/our-evolving-role-in-trade> (assessed on October 5, 2018)

^{ix} *Ibid*

^x Canadian Commercial Corporation 2016-2017 Annual Report. Growing Canadian Export Business. https://ccc.ca/~media/PDFs%20Essential%20Reads%20and%20Callouts%20-%20English/CCC_AR_e13.pdf (assessed on October 5, 2018)

^{xi} CBC News 2016. 3 Crown corp. Chairs Paid \$284,000 Compensation for 'Part-Time' Work. <https://www.cbc.ca/news/canada/canadian-commercial-corporation-compensation-1.3432392> (assessed on October 6, 2018)

^{xii} CBC News 2018. Canada's Arm Deals with Saudi Arabia Includes 'Heavy Assault' Vehicles. <https://www.cbc.ca/news/politics/canada-saudi-arms-deal-1.4579772> (assessed on October 12, 2018)

^{xiii} *ibid*

^{xiv} Huffington Post 2018. Liberals will Keep Allowing Weapons to be Sold to Human Rights Abusers. <https://www.huffingtonpost.ca/helene-laverdiere/liberals-arms-hu->

[man-rights-att-billc47_a_23441806/](#) (assessed on October 12, 2018)

^{xv} National Post 2018. Canada selling combat helicopters to Philippines despite concerns over Duterte's deadly war on drugs. <https://nationalpost.com/news/politics/canada-selling-combat-helicopters-to-philippines-despite-concerns-over-dutertes-deadly-war-on-drugs> (assessed on October 12, 2018)

^{xvi} *ibid*

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