

Since the proclamation of the Financial Administration Act, Atomic Energy of Canada Limited has been added to the agency grouping, and two corporations, Canadian Sugar Stabilization Corporation Limited and Commodity Prices Stabilization Corporation Limited, have discontinued operations and have surrendered their charters.

Proprietary Corporations.—A proprietary corporation is defined as a Crown corporation that (1) is responsible for the management of lending or financial operations, or for the management of commercial or industrial operations involving the production of or dealing in goods and the supplying of services to the public, and (2) is ordinarily required to conduct its operations without Parliamentary appropriations. Twelve such corporations are listed in Schedule D to the Act:—

Canadian Broadcasting Corporation
Canadian Farm Loan Board
Canadian National (West Indies) Steamships Limited
Canadian Overseas Telecommunication Corporation
Central Mortgage and Housing Corporation
Eldorado Mining and Refining Limited
Export Credits Insurance Corporation
National Railways, as defined in the Canadian National-Canadian Pacific Act, 1933
Northern Transportation Company Limited
Northwest Territories Power Commission
Polymer Corporation Limited
Trans-Canada Air Lines.

Departmental corporations are governed by the provisions of the Financial Administration Act that are applicable to departments generally. Agency and proprietary corporations, however, are subject to the provisions of the Crown corporations Part of the Act, although, if there is any inconsistency between the provisions of that Part and those of any other Act applicable to a corporation, the Act provides that the latter prevail. There is provision in the Part for the control and regulation of such matters as corporation budgets and bank accounts, the turning over to the Receiver General of surplus money, limited loans for working-capital purposes, the awarding of contracts and the establishment of reserves, the keeping and auditing of accounts, and the preparation of financial statements and reports and their submission through the appropriate Minister to Parliament.

A further form of control is exercised by Parliament through the power to vote financial assistance. This may take different forms. For some corporations, capital may be provided by parliamentary grants, loans or advances that may subsequently be converted into capital stock or bonds; for others it may be by the issue of capital stock to be subscribed and paid for by the Government; or by the sale of bonds either to the Government or the public. In a few instances, corporations have financed all or a portion of their requirements from their own resources or earnings. A special financing arrangement recently adopted has been the allocation of the 15-p.c. excise tax charged on radio and television sets and their parts and accessories to the revenue of the Canadian Broadcasting Corporation.

Prior to 1952, Crown corporations did not pay corporate income taxes. However, the Minister of Finance announced in the 1952 Budget that the Income Tax Act would be amended so that proprietary Crown corporations would pay such taxes on income earned in respect of financial years commencing after Jan. 1, 1952, in the same manner as any privately owned corporation. One desirable result of this amendment will be to make the financial statements of these Crown