

Department of Veterans Affairs.—This Department, established in 1944, is concerned exclusively with the welfare of veterans and includes medical, dental and welfare services, land settlement and prosthetic services and insurance. The Veterans' Bureau assists veterans in the preparation and presentation of pension claims.

The Minister of Veterans Affairs is also responsible for the Canadian Pension Commission and the War Veterans Allowance Board. The Department has administrative offices in all the larger cities across Canada and at London, England.

Section 2.—Crown Corporations

The Crown corporation form of public enterprise is not a new type of organization in Canada but, in recent years, as the work of government has become more complex, greater reliance has been placed on it as the appropriate instrument for administering and managing many public services in which business enterprise and public accountability must be combined.

The use of the corporate device to harmonize public responsibility in the development of economic resources and the provision of public services with the pursuit of commercial and industrial objectives has led to the adoption of many different forms and formulæ of management. The most usual practice has been to set up a corporation under the provisions of a special Act of Parliament which defines its purpose and sets forth its powers and responsibilities. However, during World War II, the Minister of Munitions and Supply was authorized to procure the incorporation of companies under the federal Companies Act, 1934, or under any provincial companies Act, to which he might delegate any of the powers conferred on him under the Department of Munitions and Supply Act or any Order in Council. Under this legislation, some 28 companies were created to serve a wide variety of purposes; most of these companies have since been wound up.

Following the successful experience during the war years in relying on the Companies Act for the establishment of Crown companies, similar incorporating powers were granted by an amendment to the Research Council Act and have been incorporated in the Atomic Energy Control and the Defence Production Acts.

In 1946, the Government Companies Operation Act was passed to regulate the operation of companies formed under the Companies Act. However, it was applicable only to a relatively small number of companies and, in order to establish a more uniform system of financial and budgetary control and of accounting, auditing and reporting for Crown corporations generally, Part VIII of the Financial Administration Act was enacted in 1951 and brought into operation by proclamation on Oct. 1, 1952. Upon its enactment, the financial provisions of the Government Companies Operation Act, which were covered by similar provisions in the new Act, were repealed.

One of the more interesting features of the new legislation is the attempt that has been made to define and classify Crown corporations.* The Act defines a Crown corporation as a corporation that is ultimately accountable through a Minister to Parliament for the conduct of its affairs and establishes three classes of corporation: departmental, agency, and proprietary.

* Not all Crown corporations are subject to the provisions of the Financial Administration Act. For example, the Canadian Wheat Board, the Bank of Canada and its subsidiary, the Industrial Development Bank, because of the special nature of their functions, are excluded from the operations of the Crown Corporations Part of the Act and are governed by their own Acts of incorporation, as are such joint enterprises of the Federal and Provincial Governments as the Eastern Rockies Forest Conservation Board and the Halifax Relief Commission.