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Department of Transport.—The Department was created on Nov. 2, 1936, from the former Department of Marine, Railways and Canals and the Civil Aviation Branch of the Department of National Defence (R.S.C. 1952, c. 79).

The work of the Department consists of four main Services: Marine, Air, Canals and Railways. The work of the Marine Service includes aids to navigation, nautical and pilotage services, marine agencies, steamship inspection and floating equipment and direct supervision over 300 public harbours; seven other harbours come under supervision of the Department but are administered by Commissions. Air Services cover the operation of civil aviation, meteorological and telecommunication branches. The latter includes the administration and regulation of radar, radio marine and radio aeronautical aids to navigation and communication by wire and by government telegraph and telephone. The Canal Service has jurisdiction over the canals and canalized waterways of Canada. These include the main or primary canals on the St. Lawrence River and Great Lakes and a number of subsidiary or secondary canals.

Other services of the Department are in connection with the Government owned companies: the Canadian National Railways, Hudson Bay Railway, Canadian Government Railway, Canadian National (West Indies) Steamship Service and the Prince Edward Island Ferry and Terminals.

The Minister of Transport is responsible to Parliament for the following boards and commissions: the Air Transport Board; Board of Transport Commissioners; Canadian Maritime Commission; Steamship Inspection Board; National Harbours Board; Park Steamship Company Limited; Canadian National Railway Securities Trust; the St. Lawrence Seaway Authority; and the Canadian Overseas Telecommunication Corporation.

Department of Veterans Affairs.—This Department, established in 1944 (R.S.C. 1952, c. 80), 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 formulas 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 about 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 were repealed.