

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 Upon its enactment the financial provisions of the Government Companies Operation Act were repealed.

One of the more interesting features of the later 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.

Departmental Corporations.—A departmental corporation is defined as a Crown corporation that is a servant or agent of Her Majesty in right of Canada and is responsible for administrative, supervisory or regulatory services of a governmental nature. Ten departmental corporations are listed in Schedule B to the Act:—

- Agricultural Stabilization Board (formerly Agricultural Prices Support Board)
- Atomic Energy Control Board
- Canadian Maritime Commission
- Director of Soldier Settlement
- The Director, The Veterans' Land Act
- Dominion Coal Board
- Fisheries Prices Support Board
- National Gallery of Canada
- National Research Council
- Unemployment Insurance Commission.

Agency Corporations.—An agency corporation is defined as a Crown corporation that is an agent of Her Majesty in right of Canada and is responsible for the management of trading or service operations on a quasi-commercial basis or for the management of procurement, construction or disposal activities on behalf of Her Majesty in right of Canada. The following agency corporations are listed in Schedule C to the Financial Administration Act or have been subsequently added to that Schedule by the Governor in Council:—

- Atomic Energy of Canada Limited
- Canadian Arsenal Limited
- Canadian Commercial Corporation
- Canadian Patents and Development Limited
- Crown Assets Disposal Corporation
- Defence Construction (1951) Limited
- National Battlefields Commission
- Northern Canada Power Commission (formerly Northwest Territories Power Commission)
- National Capital Commission (formerly Federal District Commission)
- National Harbours Board
- Park Steamship Company Limited.

* 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 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. Though not included in the Schedules to the Financial Administration Act, certain provisions of the Act apply to the Northern Ontario Pipe Line Crown Corporation, set up on June 7, 1956 to oversee the building of a cross-country natural gas pipeline. The Canada Council was set up under the Canada Council Act (assented to Mar. 28, 1957) as a Crown corporation but has been declared not an agency of the Crown and hence is not included in the Schedules to the Financial Administration Act.