

their charters. By an Order in Council of June 15, 1955, the name of the Northwest Territories Power Commission (now Northern Canada Power Commission) was deleted from Schedule D and added to Schedule C, effective Apr. 1, 1954.

*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. The following proprietary corporations are listed in Schedule D to the Act or have been subsequently added to that Schedule by the Governor in Council:—

- Canadian Broadcasting Corporation
- Canadian Overseas Telecommunication Corporation
- Central Mortgage and Housing Corporation
- Eldorado Aviation Limited
- Eldorado Mining and Refining Limited
- Export Credits Insurance Corporation
- Farm Credit Corporation (formerly Canadian Farm Loan Board)
- National Railways, as defined in the Canadian National-Canadian Pacific Act, 1933
- Northern Transportation Company Limited
- Polymer Corporation Limited
- St. Lawrence Seaway Authority
- Cornwall International Bridge Company Limited (subsidiary to the St. Lawrence Seaway Authority)
- 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 to Parliament through the appropriate Minister.

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 to either the Government or the public. A few corporations have financed all or a portion of their requirements from their own resources or earnings. Under a special financing arrangement, a 15-p.c. excise tax charged on radio and television sets and their parts and accessories was allocated to the revenue of the Canadian Broadcasting Corporation, but this was discontinued under the provisions of the Broadcasting Act, which came into force on Nov. 10, 1958, and since that time the Corporation has received federal financing solely by parliamentary grants.

Prior to 1952, Crown corporations did not pay corporate income taxes. However, the Income Tax Act was later amended so that, in respect of financial years commencing after Jan. 1, 1952, proprietary Crown corporations pay taxes on income earned in the same manner as any privately owned corporation. One desirable result of this amendment is that the financial statements of these Crown companies are now more comparable with those of private industry, with which in some instances they are in competition, and thus it is easier to assess the relative efficiency of their operations.