

In order that departments may serve the public in accordance with the Official Languages Act, the commission ensures that employees appointed are qualified to meet the linguistic requirements of positions and, in situations where they do not qualify, that incumbents or winners of competitions for bilingual positions receive training in their second official language. Part-time language training is also available to other public servants.

**Native peoples.** The federal Indian affairs and northern development department is responsible for meeting statutory obligations to Indians registered under the Indian Act and for programs approved specifically for them.

Canada's 22,300 Inuit, most of whom live in Northwest Territories, Quebec and Labrador, are the concern of the federal Indian affairs and northern development department, the government of Northwest Territories and provincial governments.

See Appendix 10, the Constitution Act, 1982, for additional information.

### 19.5.2 Departments, boards, commissions and corporations

In Canada the work of government is conducted by federal departments, special boards, commissions and corporations owned or controlled by the Government of Canada, as well as several corporations in which the government holds a minority interest. Of the corporations owned by the Government of Canada, the Crown corporation mode of organization is the most common. Certain activities of a province may also be carried on through Crown corporations. The government has resorted to Crown corporations with increasing frequency to administer and manage public services, many of which require the combination of business enterprise and public accountability. The historical evolution of Crown corporations is described in the government's proposals on the control, direction and accountability of Crown corporations published in August 1977. Chapter I of that paper describes the historical and constitutional background of the Crown corporation form. Part VIII of the Financial Administration Act (RSC 1970, c.F-10) provides a uniform system of financial and budgetary control and of accounting, auditing and reporting for the majority of Crown corporations. In addition, that legislation 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 Crown corporation: departmental, agency and proprietary.

**Departmental corporations.** A departmental corporation is defined as a 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.

**Agency corporations.** An agency corporation is defined as a 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.

**Proprietary corporations.** A proprietary corporation is defined as a corporation that 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 is ordinarily required to conduct its operations without parliamentary appropriations.

Departmental corporations are governed by the provisions of the Financial Administration Act that apply to departments generally. Agency and proprietary corporations are subject to the provisions of Part VIII of the act; if there is any inconsistency between its provisions and those of any other act applicable to a corporation, the latter prevail. The same part provides for the regulation and process of approval of corporate budgets and the control of bank accounts, turning over surplus money to the receiver general, providing loans for limited working-capital purposes, awarding contracts and establishing reserves, keeping and auditing accounts, and preparing financial statements and reports for submission to Parliament through the appropriate minister.

A further form of control is exercised by Parliament through the power to vote financial assistance to a corporation, which may secure financing through parliamentary grants, loans or advances, by the issue of capital stock to the government, or by borrowings from the capital markets, often with a government guarantee.

**Unclassified corporations.** Several government-owned corporations are not listed in schedules to the Financial Administration Act but are governed by their own special act, letters patent or articles of incorporation: such as the Bank of Canada, the Canada Council, the Canadian National Railways Securities Trust, the Canadian Wheat Board, and the National Arts Centre Corp. The only provision of the Financial Administration Act to which they are subject is that governing the appointment of auditors, although the Governor-in-Council has the power in some instances to add an unclassified corporation to one of the schedules to the Financial Administration Act.

**Other corporations.** The federal government has established or assisted in the establishment of a number of corporations in which it holds a portion of the capital stock. In most cases, private sector investors hold the remaining shares; in several cases shares are held by provincial or other governments.