

Crown Corporations



What are the 3 reasons Crown Corporations are created?

- ◆ Socrative
 - ◆ Room Number: 735426
 - ◆ m.socrative.com

<http://www.cbc.ca/strombo/news/new-report-sounds-the-alarm-on-food-insecurity-in-canadas-north>

What is a Crown corporation?

- ◆ A **Crown corporation** is a company that is owned by the Canadian government to provide goods and services to the people of Canada.
- ◆ Crown corporations are supposed to:
 - ◆ Provide an essential service
 - ◆ Promote economic development
 - ◆ Support Canadian culture and identity

Crown Corps – Pros and Cons

Pro

- ◆ Has public interest in mind
 - ◆ Allows for fair price
 - ◆ Allows for access for all/most people
- ◆ Potentially, more jobs and higher wages
- ◆ Companies won't go bankrupt and close (financial support from the gov't)

Con

- ◆ Very expensive – using a lot of tax dollars
 - ◆ Costs a lot of money to keep businesses from going bankrupt
- ◆ Often inefficient – lots of time and resources go into bureaucracy
- ◆ Not allowing principles of market economies to take over – intervening in issues of supply/demand, scarcity and competition

Crown Corporations



Royal Canadian Mint

Yes, it's still a crown corporation.
It's a Federal Crown corporation
And the company manufactures coins (gold, silver,
etc.)

How does it benefit Canada?

- making coins to buy stuff
 - Creation of our own currency
- named it after the queen (Royal)
 - promotes national identity (Canadian symbols) and connection to Britain



Bank of Canada

- ◆ The Crown Corporation Bank of Canada still exists today.
- ◆ The Bank of Canada is a provincial crown corporation.
- ◆ The Bank of Canada has 4 main responsibility:
 1. Monetary Policy – is concerned about how much money circulates in the economy and what the money is worth
 2. Financial System –consists of financial institutions such as banks and credit unions, the financial markets and payment systems.
 3. Currency -The Bank of Canada is the country's sole bank note-issuing authority and is responsible for designing, producing, and distributing Canada's bank notes.
 4. Funds Management -The Bank is the "fiscal agent" for the Government of Canada. The role of fiscal agent encompasses several responsibilities relating to the management of public funds.
- ◆ The Bank of Canada is a benefit to Canada because it promotes the economic and financial welfare of Canadians by keeping inflation low, stable and predictable providing a climate that is more favourable to sustain economic growth and job creation.



SaskPower

SaskPower is still a crown corporation today

SaskPower is a provincial crown corporation

It supplies electricity to most of Saskatchewan

It benefits Canada by supplying power for most of Saskatchewan at affordable prices.



Via Rail Canada

Is our corporation still a crown corporation?
Yes, it has been since 1978.

Is it a federal or provincial crown corporation?
It is a federal crown corporation.

What does your crown corporation do?

It is a passenger train traveling company.
Travels across Canada, through 8 provinces.

How does your crown corporation benefit Canada?

- It gets you from place to place on a train if needed.
- Great example of developing Canadian identity and culture



CBC Television


CBC Television is still to this day a Crown Corporation. It is a national public broadcasting that offers Canadians services on radios, television, and Internet.

The corporation falls under the umbrella as federal. Meaning the government takes part in the actions that happen in this corporation.

It serves as a national TV broadcaster. Providing programming in French and English. It also has programming in eight aboriginal languages. It's also relatively low in advertising.

The benefits is providing entertainment to the people of Canada in different languages. It helps create an understanding to the cultural groups of Canadian viewership and promotes a Canadian identity.





BC Transit

- ◆ Yes the BC transit is still a crown corporation
- ◆ It is a provincial corporation
- ◆ The BC transit is a corporation in the transportation business. It runs busses
- ◆ Its main purpose is to make it easier to make it from point “A” to point “B”



PETRO-CANADA

Petro-Canada

- ◆ Petro Canada is not a crown corporation today. It stopped being a crown corporation in August 2009.
- ◆ Petro Canada is federally owned.
- ◆ It provides us with gas for all of our vehicles.

B.C. Ferries

In April 2003, BC Ferries was transformed from a Crown corporation into an independent, commercial organization under the Company Act.

They're a Provincial corporation and it provides all major passenger and vehicle ferry services for coastal and island communities in the Canadian province of British Columbia.



On the Fence: Canada Post



Problems with the Canada Post:

- Unprofitable – has \$1 billion in debts each year
 - Costing the government a lot of money each year
- Currently have a monopoly on the industry
 - Thus making it more expensive to use the service than otherwise
- Is it really an essential service?
 - Mail is becoming increasingly obsolete with tech options such as email or text messaging



How do they fix it?

- Make the service slightly more expensive – reduce debts
- Remove home delivery
- Modernize system – have longer hours
- Privatize Canada Post

What's a Monopoly?

- ◆ When one producer controls all supply of a produce or service
- ◆ Governments create monopolies for a variety of reasons:
 - ◆ To compensate for expensive infrastructure for essential services (water lines or sewage lines)
 - ◆ To set prices for essential goods and protect producers when problems arise (Canadian Wheat Board)
- ◆ Government can intervene to prevent monopolies too!
 - ◆ Ex) Microsoft was forced to redesign software to make it compatible with other products, not just Internet Explorer