

What are the 3 reasons Crown Corporations are created?

- Socrative
 - Noom 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 <u>Crown corporation</u> 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

Con

- 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)
- 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





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.

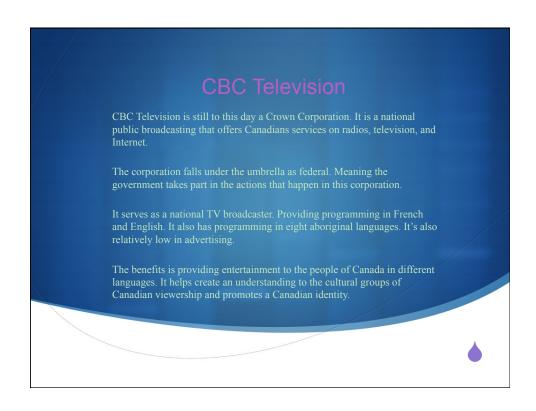




SaskPower

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.





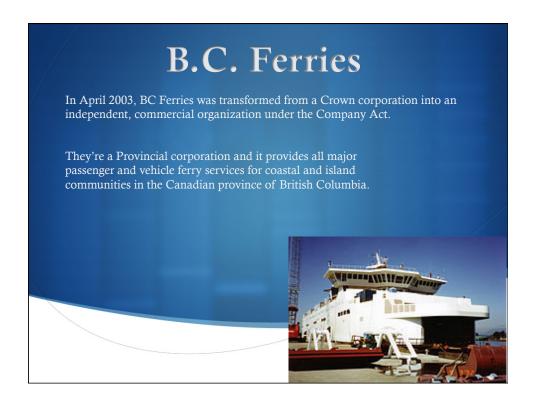


- Yes the BC transit is still a crown corporation
- It is a provincial corporation
- The BC transit is a corporation in the transportation business. It runs busses
- Its main purpose is to make it easier to make it from point "A" to point "B"



Petro-Canada

- Petro Canada 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.







HAS ENDED

HOME

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

MC

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