What is a Crown Corporation?

In Canada, a Crown corporation refers to a company run by the government.

Crown corporations exist because it is felt their work should be kept at arm’s length from the government. A politician is forbidden from interfering in the daily operations of a crown corporation. Thus a politician cannot tell the CBC to report a certain way and cannot tell VIA Rail to start servicing their community.

The legislature only has the power to set the budget of the corporation and to appoint its chairperson. This gives a fair amount of control, but corporations have not been afraid to sometimes go against the government as can be seen in the CBC's frequent and wholehearted criticisms of the government.

There are two types of crown corporations. The first, like the CBC and the Canada Council, exist to advance cultural goals that the private sector might not do adequately on its own. The other type, such as VIA Rail and the Saskatchewan Wheat Pool, are [natural monopolies](http://encyclopedia.kids.net.au/page/na/Natural_monopoly) that will not operate to the benefit of consumers in a free market.

Many of these types of crown corporations were sold off by Brian Mulroney's government in the 1980s, as we shall see later.

Canada has a number of crown corporations. These include:

* The CBC
* VIA Rail
* The Canada Council
* Canada Post
* Farm Credit Corporation
* Canada Land Corporation

There are also a number of businesses which used to be crown corporations but are now privatized:

* Air Canada
* Petro Canada
* Bell Canada

The provincial governments also have crown corporations these include:

* Hydro Quebec
* Saskatchewan Wheat Pool
* SaskTel
* TV Ontario
* Insurance Corporation of British Columbia