INTRODUCTION

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In the fall of 2004, Justice Gomery invited me to join the Commission of Inquiry into the Sponsorship Program and Advertising Activities as its Director of Research for phase II of the Commission's work, or what commonly became known as the recommendation phase. He laid out an important challenge for the research program by asking: "Do you know what makes a good judge?" I did not know the answer, as my puzzled look surely revealed, and he quickly replied: "Two good lawyers in front of the judge representing both sides of the case in a very competent manner." To be sure, the point was not lost on me: Justice Gomery was prepared to consider any issue, so long as the research program was able to provide a solid case for both sides. At no point did Justice Gomery indicate a bias on any question, a preconceived notion or the suggestion that the research program should consider any issue, or look at it from a given perspective. This approach also guided his participation at all the Advisory Committee meetings and at roundtable discussions held in five regions between August and October 2005.

I took careful note of the Commission's mandate and its terms of reference. The terms of reference called on Justice Gomery to make recommendations, "based on the factual findings" from phase I, "to prevent mismanagement of sponsorship programs or advertising activities." It listed a number of specific issues to review and asked for "a report on the respective responsibilities and accountabilities of ministers and public servants."

I monitored the testimony from witnesses who appeared before Justice Gomery, in both the Ottawa and the Montreal sessions. I also produced a paper designed to identify the key issues for the Commission to consider. I met regularly with Justice Gomery to review the issues and the Commission's research program as it was being planned. He asked early on that I take into account what the government was doing to reform its management activities and to review the various documents being tabled by the President of the Treasury Board, so the Commission would not try to reinvent the wheel. He noted, for example, that the Treasury Board had produced a solid document on the governance of Crown corporations. He made the point that, rather than start from scratch, we should offer a critique of the document and compare its findings with developments in this area in other countries.

The Commission's research program was the product of many hands. In particular, I want to single out the work of Ned Franks, Professor Emeritus at Queen's University and one of Canada's leading students of Parliament. He helped with every facet of the research program, from identifying issues to study, to recommending scholars and practitioners.

The Commission's Advisory Committee also provided important advice and support to the research program. The Commission was able to attract an impressive list of Canadians to serve on the Committee, led by chairman Raymond Garneau, a leading business person from Quebec, a former Minister of Finance in Quebec and a former Member of

Parliament in Ottawa. Other members included Roch Bolduc, a former Senator and former senior public servant with the Quebec Government; Professor Carolle Simard, from the Department of Political Science and Public Administration at the Université du Québec à Montréal; Bevis Dewar, a former Deputy Minister of Defence and head of the Canadian Centre for Management Development, recently renamed the Canada School of the Public Service; the Honourable John Fraser, a former federal Cabinet minister and former Speaker of the House of Commons; Constance Glube, a former Chief Justice of Nova Scotia; Ted Hodgetts, Professor Emeritus at Queen's University and a member of the Royal Commission on Financial Management and Accountability (Lambert Commission) and editorial director for the Royal Commission on Government Organization (Glassco Commission); and Sheila-Marie Cook, a former official with the federal government and the Commission's Executive Director and Secretary. I acted as Secretary to the Advisory Committee.

I can hardly overstate the importance of the work of the Advisory Committee in designing and overseeing the Commission's research program. I benefited greatly from the wise counsel members provided to me both individually and collectively, from their insights and their necessary words of caution. They were generous with their time and their patience. They read the various research papers and provided advice on how to make use of their findings in shaping the phase II report.

At its most general level, the Commission's research program examined how Parliament relates to the Canadian Government and to public servants, and vice versa; how best to promote transparency in government; and the role of key political and administrative actors in government. The papers produced for the Commission promote various perspectives, and at times conflicting ones. This diversity was by design. The papers also offer different methodologies. We were fortunate in being able to attract leading scholars in their fields to produce these

research papers for the Commission. We also turned to practitioners for papers dealing with exempt staff, internal audit, and advertising and sponsorship issues.

The papers deal with all the issues Justice Gomery was asked to address. They look at the respective roles of Parliament, ministers and senior public servants; the appointment process for deputy ministers and the evaluation process for them; access to information; and legislation for whistle-blowing and lobbying.

The Papers

"The Role of the Clerk of the Privy Council," by S.L. Sutherland, explains that the Clerk of the Privy Council, as the most senior non-political official in the Canadian federal government, facilitates the collective form of government through the flow of papers and information to and from the Cabinet. The incumbent holds three titles in addition to "Clerk": Secretary to Cabinet, Deputy Head to the Prime Minister, and Head of the Public Service. The double identification as both Clerk and Secretary is owed to the accretion of public law in Canada, which has resulted in two bodies managing the core executive functions of the state—both the Cabinet and the Governor in Council.

This paper reviews the institutional context for, and the development and current role of, the Clerk of the Privy Council, as well as the newer role as Head of the Public Service of Canada. Sutherland compares this role with that of the Secretary to Cabinet in Britain. She reports on how successive Canadian clerks have understood their role, played their role and written about their role; how others have assessed their performance; and how various elements of the Clerk's role have changed over time. The paper identifies the forces that have driven the adjustments, including more recent developments in public administration such as horizontality and the New Public Management

system. Sutherland concludes with recommendations on adjustments to the Clerk's role that might improve and clarify accountability.

As the Government's senior official supporting the Prime Minister, the Clerk advises on and explains public policy emanating from anywhere in the system and interprets the capacities and weaknesses of the public service apparatus. The Clerk is the centre of one of the most urgent and broadest information flows in government. Working with the Prime Minister or the Chief of Staff in the Prime Minister's Office (PMO), the Clerk is also an important problem-solver in the public service and is at the interface between the public service and the political actors.

The policy scope of the Clerk arises from the requirement for the Clerk not only to ensure that the Cabinet paper system is well managed and that Ministers are well served but to achieve intellectual mastery of the content of current files, so as to be able to provide advice as required to the Prime Minister. Issues flow into Cabinet from Ministers, and also to the Prime Minister from the PMO. The PMO is a co-advisor of the Prime Minister, and the two streams of advice must be reconciled.

With the proclamation of the amended *Public Service Employment Act* in 1993, the role of Head of the Public Service became a formal responsibility of the Clerk. It seems clear from the brevity of the establishing clause and from the lack of duties and resources attached to the role that it was never intended to be an executive function. The Clerk's role as Head is to represent the Government to the public service and to express the needs of the public service to the Government. The Clerk is directly responsible to the Prime Minister to provide support for deputy head appointments made by the Prime Minister under the prerogative, by Order in Council. In cases where "the required balance" between accountabilities cannot be maintained, or in any matter where a deputy feels his or her own accountability with that of the Minister

or with the agenda and direction of the Government is significantly affected, the Deputy Minister is asked to consult the Clerk.

The biggest change in the Clerk's duties centres on the Clerk's role as problem-solver. This responsibility has led to criticism that the Clerk's role is being overly politicized. The Clerk meets every morning with the Prime Minister and the Prime Minister's Chief of Staff, so is in the position to act quickly to minimize difficulties where he or she has leverage and believes the activity to be appropriate to the role. The quality of personnel in the PMO varies over time, and the Clerk is at the centre of information networks in government. If the Clerk outperforms the political office, the Prime Minister will likely make greater use of the Clerk's mediation capacity.

In the 1990s, Canada's implementation of the New Public Management system coincided with both a reorganization in government and cuts in spending through Program Review. Talk of empowerment and risk-taking was the gloss put on the various restraint measures. In this climate of rapid change, however, important issues of control and risk, including the amount of risk created for the political leadership, were not fully thought out. The New Public Management environment provided a background of "administrative laxity."

Sutherland asks whether risk management in the federal government is sufficiently attuned to *political* risk. Both the Deputy Minister of Public Works and Government Services Canada and the former Clerk of the Privy Council, Jocelyne Bourgon, told the Sponsorship Inquiry that they were fully occupied with other files and did not focus their attention on the Sponsorship initiatives. The author concludes that it might be wise to ask the Treasury Board to monitor political risk to lower the incidence of political scandals.

Sutherland makes eight recommendations under two general themes—the first four aim to modernize the Clerk's role, and the second four to reinforce the integrity of the centre:

1. Add explicit probes to the Clerk's script for annual deputy head appraisals to ensure that deputy heads communicate their ethical worries to the Clerk, and, reciprocally, that the Clerk clarifies his or her own views to the deputies.

2. Abolish the Clerk's "Head" role and create the ministerial title "Minister of the Public Service" for the President of the Treasury Board.

3. Remove the informal title of "Deputy Minister to the Prime Minister" from descriptions of the role of the Clerk and Secretary to Cabinet.

4. Change the name of the Clerk of the Privy Council to Cabinet Secretary.

5. Link the seniority of the Clerk in relation to other deputy heads to his or her role as the final guardian of the Constitution, the workings of Cabinet government, and the machinery of government.

6. Encourage Canada to consider creating a permanent Committee on Standards in Public Life, similar to that established in Britain in 1994.

7. Remind politicians that they could reduce political risk by establishing a self-governing mechanism to conduct random audits of contracting in ministerial offices and of small-budget organizations overlooked by the Office of the Auditor General.

8. Devise a modification for Canadian political circumstances of the British Accounting Officer system to prevent clashes over potentially illegal or clearly unwise expenditure by ministers.

"Responsibility, Accountability and the Role of Deputy Ministers in the Government of Canada," by James Ross Hurley, reports that, in the United Kingdom, permanent heads—the equivalent of deputy ministers in Canada—wear a second hat: they are appointed as accounting officers and have direct and personal responsibility for the management of public funds and public property. They are answerable before parliamentary committees and are accountable to their ministers for the discharge of their responsibilities. If a Minister asks the Accounting Officer to spend money in a way that the Accounting Officer believes contrary to propriety, regularity or value for money, the Accounting Officer should try to convince the Minister to the contrary and, if unsuccessful, must ask the Minister to put the order in writing; the Accounting Officer then files the Minister's order, along with a statement of his or her objections to it, with the Treasury and the Auditor General. The money is then spent as directed by the Minister, but, at a later date, when accounts are examined, there is a written record of the disagreement, which may, in some circumstances, be made public.

Hurley insists that the Accounting Officer operates in a particular environment: the British Public Accounts Committee is prestigious, the tenure of members is long, the Committee is non-partisan, and a governmental official from the Treasury sits at the committee table and supports the Committee in its work. The Committee seeks to clarify issues, not to apportion blame. In Canada, in contrast, membership on the Public Accounts Committee changes regularly, the Committee is highly partisan, and there is often a desire to assign blame.

The British institution of Accounting Officer is relatively formal, at least compared with Canada. Although Canada has a mechanism for handling disputes between deputy ministers and ministers concerning financial management, it is informal and private. If, in discussion, a Minister instructs a Deputy Minister to take action that would offend the

principles of propriety, regularity, value for money or the general policies of the Government, the Deputy Minister can communicate with the Clerk of the Privy Council and seek intervention (on the Prime Minister's behalf or by the Prime Minister). The advantage of this approach is that it has the potential for averting the improper allocation of funds before it occurs. It also keeps confidential any disagreement between the Minister and the Deputy Minister—conflict that, if public, might be used by a partisan Public Accounts Committee to envenom relations between the Minister and the Deputy Minister.

Hurley does not recommend that the British institution of Accounting Officer be adopted in Canada. He adds that the flagrant breakdown in the proper and orderly governance of Canada which occurred in the Sponsorship Program was due to human error, not the lack of institutional safeguards. Rather than introducing the Accounting Officer concept, Hurley recommends that ministers and their exempt staff be briefed, as they are appointed, on the specific roles and responsibilities of both political and professional actors; on the need to respect the office of the Deputy Minister as the bridge between them; on the need for propriety, regularity and value for money in public expenditures; and on the centrality of values and ethics in the operation of Canada's system of responsible parliamentary government. Deputy ministers (in their performance agreements) and public service managers (through instructions, courses or training) should be impressed with the centrality of values and ethics in the operation of Canada's system of responsible parliamentary government, the need to speak the truth once in power, and the importance of propriety, regularity and value for money in public finances. In brief, these issues should be key components in the Performance Management Program for deputy ministers and in the performance evaluation of public service managers.

"The Respective Responsibilities and Accountabilities of Ministers and Public Servants: A Study of the British Accounting Officer System and Its Relevance for Canada," by C.E.S. (Ned) Franks, examines the respective responsibilities and accountabilities of ministers and deputy ministers for financial administration in Britain and in Canada. To do so, it compares the British Accounting Officer system for accountability of ministers and deputy ministers to Parliament with Canadian practices. Though the two parliamentary systems are in many respects similar, they differ markedly in the way their governments and parliaments interpret and enforce the role, responsibilities and accountability of ministers and senior public servants for financial administration.

In Britain, the permanent secretaries (deputy ministers) of departments are designated as "accounting officers" for their departments. In their position as accounting officers, they have full and personal responsibility for ensuring that the standards of regularity, propriety and value for money are observed in the financial administration of their departments. Accounting officers cannot delegate or otherwise evade this responsibility. As the British Treasury observes, "In practice, an Accounting Officer will have delegated authority widely, but cannot on that account disclaim responsibility."

A British Minister can overrule an Accounting Officer through written "ministerial directions." The correspondence between Accounting Officer and Minister relating to a ministerial direction is transmitted to the Treasury and the Auditor General. This correspondence does not explain in any detail the reasons behind either the objection or the ministerial direction. It simply puts on record that the overruling has occurred and hence the Minister, not the Accounting Officer, bears responsibility and is accountable for the decision. The process does not violate the confidentiality of discussions between Minister and Accounting Officer. The process also ensures that, because the Minister

has the power to overrule an Accounting Officer, ministers can impose their decisions on the accounting officers. This distinction preserves the principle of ministerial responsibility.

The forum for the accountability of accounting officers is the Public Accounts Committee of the British House of Commons. This Committee has an enviable record of well over a century of valuable, non-partisan work in both creating and strengthening the position of the accounting officers as the key holders of responsibility for financial administration. The Committee and the Treasury work together toward achieving their common goal of probity in financial administration. The British Parliament regards the Treasury as its ally in this quest.

Together the British accounting officers, the Public Accounts Committee, the Treasury, and the Comptroller and Auditor General make a coherent and effective system for financial accountability to Parliament and for ensuring that rules, regulations and statutory authorities are observed. The British Treasury advises accounting officers that they should, if they have doubts about a proposed course of action, ask themselves: Could I satisfactorily defend this before the Public Accounts Committee? And since accountability to Parliament is part of a wider accountability, the question can be put even more simply: Could I satisfactorily defend this course of action in public?

The Canadian approach to financial accountability to Parliament, Franks maintains, does not have the clarity or coherence of the British, though Canadian deputy ministers have roles and responsibilities similar to those of British permanent secretaries. In fact, Canadian deputy ministers possess greater statutory responsibilities in their own right than do British accounting officers. Nevertheless, the Canadian government insists that, unlike their British counterparts, Canadian deputy ministers do not have an accountability relationship with the Public Accounts Committee. Canadian deputy ministers appear before the Committee

on behalf of their ministers, even when the issue in question relates to statutory responsibilities that belong to deputy ministers, not to ministers. This division of responsibility is the fundamental and single greatest difference between the British and Canadian approaches to accountability to Parliament for financial administration.

Many arguments have been presented in Canada to support the Government's rejection of a Canadian version of the Accounting Officer system. Several of these arguments stem from misunderstandings of the British system, including the incorrect claims that, first, the British system allows the Public Accounts Committee to reward, punish and instruct accounting officers; second, the Accounting Officer system violates the principle of ministerial responsibility; and, third, it destroys the confidentiality and trust necessary between Minister and Deputy.

Franks maintains that an effective system for financial accountability does not require change to the statutory responsibilities of deputy ministers, but it does require change to the way deputy ministers are held accountable. Parliament and Government have common interests in ensuring regularity, propriety and value for money in financial administration. The instruments for ensuring these elements of financial accountability are, on the parliamentary side, the Auditor General and the Public Accounts Committee, and, on the Government's side, the deputy ministers and the Treasury Board. Two parts of a coherent and effective system are missing in Canada: first, an appropriate focus on the accountability of deputy ministers, the persons who hold clearly assigned statutory responsibilities for financial administration; and, second, a Treasury Board that supports both the Public Accounts Committee and the deputy ministers in the quest for probity in financial administration.

Canadian practices took their present form under the different conditions of the past, when the Public Accounts Committee was weak

and ineffective, when a strong role for ministers in the details of financial administration was an accepted practice, and when controls through central agencies of Government dictated a minor role for deputy ministers. Much has changed. The roles of the various bodies have not adapted to accommodate these changes. The purpose of reform should be to ensure that each of these players performs the appropriate role, and that, together, they create an effective and coherent system for accountability to Parliament for financial administration. Franks concludes with a series of recommendations:

- Deputy ministers should be accountable in their own right as the holders of responsibility before the Public Accounts Committee.

- The Government should establish a formal process through which a Minister can overrule a Deputy Minister's objections on matters related to the powers that deputy ministers hold in their own right.

- These overrulings should be recorded in correspondence between the Minister and the Deputy. This correspondence should be transmitted to the appropriate officer in the Treasury Board Secretariat and be available for examination by the Office of the Auditor General.

- Deputy ministers should serve in an office for three to five years.

- The Treasury Board should prepare a protocol that instructs and informs deputy ministers on the scope of those matters for which they hold personal responsibility and are liable to be held accountable before the Public Accounts Committee. This protocol should be agreed to by the Public Accounts Committee, and it should establish the ground rules for the appearance of deputy ministers as witnesses before the Committee.

- Members of the Public Accounts Committee should be expected to serve on the Committee for the duration of a Parliament.

"Ministerial Responsibility and the *Financial Administration Act*: The Constitutional Obligation to Account for Government Spending," by Stan Corbett, analyzes ministerial responsibility in the context of the Westminster model applied to Canada, drawing on the literature and a detailed review of relevant legislation and court cases. The paper examines the constitutional basis of ministerial responsibility and the statutory basis of financial accountability. The concepts of responsibility, accountability and liability are analyzed in the context of the *Financial Administration Act* as an instrument of policy.

Corbett points out that Canadian courts have occasionally endorsed the view that there is a straightforward separation of powers in the Canadian Constitution: the legislature's role is to decide upon and enunciate policy; the executive's role is to administer and implement that policy; and the judiciary's role is to interpret and apply the law. He adds, however, that the Supreme Court has acknowledged that the role of the executive is somewhat more complex. The courts have stated explicitly that the reality of Canadian governance is one in which the executive frequently controls the legislature. Hence, the doctrine of the separation of powers finds its own special application within the Canadian context: it is in the role of the courts vis-à-vis the legislature and the executive rather than in the relation between the executive (understood to include the Cabinet) and the legislature (which includes ministers). The line between the legislature and the executive separates the dual roles of individual Cabinet ministers. The obligation to respect the separation of powers is an essential part of the idea of ministerial responsibility. As lawmakers and as executive actors, ministers are subject to both the democratically expressed will of Parliament and the rule of law. Ministers are also partisan political actors.

Corbett argues that the doctrine of ministerial responsibility contains both political and legal elements. It is of some importance whether ministerial responsibility is placed within the legal or the conventional

part of the Canadian constitutional order. Individual ministerial responsibility has been characterized as legal, while collective ministerial responsibility is thought of as a political convention. Under the former, ministers are responsible for the actions of their departments, while, under the latter, ministers are responsible for the policies of their government. The point of holding ministers legally as well as politically responsible for the actions of their departments draws attention to the fact that the minister is responsible under the Constitution for ensuring that the business of the department is conducted in accordance with the rule of law. This responsibility is more than a matter of politics or convention.

The courts, according to Corbett, have recognized the constitutional basis in law for the House to exercise its supervisory authority over executive spending. *The Constitution Act, 1867*, requires House of Commons approval of all expenditures of public money. That is not a matter of convention; it is a legal requirement. It would be a breach of section 53 of the Act for Cabinet to authorize the spending of public money without approval from the House of Commons, and all delegation of the authority to spend public money must be explicit. Section 54 requires that all expenditures be first recommended to the House by "Message of the Governor General" in the session in which the action is proposed. In practice, "Message of the Governor General" means a bill originating in Cabinet. In effect, section 54 restricts the role of House approval of public revenue appropriations to requests that originate in the executive branch. Together, sections 53 and 54 provide that governments must publicly request funds from the House of Commons for publicly identified purposes. Once authorized, those funds must be spent for the purposes for which they were requested. The courts have recognized the constitutional basis in law, not convention, for the House to exercise its supervisory authority over executive spending. Without the surveillance power of the House, the requirement for approval would collapse into a mere formality.

The Financial Administration Act (FAA) has been the primary statutory instrument through which the House of Commons endeavours to ensure that public money is spent only for purposes that have received its approval. The purpose of the Act is to keep track of public money, and all government expenditures fall within the scope of the *FAA*. As a legal instrument, the Act should be understood as one of the means whereby the House of Commons fulfills its constitutional obligation to hold the executive accountable for the spending of public money, and it is intended to impose certain legal obligations on the political executive.

The distinction between the failure to meet one's responsibilities and the failure to account for those responsibilities is central to the *FAA*. More precisely, Corbett maintains, the Act is concerned with ensuring that individuals account for the performance of responsibilities assigned elsewhere, such as in statutes establishing government departments or in the regulations, guidelines and codes enacted under them. While an essential feature of all executive decision-making is discretion, including the discretion to spend, the grant of discretion does not imply freedom from the obligation to account.

The *FAA* thus serves two political masters—Parliament and the Governor in Council. The Act is an instrument for parliamentary surveillance of executive spending, and it also provides the framework within which those in receipt of public money must account to Cabinet. Parliamentary surveillance of executive spending is performed primarily by the opposition parties in the House. Cabinet surveillance of executive spending, in contrast, is performed by members of the party holding power. It is here that the built-in potential for conflict between the two purposes served by the Act is most evident. Parliament has other means of keeping track of public money, such as the Public Accounts Committee and the Auditor General, but these bodies perform their functions from outside the day-to-day operations of the public service. The *FAA* applies more directly to the inner structure of the public service. More

than any other piece of legislation, the Act addresses the point at which the partisan interests of the political executive meet the traditional administrative neutrality of the public service. The public service is required to be non-partisan: loyal public servants must carry out the directives of the government of the day within the limits of the law. They cannot express partisan opposition to the policies of the government in power on ideological grounds, though they are obliged to express opposition to government initiatives that would require breaking the law. Public servants must also be assured that decisions made in compliance with these requirements will have no impact on their opportunities for advancement.

The connection between the legal and the political lies at the heart of a system of democratic government under the rule of law. The legal and the political, Corbett points out, are necessarily linked because it is only if the executive branch has met its constitutional obligation to inform Parliament of its activities that Parliament will have the opportunity to hold the government that controls the executive politically responsible. Political responsibility does not focus so much on acting in accordance with the law, as it presupposes that the Government has met its legal obligations, both constitutional and statutory. For this reason, the concept of legal responsibility cannot simply be subsumed under the general heading of ministerial responsibility, if this latter term is understood in an exclusively political sense. That is why it is accurate to say that deputy ministers are not politically accountable to Parliament, and inaccurate to say that they are not legally accountable to Parliament.

"Public Accountability of Autonomous Public Organizations," by B. Guy Peters, argues that the Government of Canada may not be able to accomplish its governance and financial responsibility objectives because of the "ambiguous nature of control and accountability" in dealing with Crown corporations, foundations,

contracted organizations and other autonomous public bodies. The differing organizational forms and the variations in the degree of government control in these bodies, in contrast to the typical structure of government departments, complicate an already complex array of institutions mandated by the Government to perform various tasks at arm's length.

Peters provides a series of definitions. He describes *answerability* as the notion that all an organization must do to satisfy its obligations is to answer for its actions. He says that *accountability* means that organizations have to render an account of action, but they will also be judged by some independent body on that action. And *responsibility*, he explains, involves assignment and a more inward source of control being exercised over the actions of public servants.

Peters maintains that ministers have some degree of control over Crown corporations through three means: the law (although it may not specify the control procedures), the corporate plan (permitting review and opportunities to comment but not make changes), and their capacity to assume direct control (in extreme cases of failure). Much of his commentary is related to the 2005 Treasury Board report *Review of the Government Framework for Canada's Crown Corporations—Meeting the Expectations of Canadians*. He also reports on experience in this area in Belgium, Sweden and Britain.

He refers to this report's advocacy of a stronger role for ministers and for the boards of Crown corporations as a starting point. The report calls for a clear mechanism for holding the boards and their members accountable for the performance of corporations. It also suggests that it is important for the entire public sector, including the arm's-length organizations, to develop the capacity for greater coherence and coordination.

Peters rejects the Treasury Board view that the role of public servants on the boards of Crown corporations should be attenuated. Rather, he argues, public servants have the virtues of being socialized into values of public responsibility and probity to a greater extent than the average outsider in the public sector. He goes on to suggest that public servants are influenced by conflicting pressures to serve their ministers, respond to stakeholders, answer to Parliament, and maintain the public service ethos.

Peters suggests that a combination of financial accounting and performance auditing be extended more fully to Crown corporations. The paper makes five specific recommendations:

1. On-line public reporting and monitoring of the government contracting processes.

2. Inclusion of public servants as members of Crown corporation boards.

3. Appointments to boards through processes similar to those in the public service.

4. Clarification of the relationships and accountabilities of ministers, boards and chief executives of the Crown corporations.

5. Alternative and enhanced parliamentary mechanisms for the scrutiny of Crown corporations.

Peters, in several instances, equates "control" with ministerial "accountability." The reduction or elimination of that control (along with introducing market and independent financial discipline) was the reason for establishing many Crown corporations. The consequent ambiguity in accountability was inevitable, Peters says, and there is an inherent but tolerable contradiction in any organizational arrangement that faces this tension of conflicting objectives.