

ORGANIZING INTERGOVERNMENTAL RELATIONS

by

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Discussion Paper No. 12  
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ISSN 0706-1242

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FORWARD

One of the most interesting of the recent innovations in the structure of Canadian Governments is the development of specialized agencies to conduct intergovernmental relations. These agencies reflect both the pervasive quality of intergovernmental relationships in contemporary policy-making, and the heightened tensions between the two orders of government in recent years. They are a major element in "executive federalism."

This study is the first attempt to describe and assess how governments organize themselves for intergovernmental relations. It was prepared and written by Timothy Woolstencroft who is a graduate of political science of the University of British Columbia and holds an M.A. in Political Studies from Queen's University. In 1979, he became a special assistant to the Hon. William Jarvis, P.C., M.P., Minister of Federal-Provincial Relations. Timothy Woolstencroft is currently Assistant to the Corporate Vice-President, NOVA Corporation.

Institute Discussion Papers are designed to present research and commentary on important issues in federalism and intergovernmental relations. Their analysis and conclusions are those of the individual author.

PREFACE

The purpose of this paper is to analyze the role of intergovernmental specialists in Canadian federalism. The study seeks to ascertain the involvement of intergovernmental officials in formulating public policy, to evaluate whether they have been successful in bringing some coherence and cohesion to their government's external relations, and to determine the effects of their presence on the mood and the substantive policy content of intergovernmental relations and policy discourse in Canada.

To this end, the paper analyzes the legal mandates, organizational structures, expenditures, and personnel allocations of intergovernmental central agencies in the federal and provincial governments. It also assesses the role, position, and influence of intergovernmental agencies in their respective governments.

Two significant caveats must be stated. The study is based on information gathered from interviews conducted during the summer months of 1979 and 1980 with over 100 public servants. A major hazard is implicit in this methodology: some public servants may -- consciously or unconsciously -- misperceive or misrepresent the actual position, role, and influence of their own department, secretariat, or agency. Therefore, officials in both central agencies and program departments were interviewed to obtain a more balanced view.

Second, this study is a portrait of the role and influence of intergovernmental co-ordinating agencies as they existed in the summer of 1980. The relative internal position of these intergovernmental agencies is particularly vulnerable to change because they do not deliver concrete programs and services or allocate expenditures. Instead, their role depends on the political support for their mandate, and such support can shift rapidly with new issues and circumstances.

As a result, some of the details concerning individual agencies may have changed since the report was written. Important developments have taken place in a number of these agencies, notably in B.C., Ontario and Ottawa. They are briefly noted in the text, but their implications are yet to be fully worked out. But as long as intergovernmental collaboration and conflict persist as central features of Canadian federalism, the general role of intergovernmental specialists described in the pages that follow will remain a key element in our political process.

Timothy Woolstencroft

ACKNOWLEDGEMENTS

This discussion paper would not have been completed without the advice, thoughts, and encouragement of Professor Richard Simeon. I would like to express my thanks to the staff of the Institute of Intergovernmental Relations, especially Sheilagh Dunn, Anne Raizenne, Patti Candido, Ginny Lyons and Lilian Newkirk. A great many public servants gave up their precious time to discuss their work. All public officials were assured that nothing would be attributed to them directly, but I nevertheless wish to record my appreciation of their willingness to be interviewed. I would like to thank Mel Smith, Peter Meekison, Don Stevenson, Darwin Kealey, Charles Crichton, Bruce Little, Philippe Doré, Don Dennison, Cyril Abery, Doug Brown, and Donald MacCormac for their comments on the paper. None of the above are responsible for any mistakes in judgement, interpretation, or facts.

## I. INTRODUCTION

During the 1970s, federal and provincial governments have sought to organize and centralize the management of their intergovernmental relations. Faced with the massive growth in the size of the public sector, and the increasing complexity of federal-provincial relations, politicians have attempted to "control their environments and diminish uncertainties"<sup>1</sup> through intergovernmental agencies. Growth in the public sector was the result of major societal changes, such as rapid technological innovation, industrialization, urbanization, and public acceptance of greater statism, which caused both orders of governments to extend more and more of their activities into socioeconomic affairs. As a result, Canadian federalism has evolved from a period of "watertight compartments" to an era of interdependence and overlapping jurisdictions. Today, most policies and programs of one order of government have serious implications for the activities of the other order, and intergovernmental collaboration and conflict have become central elements of policy-making in Canada.

The political desire to formulate programs and policies on a more rational and comprehensive basis was another factor that spurred governments to centralize decision-making. In general,

politicians have become wary of incoherence and fragmentation in the policy-making process because it "leads to a loss of control over the nation's or province's destiny." There has been a rapidly growing belief that governments must control the

...system of priorities that marshals energy and purpose to some fronts and withdraws them from others... Programs change, of course; however, they do not simply zigzag in response to arbitrary thrusts on the rudder, but show continuity, as perseverance in tackling a problem is maintained and innovation builds on previous achievement.<sup>2</sup>

But concerns about the operations of the federal system were also critical to the expansion of intergovernmental agencies. Many provincial politicians wanted to improve their performance at federal-provincial conferences, to preserve provincial autonomy, and to enhance their abilities to maximize benefits from federal-provincial accords. Some provincial politicians were suspicious of their program technocrats who seemed too eager to surrender provincial responsibilities to Ottawa in exchange for federal funds. For some governments, the emergence of Canada's constitutional crisis has been a catalyst in forming intergovernmental agencies; other governments have wanted to better assess and understand the implications of policies, programs, and activities of other governments.

Quebec was the first to establish a full ministry to co-ordinate federal-provincial relations in 1961. Four years later, Ontario created the Federal-Provincial and Interprovincial Affairs Secretariat, and in 1978 it founded a full ministry which would be responsible for relations with municipal, provincial, and federal governments. But, in the 1981 Ontario Speech from the Throne, the government indicated that the municipal affairs function would become part of the new Ministry of Municipal Affairs and Housing, while the Ministry of Intergovernmental Affairs would be responsible for interprovincial and federal-provincial relations only. In 1968,



the federal government installed a Federal-Provincial Affairs Division in the Privy Council Office and, then, in 1974, Prime Minister Trudeau announced the establishment of the Federal-Provincial Relations Office under the Secretary to the Cabinet for Federal-Provincial Relations. In 1971, the Alberta government entrusted its new Department of Federal and Intergovernmental Affairs with broad statutory powers and a comprehensive mandate to guard Alberta's economic and political interests. Two years later, the Newfoundland and Labrador government created its own intergovernmental affairs secretariat. During the 1970's, New Brunswick constructed an elaborate cabinet secretariat which performed two functions: general policy and intergovernmental co-ordination. In 1977, Saskatchewan established the Office of Intergovernmental Affairs within the Executive Council Office; and a year later, Premier Blakeney felt that a full department was needed because the workload had become too awesome. In 1976, the newly elected Social Credit government in British Columbia created an Office of Intergovernmental Affairs in the Premier's Office and in 1979, Premier Bennett followed the other governments by establishing a full ministry. Upon election to office, Edward Schreyer's NDP government established a large cabinet secretariat, but, in 1977, Stirling Lyon's Conservative government took apart this secretariat and replaced it with a small policy advisory group in the Premier's Office. In 1979, the Nova Scotia government created two central agencies -- an Intergovernmental Affairs Office and a Policy Board. In 1981, the Yukon established a Department of Intergovernmental Relations, absorbing the functions of the earlier Intergovernmental Affairs Office, as well as the Land Claims Secretariat and the Pipeline Office. It will monitor and integrate the Yukon's "external relations, seek to influence federal policies, assist program departments and work to preserve present powers and, where possible, work toward expansion of the powers of the Government of Yukon to enhance the political autonomy of Yukon".

Thus, by 1982, all governments mentioned above had established new structures that were intended to impose some degree of hierarchial control over the affairs of their bureaucrats and to improve their management of intergovernmental relations.

Hitherto, students of Canadian public administration and federalism have concentrated on the structures and behaviour of co-ordinating agencies within the central government.<sup>3</sup> This study will focus on the legal mandates, internal organizational structures, expenditures, and personnel allocations of intergovernmental affairs agencies in all eleven governments. The paper also assesses the general relationship between intergovernmental and program specialists in each government. In doing so, it concentrates on federal-provincial relations and it ignores other activities such as international and interprovincial affairs. Neither will it examine provincial-municipal relations.

In examining these intergovernmental agencies in the eleven governments, the study will address three basic issues. First, why have some governments preferred to create powerful co-ordinating ministries, whereas other governments have only erected weaker advisory agencies? Second, what are the political resources, legal mandate, budgets, and person-years allocated to intergovernmental agencies and how do these relate to the role and influence of intergovernmental central agencies in shaping public policy? Third, what are the implications of these agencies for the character of Canadian intergovernmental affairs?

While most governments have made similar moves to better control the developing maze of federal-provincial affairs, they have selected different vehicles to achieve their different objectives. Governments have either a full department, a secretariat, or an advisory group to oversee and organize their intergovernmental relations. Some provincial governments, for instance, have erected

powerful intergovernmental co-ordinating ministries and entrusted to them extensive powers to co-ordinate the day-to-day activities between governments. Such provinces have been motivated in large part by a strong underlying discontent with the economic, social, and political status quo of the nation. The creation of strong controlling agencies stems from the deeply rooted belief that they must adopt an aggressive and comprehensive strategy to preserve and enhance the constitutional and financial integrity of provincial states against the ambition of the central government to regain its preeminent position in Canada.

In contrast, other governments have preferred to establish advisory bodies and cabinet secretariats which are responsible for monitoring and advising on intergovernmental negotiations, constitutional and jurisdictional issues, and the benefits from federal-provincial accords. These governments limited their intergovernmental agencies to an advisory role, because they were relatively satisfied with the economic and political arrangements of the nation or because they already had strong central co-ordinating structures in place well before there was a perceived need to establish an intergovernmental agency. In several cases, an existing central agency, like the finance department, was already responsible for overseeing federal-provincial negotiations, and the government saw little need for another powerful agency. The fact that these intergovernmental agencies have only an advisory role does not mean, however, that they have not been influential. Often they have acquired -- because of their expertise and knowledge -- significant policy roles within their respective governments. Indeed all intergovernmental officials must employ their diplomatic and interpersonal skills to influence policy outcomes. Some intergovernmental practitioners suggest that the style of a government's politicians is a critical factor in shaping the role of an intergovernmental agency, and that, for example, the advisory role of Ontario's intergovernmental agency reflects the governing style of

William Davis. However, this observation overlooks the fact that Ontario--because of its economic and political position in Confederation--has little need for a combative intergovernmental agency.

Despite the claims often made by governments, serious doubts have been expressed about the effectiveness of central agencies and their impact on the substance of public policy and character of federal-provincial relations. Richard Schultz argues that there is little "unity and single-minded purpose" within the federal government because of the "endemic and pervasive conflict" between departments over "values, goals, and strategies and tactics" and the sheer size and scope of the federal government's activities.<sup>4</sup> Ottawa's Federal-Provincial Relations Office (FPRO) has difficulty in co-ordinating federal-provincial relations because the agency is overburdened and overextended by its multifaceted responsibilities, whereas the expertise, knowledge and resources lie within program departments. Officials in FPRO do not have the power to dictate; instead, they must "influence, bargain with, and persuade" their colleagues.<sup>5</sup> Richard French argues that the three central planning systems in the federal government, as represented by the Privy Council Office, Treasury Board Secretariat and the Department of Finance, have "frustrated rather than fostered cohesion in federal policy-making" because

"[w]hile there was no absolute theoretical inconsistency among the three systems, their embodiment in separate departments, their differing time frameworks, their distinct intellectual/disciplinary bases, their characteristic postures within the central decision-making process, and their advocacy by the strongest personalities at the senior management level, meant that they in fact operated at cross-purposes more often than in harmony."<sup>6</sup>

According to French, inconsistencies and incoherence within the federal government resulted in part from the lack of a single

framework for the management of intergovernmental relations.<sup>7</sup> Even though governments have spent tremendous resources trying to achieve cohesion in their policies and programs, such efforts may have failed.

In addition, controversy surrounds the impact of intergovernmental specialists on the character of Canadian federalism. Donald Smiley asserts that the role of a professional corps of intergovernmental specialists is to "protect and extend the powers of their government."<sup>8</sup> In his view, the intergovernmental professional has "a single-minded devotion to the power of his jurisdiction."<sup>9</sup> Tension and confrontation between governments have reached new heights because governments promote jurisdictional aggrandizement, emphasize internal coherence, and implement a comprehensive and rational style of policy-making. Intergovernmental conflicts, Smiley suggests, have reached the point of being irreconcilable.<sup>10</sup> In essence, Smiley argues that the emerging coterie of intergovernmental officials are agents of jurisdictional aggrandizement, not conflict conciliators.

The alternative view is that intergovernmental specialists have in fact facilitated co-operation and compromise between governments, rather than aggravated conflicts, because these officials "are continuously in contact."<sup>11</sup> In 1970, the Alberta government released a position paper which argues that "improved communication within government" is a prerequisite to "improved cooperation between governments."<sup>12</sup> The Alberta government also suggests that intergovernmental agencies promote consultation between governments and, thereby, add "substantially to the effectiveness and harmony of intergovernmental cooperation."<sup>13</sup> Therefore, internal cohesion and unity within governments will enhance intergovernmental collaboration.

This paper seeks to shed greater light on these issues by focusing on the origin, structures and role of intergovernmental agencies. The first section briefly examines the state of bureaucratic federalism which precipitated the effort towards internal unity and cohesion, and traces the emergence of intergovernmental specialists. The second section then describes the legal mandate, organizational structure, budget, and personnel allocation of intergovernmental central agencies. And the final section analyzes the purpose, role and impact of these intergovernmental agencies in moulding public policy within their respective governments.

## II. THE EMERGENCE OF INTERGOVERNMENTAL AGENCIES

The emergence of intergovernmental affairs co-ordinating agencies reflects a fundamental transformation in the Canadian political process. During the 1950's, "administrative"<sup>14</sup> federalism or bureaucratic federalism was dominant; but, by the 1960's and 1970's, "political" or "executive"<sup>15</sup> federalism had become the modus operandi of Canadian intergovernmental affairs. Coupled with this transformation has been the attenuation of federal hegemony and the ascendancy of provincialism. These two changes have had important implications for the character of Canadian federalism, and for the mood, tone, and substance of intergovernmental collaboration.

### A. The Era of Bureaucratic Federalism

During the era of bureaucratic federalism, program specialists were the key players in intergovernmental relations. Federal and provincial program officials who shared similar educational backgrounds, professional values, norms, and objectives strongly believed that cost-sharing programs were the only effective tools to deliver public services with national standards. Their alliance sparked cost-sharing agreements in such fields as social welfare, hospital care, forestry, transportation infrastructure, and

agriculture. The pre-eminence of program specialists was part of the "Golden Age" of the federal government. Federal predominance resulted from a myriad of factors: English-Canadian nationalism which emerged from the war, the buoyant economy during the post-war years, the influence of the Rowell-Sirois Commission, a public acceptance of Keynesian economics, the concentration of sophistication, talent, and expertise within the central government,<sup>16</sup> and a "broad, national consensus" for "more equalized standards of public services throughout Canada."<sup>17</sup>

In such a climate, Ottawa was able to employ its program officials to obtain ad hoc and piecemeal agreements on specific issues with their professional counterparts in the provincial governments.<sup>18</sup> This strategy was successful in permitting the central government to become influential in major issue areas under exclusive provincial jurisdiction. This federal role was facilitated by several factors. First, the proliferation of Canada-wide professional groups facilitated the interaction of officials and exchange of policy ideas which, in turn, harmonized analytical frameworks, administrative practices, informational bases, and policy and program objectives. Professionals from different governments were able to resolve problems long before they reached the political agenda.<sup>19</sup>

Second, program specialists had strong incentives to agree. Co-operative relations and cost-sharing arrangements were essentially defensive mechanisms deployed against central agencies at both levels of government. To protect their programs -- and, indeed, their own status and influence -- officials sought to "insulate" their programs from their governments' internal priority and budgetary setting processes. Permitting centrally-oriented officials to settle intergovernmental conflicts and differences posed a danger to program technocrats because the solutions would be based on a much different set of criteria. Program officials were not



primarily concerned with the effects of their programs on the government's priorities and objectives, constitutional powers, and financial integrity. For such officials, it was imperative to resolve their disputes "within the guild."<sup>20</sup>

These insulating properties of bureaucratic federalism were most evident in cost-sharing programs. On the provincial level, program officials argued that cost-sharing programs would cost the province fifty cents or less of every dollar spent, while, at the federal level, their program counterparts were asserting that the central government was locked into these programs.<sup>21</sup> Even though costsharing programs often undermined provincial jurisdiction, most provinces, attracted by the generous financial advantages, acquiesced to these types of arrangements. "For the rich", Anthony Careless argues, "shared-cost programs amounted to a subsidy for certain responsibilities thereby leaving funds free for other projects."<sup>22</sup> These programs permitted the poorer governments to deliver the same standard of programs and services as the more wealthy provinces.

In sum, this era of bureaucratic federalism was marked by a "fragmentation of authority within each level of government" and the "absence of linkages between issues and functional domains" which empowered program officials to formulate the principles and the detailed aspects of intergovernmental agreements.<sup>23</sup> This fragmentation and pluralistic style of decision-making permitted program specialists to forge public policies on the basis of their own professional values, norms, and objectives, uninhibited by institution-wide concerns. A community of interest and purpose, cutting across jurisdictional borders, developed among officials which facilitated harmony and cordial relations between the two orders of government.

### B. The Era of Executive Federalism

By the mid-sixties, this era of bureaucratic federalism was giving way to political or "executive" federalism. Led by Quebec, the provinces began to question, challenge, and in some cases, defy federal economic and social policy initiatives.<sup>24</sup> The attenuation of federal hegemony resulted from several developments: Ottawa's failure to sustain post-war prosperity encouraged provinces to become more interested in economic development; a growth in provincial bureaucratic vigour and competence enabled provincial politicians to oppose federal policies effectively; the Lesage government in Quebec became a leading opponent of Ottawa's presumptuous attitudes; provincial responsibilities over social policy and natural resources became more significant;<sup>25</sup> the perception that national policies accentuated regional economic disparity became more widely held; and the inability of national institutions to accommodate diverse provincial aspirations led to the decline in federal legitimacy. These changes reinforced the weakening of economic and social links between regions.<sup>26</sup>

Coupled with the rise of provincialism, the character of the important and the politically sensitive intergovernmental issues were also changing. Social programs, involving distributive policies and large public expenditures without obvious regional interests, declined as contentious issues. In recent years, economic development has become the most controversial topic on the federal-provincial order paper, and has raised a host of issues - redistribution, regulation, taxation and industrial location - many of which pit regional interests against each other in a stark way.<sup>27</sup> This was accompanied by the development of constitutional issues, where again the fundamental political interests of government were at stake. Because both these categories of issues had profound political implications for governments and regions, politicians sought more control of governmental interactions.

Politicians therefore armed themselves with bureaucratic levers to enhance internal cohesion, preserve their constitutional powers, and develop strategies which would extract concessions from other governments. Governments, desiring "to put [their] house[s] in order",<sup>28</sup> established central agencies, formed cabinet committees, constructed new policy co-ordinating ministries, and formulated new budgetary systems.<sup>29</sup> This structural engineering generated an influx of "generalists" or "co-ordinators" with institution-wide concerns into positions of influence. Their mandate was to eliminate the ad hoc, fragmented, and haphazard character of decision-making on intergovernmental affairs.<sup>30</sup>

The pressure to create a new genus of bureaucrat -- the intergovernmental specialist -- also emanated from the tremendous explosion in volume, scope, and intensity of federal-provincial relations. In 1867, the British North America Act entrusted each order of government with relatively well defined powers; in recent years, however, lines of responsibilities have become ill-defined and blurred. Today, in most issue areas, policies of one government may generate problems for or may neutralize the efforts of another order of government. As a result, since 1957, the number of intergovernmental meetings of ministers has increased approximately 500%, and the number of intergovernmental conferences of officials has doubled.<sup>31</sup> The proliferation of intergovernmental conferences and the general growth of the public sector have undermined informal and personalized control structures which characterized government in the postwar years. This increased the danger that program specialists could be pursuing policies and programs which were in conflict with other government policies and programs or cabinet priorities and objectives. As a result, a need existed for a more formalized structure to supervise and control the various activities of program specialists.

The gradual ascendancy of intergovernmental central agencies was also due to the political concern about internal inconsistencies and

contradictions in federal-provincial affairs. Some provincial governments sensed that the lack of internal co-ordination enabled Ottawa to "play one department against another", and obtain accords which eroded provincial legislative powers.<sup>32</sup> Provincial politicians believed that Ottawa tries to entice provincial program departments into projects by enhancing their "existing empires" and fulfilling their functional objectives. Such projects could thwart and jeopardize the implementation of provincial cabinets' goals and objectives.<sup>33</sup> In essence, the "unco-ordinated and particularistic"<sup>34</sup> relations between program specialists threatened the integrity of the "provincial state and its ability or willingness to defend its own interests."<sup>35</sup>

Underlying this concern with reducing inconsistencies, provincial politicians believed that program departments were too willing to surrender de facto jurisdiction to the federal authority in exchange for federal largesse and program security. This criticism was directed toward cost-sharing arrangements which tended to distort provincial priorities and erode provincial jurisdiction. Most governments were concerned about the administrative inefficiency, program inflexibility, poor financial scrutiny, and long-term financial obligations of these types of programs. Also, governments feared that the rapid cost escalation of entrenched conditional grant programs would preclude the introduction of other innovative programs and services perhaps more attuned to the needs and wants of their constituents. Although some provinces voiced strong opposition to these types of programs, their protests were to no avail. Program specialists frequently formed alliances, in an endeavour to orchestrate cost-sharing agreements. Governments therefore responded by establishing corps of intergovernmental specialists, whose responsibility is to alter this inclination of program officials to become intimately enmeshed with each other.

The rise of intergovernmental central agencies was also part of a broader effort by governments to implement a comprehensive and

rational mode of decision-making which would displace the incremental character of policy-making. The new style of policy-making consisted of the following elements: an explicit choice of priorities and objectives, development of an array of policy alternatives, the selection of an option consistent with priorities, an evaluation of program performance, and subsequent modification of programs.<sup>36</sup> The comprehensive mode of policy-making subsumed the narrowly defined and well-focussed concerns of program officials for the policy objectives and jurisdictional goals of cabinet. To proponents, this new style of policy-making strengthens the political control of the bureaucracy's activities.

In sum, governments have developed these intergovernmental co-ordinating agencies in order to enhance internal cohesion, to eliminate the "illicit intimacy" among program specialists, and to preserve the government's constitutional prerogatives.<sup>37</sup> This effort stemmed from a desire to obtain greater control over the burgeoning interactions between governments, to reduce inconsistencies within governments, and to fend off federal intrusions into provincial jurisdiction. The primary function of an intergovernmental specialist is to subordinate the narrow and well-focussed program interests of a program specialist to the comprehensive policy objectives and jurisdictional goals of cabinet. For some governments, intergovernmental specialists have become the sentinels of the federal principle.

Although students of Canadian politics have often referred to the emerging role of intergovernmental co-ordinating agencies,<sup>38</sup> we know very little about their legislative foundation, internal organization, expenditures, and person-year allocations. Nor do we have information about the role and position of these agencies in co-ordinating intergovernmental relations. More importantly, we have little knowledge of the implications of these developing cadres for the tone and substance of intergovernmental relations. The next sections of this paper seek to fill some of these gaps.

### III. BASES OF POWER: MANDATE, STRUCTURES AND RESOURCES

The political, legal, and financial resources of an intergovernmental central agency are crucial to the fulfillment of its mandate and objectives. Because these intergovernmental specialists do not administer programs or allocate expenditures, their political weight is highly dependent on the strength of their personalities, their expertise and knowledge, the political support for their mandate, and their legal rights to participate in federal-provincial bargaining. The cabinet's political support for the mandate of an intergovernmental agency is the most important determinant of its overall position and role. The most explicit expressions of political support are the legal mandate, organizational structure, expenditures, and personnel allocation of an intergovernmental agency.

#### A. Legal Mandate

The legal mandate of an intergovernmental affairs agency determines in large part whether the agency has the power to co-ordinate government's "external" relations. A strong legal foundation provides the agency with the requisite levers to gain access to program information and to require program officials to consult the intergovernmental specialists. A statutory base allows intergovernmental

agencies to influence the broad framework and the substantive aspects of government policy. Without such a base, program departments are able to ignore the co-ordinating agency's efforts to bring some coherence to the government's policies and programs.

(i) Strong Legal Mandates: Quebec, Alberta, and Newfoundland

Provincial governments in Alberta, Quebec, and Newfoundland and Labrador, have laid strong legal foundations to their intergovernmental co-ordinating agencies. Quebec was the first government to give its agency a statutory mandate as outlined in The Federal-Provincial Relations Act, 1964.<sup>39</sup> This legislation did not furnish the Minister of Intergovernmental Affairs (who, at that time, was the Premier) with specific powers to co-ordinate or to participate in Quebec's negotiations with other governments. Instead, the minister would "promote the full realization of provincial autonomy."<sup>40</sup> Three years later, however, Quebec amended the Act, assigning to its Intergovernmental Affairs Minister additional responsibilities for international affairs, and charging him with the responsibility to ensure that all intergovernmental agreements were in accordance with the promotion and advancement of the province.<sup>41</sup>

Alberta was the first province to grant its intergovernmental department broad powers to oversee, supervise, and organize intergovernmental relations.<sup>42</sup> In 1972, Alberta's Legislative Assembly enacted legislation to create an Intergovernmental Affairs Minister responsible "for the co-ordination of all policies, programs, and activities" in respect to intergovernmental affairs.<sup>43</sup> The Minister reviews the policies, programs, and activities of the Alberta, federal and provincial governments.<sup>44</sup> More importantly, the legislation clearly requires the Minister to be "a party to the negotiations of all proposed intergovernmental agreements" and the minister must co-sign all these agreements before they can be

implemented.<sup>45</sup> The Minister may take "action as he considers necessary to initiate or maintain intergovernmental cooperation."<sup>46</sup> As a result, program departments are legally required to involve the Intergovernmental Affairs Department in the process of negotiating federal-provincial agreements. This provision enhances the central agency's ability to influence the government's policy preferences. These legal stipulations afford the Intergovernmental Affairs Department "a strategic opportunity to intervene" on any issue on the federal-provincial agenda.<sup>47</sup>

Using Alberta's legislation as a model, the Quebec and Newfoundland governments enacted similar statutes. In 1974, Quebec's National Assembly passed a new law that clearly enumerated the responsibilities of the Minister of Intergovernmental Affairs. The Minister formulates the government's policies on external relations (including international affairs), and monitors and co-ordinates the negotiation and the administration of intergovernmental agreements.<sup>48</sup> The Minister must co-sign all intergovernmental agreements prior to implementation.<sup>49</sup> The Quebec law also does not permit school boards, municipalities, and regional governments to enter into agreements with external governments.<sup>50</sup> This provision was included to prevent Ottawa from becoming involved with school boards and municipal governments which Quebec believed could thwart provincial authority over local government.<sup>51</sup> The minister's objectives are explicit: "to protect the culture, economic, and social development of the people of Quebec", to preserve the "constitutional jurisdiction of the province of Quebec", and to ensure that the government participates in the "preparation and implementation of federal policies and programs affecting the development of Quebec."<sup>52</sup>

The Legislative Assembly of Newfoundland and Labrador in 1974 assigned similar sweeping powers to its own Intergovernmental Affairs Secretariat. The Secretariat monitors and co-ordinates



Newfoundland's intergovernmental relations, and reviews the policies, programs, and activities of its government for intergovernmental implications.<sup>53</sup> This Secretariat is also required to be a party to all intergovernmental negotiations and all agreements from these discussions must be co-signed by the Intergovernmental Affairs Minister, unless the cabinet directs otherwise.<sup>54</sup> As in Alberta, the Minister can take the appropriate steps to initiate or maintain intergovernmental cooperation.<sup>55</sup>

Such broad and powerful mandates have strengthened the role and position of these intergovernmental affairs agencies. The prominence and influence of intergovernmental agencies in Quebec, Alberta and Newfoundland has been realised because the law requires the program officials to involve and confer with intergovernmental officials. And on rare occasions, intergovernmental officials may actually delay the co-signing of a federal-provincial agreement. Intergovernmental specialists in these three governments, like their counterparts in other governments, must still use their interpersonal and diplomatic talents to develop friendly and cordial relations with program officials if they wish to be successful influencing policies and programs. But a statutory mandate does mean that program departments are less able to become engaged in federal-provincial agreements without some consultation with intergovernmental specialists.

(ii) Legal Mandates for Advisory Agencies: Saskatchewan, British Columbia, Ontario, and Nova Scotia

Four provinces have created a statutory basis for their intergovernmental agencies, but have accorded them advisory functions rather than formal controls. In 1979, Saskatchewan's Legislative Assembly enacted legislation formalizing the creation of the Department of Intergovernmental Affairs. Although this legislation resembles Alberta's, the act does not provide Saskatchewan's

intergovernmental specialists with the same powers to supervise and control bureaucratic activities. As in Quebec, Alberta, and Newfoundland, the Department was given a formal mandate to co-ordinate Saskatchewan's intergovernmental relations and to review all policies, programs, and activities for intergovernmental implications.<sup>56</sup> However, Saskatchewan's Intergovernmental Affairs Department "may" be a "party to the negotiations of proposed intergovernmental agreements."<sup>57</sup> In addition, the Department is only "informed" of proposed federal-provincial agreements and receives a copy of the agreement before it is implemented.<sup>58</sup> Program departments do not need to obtain the explicit approval of the Intergovernmental Affairs Minister for federal-provincial agreements, In a letter to the author, Howard Leeson, the Deputy Minister of Intergovernmental Affairs, states that

Whereas some provinces make the involvement of their intergovernmental agency a mandatory part of all extra-provincial activities, we rely upon the co-operation of provincial line departments with our Department to achieve our intergovernmental objectives.<sup>59</sup>

All federal-provincial agreements must be sanctioned by cabinet and if an agreement has financial implications then it requires the approval of the Minister of Finance.<sup>60</sup> Because most important federal-provincial agreements have significant financial implications, the Department of Finance has a key role in shaping Saskatchewan's federal-provincial affairs. More importantly, the Department retains its traditional prominence in overseeing the negotiation of intergovernmental agreements. The Finance Department jealously guards its traditional role against the territorial encroachments of the Department of Intergovernmental Affairs which is endeavouring to develop a broader role in the government.

Other governments have been even less committed to the idea of granting extensive legislative powers to their intergovernmental

central agency. When Ontario's Premier William Davis created a Ministry of Intergovernmental Affairs in 1978, he declined to give the new ministry wide legal powers to co-ordinate the government's federal-provincial relations. Instead, its role is that of an advisory group which makes policy recommendations to the cabinet and program departments concerning the government's policies and activities in respect to municipal-provincial, interprovincial, federal-provincial, and international affairs.<sup>61</sup> Although Ontario's intergovernmental agency has the status of a full ministry, with a statutory basis, it is an advisory rather than a co-ordinating body.

In 1979, British Columbia's Premier William Bennett granted to its new Ministry of Intergovernmental Relations an extensive mandate to monitor and co-ordinate federal-provincial relations, and to devise strategies concerning British Columbia's management of external relations.<sup>62</sup> In addition, it was given the responsibility for co-ordinating intragovernmental relations. The government did not provide the new ministry with extensive legal levers to intervene into or even participate in federal-provincial negotiations. As in the case of Ontario, British Columbia's ministry was only given the right to advise the cabinet on policies, strategies, and tactics.<sup>63</sup>

In February 1979, Nova Scotia's cabinet approved an Order-in-Council which appointed a Minister of Intergovernmental Affairs and established the Intergovernmental Affairs Office. This newly created Office would "act as a central co-ordinating agency for the Executive Council in the field of intergovernmental affairs."<sup>64</sup> The cabinet wanted this new Office to undertake studies "relating to administration or policy matters affecting relations with other jurisdictions," but the cabinet did not provide it with the requisite powers to participate in or even direct Nova Scotia's involvement in federal-provincial negotiations.<sup>65</sup>

In the Saskatchewan, Ontario, British Columbia, and Nova Scotia governments, the intergovernmental professionals do not have the legal powers to organize and manage their government's intergovernmental relations; instead, these officials are one set of players who must cajole, negotiate with, and convince program specialists. Indeed, these provincial governments preferred to develop advisory agencies which would try to improve their government's external relations. These governments wanted the program specialists who are the substantive policy experts to remain as the main players.

(iii) Non-Statutory Mandates: The Federal Government, Manitoba, New Brunswick, and Prince Edward Island.

Governments in New Brunswick, Prince Edward Island, Manitoba, and Ottawa have created co-ordinating structures, but have not entrusted any formal legal powers to their intergovernmental agencies. Thus, the intergovernmental officials in these governments must depend exclusively on their personal skills, their closeness to the ministers, their knowledge and expertise, their access to the decision-making process, and their skills in constructing an informal network of contacts in order to become an influential bureaucratic force. Their rapport and credibility with program specialists is also crucial in determining the political weight of these intergovernmental professionals.

#### Conclusion

In sum, governments dissatisfied with the federal system gave strong statutory mandates to their intergovernmental co-ordinating agencies. Other governments, more content with the structures of Canadian federalism, have not perceived a need to powerful intergovernmental central agencies. The legal mandate is an important factor fashioning the role of an intergovernmental agency,

but the organizational design and resource allocation are also crucial elements; it is to these aspects that attention now must turn.

#### B. Structures and Resources

Organizational structure, expenditure allocation, and the number of professionals reflect the significance and prominence of inter-governmental central agencies. These factors are crucial in fashioning the central agencies ability to influence the character of their government's policies, programs, and activities. These elements shape the officials' capacity to acquire the program expertise, information, and knowledge: without a well-designed internal structure and sufficient resources, these intergovernmental agencies may only be advisory units, not central co-ordinating agencies which oversee and organize bureaucratic actions and activities on the federal-provincial front.

For analytical purposes, the governments have been separated into four categories: (1) those with a full department or ministry responsible for monitoring intergovernmental relations, as in Quebec, Alberta, Saskatchewan, and Ontario; (2) those with a separate secretariat housed in the Executive Council, responsible for overseeing federal-provincial relations, as in the Federal Government, Newfoundland and Nova Scotia; (3) those with a cabinet secretariat entrusted with two functions - general policy and intergovernmental coordination as in New Brunswick, Prince Edward Island, and British Columbia; and (4) those with an advisory group located in the Premier's Office such as the bureau in Manitoba. Within each of these categories, there is a considerable divergence in the types of structures and the level of financial and human resources.

- (i) Intergovernmental Affairs Departments: Quebec, Alberta, Saskatchewan and Ontario

The Quebec ministry is divided into two main sections: Affaires internationales and Affaires canadiennes. The Affaires internationales bureau has a professional staff of over 100 individuals and an expenditure allocation of approximately \$35 million for the 1980-81 budgetary year.<sup>66</sup> This figure represents about 76% of the Ministry's expenditures. The bureau contains seven branches: France, Europe, Asia, United States, South America, Cultural and Education, and Economics. In addition, the bureau has fifteen "foreign offices" in Europe (Paris, London, Brussels, Milan, and Dusseldorf), United States (Atlanta, Boston, Dallas, Los Angeles, Lafayette, and New York), Asia (Tokyo), Caribbean (Port-au-Prince and Mexico City).

Although the Affaires canadiennes bureau consumes substantially fewer of the ministry's resources, it is still extremely important because of the recent proliferation of intergovernmental conferences and the ongoing tension in the Canadian federation. The bureau consists of about twenty professionals and will spend about \$3.8 million during the 1980-81 fiscal year.<sup>67</sup> These expenditures reflect about 8% of the department's budget and 0.02% of the government's total estimates. The division is divided into five branches: Economic and Financial Affairs, Education and Cultural Affairs, Social Affairs, Institutional Affairs, and Francophones Outside Quebec Affairs. The Institutional Affairs branch functions like an internal "think tank" focussing on broader issues such as the structures of federalism, financial arrangements, and the constitution. In addition, each of these first three branches monitors a region in Canada. This division also operates two "foreign offices" in Toronto and Edmonton. The creation of Francophone Affairs Outside Quebec occurred in 1978 because of the pressure from francophone groups for financial assistance to aid their preservation.

Alberta's Department of Federal and Intergovernmental Affairs (FIGA) is divided into three functional sections: Social and Cultural Affairs, Resources and Industrial Development, Research and Planning, and International Affairs. The first two sections are responsible for co-ordinating federal-provincial affairs within their respective issue fields. The third division looks after issues such as the constitution, fiscal relations, and special projects. The International Affairs division is responsible for overseeing and directing Alberta's growing interest in foreign economic affairs. Alberta has established four "foreign offices" in Los Angeles, Tokyo, London, and Ottawa. FIGA employs just over thirty professionals with twenty-five concentrating on domestic intergovernmental co-ordination. Its budgetary allocation is about \$1.2 million for the 1980-81 year which represents about 40% of the department's estimates and 0.03% of the government's total expenditures.<sup>68</sup>

In Saskatchewan, the Department of Intergovernmental Affairs contains three branches: Constitutional Affairs and Research, Intergovernmental Co-ordination, and Protocol Office. The Constitutional and Research Office prepares Saskatchewan's policies on the constitution and co-ordinates the province's international affairs-- a function which has yet to be fully developed. The second branch monitors federal-provincial relations in specific functional policy fields. In addition, it co-ordinates the negotiations with the federal Department of Regional Economic Expansion. The Protocol Office makes travel arrangements for visiting dignitaries. Together the three branches employ fifteen officers. Six focus on the constitution; five concentrate on intergovernmental coordination; three are responsible for protocol functions; and one official works on international relations. The Ministry spends \$607,230 on intergovernmental coordination which represents 0.03% of the government's budget for 1980-81.<sup>69</sup>

Ontario's Ministry of Intergovernmental Affairs is organized into two main sections: Office of Intergovernmental Affairs (federal and provincial) and Local Government Division (regional and municipal). Although the former division has a key role in the ministry, the bulk of its human and financial resources is consumed by the latter division. For instance, 90% of the Ministry's expenditures are transfer payments to municipalities.<sup>70</sup> According to Don Stevenson, the ministry's Deputy Minister, approximately 80% of the ministry's personnel and expenditures are spent by the Local Government Division,<sup>71</sup> This central agency is essentially a Department of Municipal Affairs which is also responsible for overseeing Ontario's relations with provincial, federal, and foreign governments. However, as noted earlier, the government has announced that the Local Government Division is to be transferred to the new Ministry of Municipal Affairs and Housing.

The Office of Intergovernmental Affairs houses two branches: the Federal-Provincial and Interprovincial Affairs Secretariat and External Activities Co-ordination. The Office has fifteen officials. Ten are responsible for domestic intergovernmental relations and five focus on international affairs. For the 1980-81 fiscal year, the Office was allocated about \$1 million which represents 0.06% of the total expenditure.<sup>72</sup> Unlike the other co-ordinating ministries, the Secretariat's labour has not been formally divided into policy fields; as a result, the officials are unable to develop detailed program expertise and knowledge. Officials in the Secretariat are assigned specific policy functions and regional duties, but, when constitutional discussions become prominent, the Secretariat must concentrate on this issue to the detriment of its other functions.

#### Conclusion

Although these governments have all created full-fledged ministries to co-ordinate intergovernmental relations, only Quebec



and Alberta have constructed ministries with elaborate organizational structures and ample resource allocations which permit the ministries to tackle a number of complex tasks simultaneously. In contrast, the Saskatchewan and Ontario governments have been much more cautious in establishing their ministries and assigning substantial resources to them. Nor do these two ministries have an internal division of labour which enables their personnel to develop expertise and knowledge in an array of policy fields. Again, this reflects the desires of the two governments to have advisory agencies, not co-ordinating agencies like those in Quebec and Alberta.

(ii) Intergovernmental Affairs Secretariats: The Federal Government, Newfoundland and Nova Scotia

Since the Sixties, the federal government has been a leader in implementing central planning processes for policy-making.<sup>73</sup> In 1963, Prime Minister Pearson assigned to the Privy Council Office (PCO) the burden of monitoring and integrating Ottawa's relations with the provinces. In 1968, the government established the Federal-Provincial Affairs Division within PCO because of the growing need to improve Ottawa's analytical capacities to cope with the increasingly defiant provincial governments. The function of the Division was to formulate an overall framework for federal-provincial relations, to anticipate developing problems and crises, to co-ordinate and prepare Ottawa's participation in First Ministers' and constitutional conferences, and to ensure that the government's policies and programs were in accordance with the cabinet's priorities and objectives.

In 1975, this Division became an independent cabinet secretariat and was renamed the Federal-Provincial Relations Office (FPRO). This was due to the massive increase in the number of federal-provincial conferences, the growing complexity of issues, and the developing tensions and conflicts between governments.<sup>74</sup> In

a statement to the House of Commons in December of 1974, Trudeau clearly outlined the FPRO mandate:

I envisage a number of objectives for the Federal-Provincial Relations Office. First, it would assist in developing federal-provincial consultation on an increasing range of fronts; second, it would provide cabinet with greater assistance in examining federal-provincial issues of current and long-term concern; third, it would assist me as Prime Minister in my over-all responsibilities for federal-provincial relations. Finally, it would provide assistance to federal departments whenever they deal with provincial ministers and agencies.<sup>75</sup>

Although FPRO has a clear mandate, the structure of the central agency has been in a constant state of reorganization which has attenuated the effectiveness of this agency. FPRO consists of about sixty officials and will spend almost \$4 million which is 0.07% of the 1980-81 federal budget.<sup>76</sup>

In 1980, FPRO consisted of two main divisions - Operations and Provincial, and Renewal of the Federation. The first division is separated into three branches: economic program review, social program review, and provincial liaison and analysis. The first two branches oversee the day-to-day activities between federal program departments and the provinces, and advise the Prime Minister and cabinet on their respective policy areas. The third branch -- Provincial Liaison and Analysis -- closely monitors and analyzes political developments in each of the provinces and the provincial governments. The purpose of this branch is to enhance the federal government's understanding of these events and to better Ottawa's capacity to cope with ascendant provincial governments. This branch is similar to the now defunct regional desks which Prime Minister Trudeau established within his personal office in the very early years of his tenure.

The second main division -- Renewal of the Federation -- is composed of two branches: Renewal of the Constitution and Strategic Planning and Research. The Renewal of the Constitution Branch is responsible for preparing the federal government's constitutional proposals. Although this branch is staffed by a core group of six officials, there were approximately thirty officials who worked on the efforts to reform the constitution during the summer of 1980. The Strategic Planning and Research branch examines the current and long-term implications of federal-provincial activities, furnishes strategic and tactical advice, and develops a general framework for intergovernmental relations.

In 1974, Newfoundland's Premier Frank Moores appointed a Minister of Intergovernmental Affairs and established an Intergovernmental Affairs Secretariat within the Executive Council Office. In the early years, the Secretariat was staffed largely by officials who had originally worked with the Department of Finance where they had been responsible for negotiating financial arrangements and monitoring discussions on other programs which had significant financial implications. The financial orientation of these senior officials means that the Secretariat tends to be more interested in economic issues and the financial provisions of intergovernmental agreements. Indeed, the branches of the Secretariat reflect the importance of economic issues. Each branch is responsible for a specific functional policy area: DREE programs, Resource programs, and Economic and Social programs. The Secretariat concentrates on domestic intergovernmental affairs, but a small portion of the Secretariat's resources are committed to external affairs, especially issues relating to the oceans and fisheries. There are about twenty professionals in the Secretariat, it will spend about \$730,000 in 1980-81, about 0.05% of Newfoundland's expenditures.<sup>77</sup> Although this intergovernmental co-ordinating agency is a Secretariat within the Executive Council, it operates much like the ministries in Alberta and Quebec.

Nova Scotia's Intergovernmental Affairs Office is still in an embryonic stage, and has few officials and virtually no financial resources. The Office is composed of a Director and staff of three; one official works on social and cultural issues, the second staffer focusses on economic issues, and the third official is a research assistant. For the 1980-81 fiscal year, the Office has a budget of \$175,000 which is about 0.01% of Nova Scotia's expenditures.<sup>78</sup>

Thus, while the Federal, Newfoundland and Nova Scotia governments all have intergovernmental secretariats, the FPRO and Newfoundland's secretariat have substantially more resources which reflects their political importance within their governments. Nova Scotia's intergovernmental office has neither the financial and human resources nor the internal structure to have a significant role in the policy process.

(iii) Dual-Function Cabinet Secretariats: New Brunswick, Prince Edward Island, and British Columbia

During the past seven years, the New Brunswick government has developed a complex system of cabinet committees and a cabinet secretariat to facilitate greater political control of the bureaucracy and to enhance policy and program cohesion. There are four main cabinet committees: Policy and Priorities, Social Development, Economic Development, and Treasury Board. Each cabinet committee is served by a section of the Cabinet Secretariat which furnishes policy advice, provides administrative support and co-ordinates New Brunswick's relations with other governments. This Cabinet Secretariat is headed by the Secretary to Cabinet who reports direct to the Premier.

The Cabinet Committee on Policy and Planning is responsible for setting the government's general policy directions and oversees the

conduct of federal-provincial relations. The Cabinet Committee's staff of three are the main contacts for intergovernmental relations. The staff, who report directly to the Premier, co-ordinate the government's participation in constitutional discussions, First Ministers' Conferences, Premiers' Conferences, Council of Maritime Premiers, and the New England Governors' and Eastern Premiers' Conferences. They also handle problems or crises that develop on the federal-provincial front. The other two cabinet committees monitor intergovernmental affairs within their own respective policy fields. The Economic Development Cabinet Committee has overall responsibility for New Brunswick's involvement in DREE programs critical to the government's development objectives. The Cabinet Committee for Social Development is responsible for co-ordination of social programs. The Cabinet Secretariat employs fifteen professionals and will spend about \$790,000 in the 1980-81 fiscal year which is 0.05% of New Brunswick's budget.<sup>79</sup>

Under Angus Maclean's Conservatives, the Prince Edward Island government underwent a major reorganization which saw the number of departments reduced from sixteen to ten. The most notable change was the disappearance of the Department of Development which had operated like a central agency and controlled the bulk of the government's federal-provincial relations. Its co-ordinating functions were transferred to the Executive Council Office and its program responsibilities were given to line departments.

As a result of this reorganization, the central co-ordinating structure consists of two cabinet committees, the Policy and Priorities Board and the Treasury Board, and the Executive Council Office. In the fall of 1979, the Conservative government appointed an intergovernmental officer to the Executive Council Office in order to obtain a handle on its growing contacts with other authorities, especially Ottawa. The government also created an ad hoc Intergovernmental Affairs Committee, chaired by the Premier, and

composed of two ministers, the intergovernmental affairs officer, and representatives from the Justice Department and Premier's Office. This committee co-ordinates the preparation for significant federal-provincial conferences and monitors the relations between governments. The Policy and Priorities committee helps the cabinet set the broad policy framework, allocates responsibilities, and filters and screens submissions to cabinet. This board has a staff of three who report to the Secretary to Cabinet. As in other governments, the Treasury Broad monitors and controls the government's expenditures. Late in 1981, the government announced creation of a larger Intergovernmental Affairs Office to serve a permanent Cabinet Committee.

In British Columbia, the Social Credit cabinet, after its election in 1975, established cabinet committees to expedite the decision-making process and created the Office of Intergovernmental Relations to bring some coherence to a bureaucracy that had become highly fragmented and uncoordinated.<sup>80</sup> This Office was given three broad responsibilities: to monitor and co-ordinate British Columbia's external relations, to provide administrative support to cabinet and, to a limited extent, to furnish policy advice.

In 1979, Premier William Bennett appointed a full-time minister for intergovernmental relations and gave the Office the status of a full ministry. At the same time, the Premier expanded the mandate and responsibility of the intergovernmental agency. The co-ordinating Ministry was given the awesome task of reviewing all cabinet memoranda to ensure that all pertinent departments are consulted and all proposed policies are well-researched. The ministry also advises the Premier on government structures and policies. In essence, this department would be more appropriately called the Ministry of Intragovernmental and Intergovernmental Affairs.

Although this Ministry was given a broad mandate, it still operates, in the words of a British Columbia program official, as a "glorified secretariat" because of its limited resources. Until the 1980-81 fiscal year, the Office was staffed by four officers. Although the government has authorized the hiring of an additional fifteen professionals during the 1980-81 fiscal year, the Ministry has yet to acquire this extra personnel. The Ministry is expected to spend in 1980-81 just over \$1 million which is 0.002% of the government's total estimates.<sup>81</sup>

(iv) Policy Advisory Group within the Premier's Office: Manitoba

In the 1970's, most governments tried to organize and centralize the fragmented and incremental style of decision-making. However, the Manitoba government, under the Conservative party, dismantled the central co-ordination mechanisms constructed by Schreyer's New Democratic government because such structures "diluted line departments' responsibility and attenuated their accountability for programs and policies". By returning the responsibility for formulating policies to line departments, the Conservative government believed this would improve the effectiveness, efficiency, and productivity of program departments.<sup>82</sup> The Conservative government retained cabinet committees, but it disbanded the cabinet secretariat, staffed by over sixty officials, which had been very influential in shaping the government's policies.

The Lyon government did install a small policy advisory and co-ordinating group, composed of four officials, in the Premier's Office. The purpose of this group is to provide policy advice, to oversee the government's broad policy thrusts, to mediate intragovernmental disputes, to co-ordinate the preparation for First Ministers' Conferences, Premiers' Conferences, and Western Premiers' Conferences, and to manage interprovincial and federal-provincial relations.

## Conclusion

In constructing their intergovernment agencies, governments have devised different organizational structures and granted varying degrees of budgetary and human resources to them. These elements have been critical in shaping the agencies' ability to develop policy expertise and information. It is only then that a central agency can assume a prominent role in federal-provincial relations, which is the subject of the following section.



#### IV. THE ROLES OF INTERGOVERNMENTAL AGENCIES

This section assesses the overall role and position of intergovernmental central agencies, and their success in adding cohesion and consistency to their government's policies and programs in relation to intergovernmental affairs. It will examine the relationship between the institution-wide concerns expressed by intergovernmental specialists and the functional objectives of program officials. It also analyzes the impact of the emerging coterie of intergovernmental specialists for the character of public policy.

The intergovernmental central agencies are divided into three categories on the basis of their functions, roles, and responsibilities. The three categories are: A) an intergovernmental coordinating agency as in Quebec, Alberta, and Newfoundland; B) an intergovernmental advisory agency as in the Ontario, Saskatchewan, Manitoba, Nova Scotia, and the Federal government; and C) a cabinet secretariat with dual functions, as in New Brunswick, British Columbia, and Prince Edward Island. For each of these categories, there is an analysis of the general characteristics of central agencies, followed by a more detailed examination of each agency.

A. Intergovernmental Co-ordinating Agencies:  
Quebec, Alberta, and Newfoundland

Provincial governments in Quebec, Alberta, and Newfoundland are committed to strong intergovernmental co-ordinating agencies. The political commitment for intergovernmental co-ordination grew from a shared anxiety that the enormous expansion of federal-provincial activities in recent years and the growing linkages between issues created a complex maze which needed to be controlled.

The mandate of these intergovernmental central agencies includes the following: to ensure that provincial policies and programs are coherent and integrated; to ensure that all affected departments are fully consulted; to assure that the province obtains the best possible agreements from the federal government; to seek changes in federal economic policies that are detrimental to the province; and to make certain that the provincial constitutional prerogatives and powers are protected.

The intergovernmental co-ordinating agencies in the three governments are in a strong position to implement their mandates because of the following factors: these agencies have a close proximity to the Premier; indeed, their ministers are often quite senior and influential (in the case of Newfoundland, the current minister is the Premier); the ministries have a central location in the government which permits them to review and scrutinize policies and programs; the agencies have been equipped with a powerful legal mandate and sufficient financial and human resources; the senior officials have developed diplomatic skills and have strong personalities which enables them to exert considerable influence; each agency has created an elaborate division of labour which allows the intergovernmental officials to collect specialized program expertise and knowledge.

In all three governments, the intergovernmental affairs minister must approve policies and programs which relate to federal-provincial and interprovincial affairs; as a result, program officials will try to involve the central agencies early in the policy process. In Quebec, cabinet memoranda concerning intergovernmental agreements are often submitted jointly by the intergovernmental affairs ministry and the sectoral departments. The intergovernmental coordinating agencies in these three governments tend to be very involved in forging the government's broad framework for federal-provincial relations and the substantive content of policies.

Intergovernmental specialists usually attend most intergovernmental conferences, especially in significant functional policy fields. Indeed, some program officials call the intergovernmental officials "babysitters". On some occasions, Alberta's cadre of intergovernmental officials have taken such a large role in negotiating agreements that some program officials assert that FIGA has displaced the program departments -- though the latter have most of the expertise and knowledge. Newfoundland's Intergovernmental Affairs Secretariat tends to be the lead agency during the actual negotiation of an agreement; the agency is less involved during the early phases of the policy process. In this respect, Newfoundland's intergovernmental officials are virtually a team of negotiators.

(i) Quebec's Ministry of Intergovernmental Affairs

During the 1950's, the Duplessis government frequently launched trenchant campaigns against federally initiated conditional grant programs. There was a growing suspicion among the aggressive and sophisticated bureaucrats, who deeply believed in the need to protect the French language and culture, that the particularized and fragmented federal-provincial interactions of the 1950's were responsible for the attenuation of Quebec's constitutional powers.

Consequently, one of the first steps in the 'Quiet Revolution' of the 1960s was the creation of an intergovernmental affairs department to defend provincial jurisdiction against federal encroachments. Quebec strengthened its ability to develop alternatives to federal proposals improving its access to expertise, knowledge, and negotiating skills. This empowered the Quebec government to question, defy, and often neutralize Ottawa policies. In essence, Quebec moved from a defensive stance to take the initiative in challenging federal dominance.

During the 1960's, the Ministry functioned like a small advisory group to the Premier rather than a central co-ordinating agency. Anthony Careless argues that the ministry's efforts to co-ordinate "met with limited success" because of two factors: the conflict between the Executive Council and the Ministry "for primacy in the role of departmental coordination" and the lack of cabinet support for co-ordination. Therefore, "departments continued their individualistic operations."<sup>83</sup> The Ministry did play a vital role in formulating Quebec's policies and strategies on highly political issues like old-age pensions, the principle of opting-out, and the constitutional discussions of 1968-71, because of its proximity to the Premier and easy access to the decision-making process. But during this period, the Ministry did not become deeply involved in the affairs of program departments because it lacked a strong legislative mandate and sufficient financial and human resources. As a result, recalcitrant program departments could ignore the policy advice of the Intergovernmental Affairs Ministry on less politically sensitive issues. In general, the relationship between federal and Quebec program specialists tended to be harmonious and cordial on the less important issues, while there was considerable conflict between Ottawa and Quebec City at the ministerial level on the highly political issues.

By the early 1970's, the Ministry had undergone four significant changes: personnel changes occurred; an interdepartmental committee was established for intergovernmental coordination; the Ministry was given sweeping legal powers to oversee and direct Quebec's relations with other governments; and the number of professionals in the Ministry grew. These changes were important in turning the advisory agency into a full-fledged central coordinating agency.

First, Claude Morin, the Ministry's deputy minister since the early Sixties, retired from the Quebec public service because of his discontent with the existing state of Canadian federalism.<sup>84</sup> Morin had relied on an informal network of officials throughout the government to influence the character of policies and programs whereas Arthur Tremblay, his replacement, wanted the powers of this central agency to be codified. Second, the Ministry was given broad statutory powers which required the program specialists to involve the intergovernmental diplomats in the process of forging federal-provincial agreements. Third, Tremblay believed that an interdepartmental committee of senior officials would be an effective forum to educate the program departments of the need to protect Quebec's provincial autonomy. The Ministry found this principle was already broadly accepted in the Quebec civil service; however, in some cases, program technocrats -- propelled by their natural desire to achieve their policy objectives and to ensure the security of their programs -- became entangled with their federal counterparts. At times, intergovernmental specialists needed to remind the program officials that such "affairs" could erode Quebec's constitutional prerogatives. Fourth, during the past decade, the Affaires canadiennes branch of the Ministry grew from a group of five officials to a coterie of thirty officials. The Ministry is now better able to oversee, supervise, integrate, and control the government's policies, programs, and activities with respect to intergovernmental relations.

(ii) Alberta's Department of Federal and Intergovernmental Affairs

During the early 1970s, Alberta's Department of Federal and Intergovernmental Affairs (FIGA) limited its role to monitoring intergovernmental relations and advising program specialists, the cabinet, and the Premier on the management of federal-provincial relations and specific issues. During these early years, FIGA rarely intervened in a set of negotiations, and did not become immersed in the day-to-day activities between governments.

Even with this limited role, however, the department encountered friction from three points within the bureaucracy. First, the entrenched bureaucrats were not inclined to alter their well-established behaviour and policies. Moreover, some of these barons were unwilling to cooperate with the new structures and style of decision-making in the Lougheed government. In time, most of these officials were either gradually shuffled out of the government or moved laterally into less politically sensitive positions. Second, some program specialists shared common professional ties, and, thus, held similar policy norms, values and objectives with their federal counterparts; consequently, they resisted vigorously the aims of the intergovernmental specialists to preserve the sanctity of provincial autonomy. Third, the Treasury Department -- the other key central agency which was responsible for financial arrangements -- became exceedingly jealous of FIGA's territorial encroachments on the negotiation of financial arrangements. This rivalry, which revolved around jockeying for primacy in negotiating financial agreements with Ottawa, subsided when the two central agencies had delineated their respective responsibilities more clearly.

Although the government generally supported the principle of preserving Alberta's constitutional powers, this concern was not given a high priority during the early years of FIGA. But during the winter of 1973-74, a siege mentality emerged within the offices

and corridors of the Alberta government, and FIGA was elevated to the status of a full-fledged central co-ordinating ministry. The catalyst for this change was the federal government's endeavours in the natural resources field, particularly petroleum, which the province regards as its most sacred and cherished economic lever. Fears were ignited that Ottawa had embarked on a frontal attack on the provincial fortress; in the eyes of Alberta's public officials, Ottawa had declared war.

To strengthen Alberta's defensive fortifications, FIGA underwent some major changes that turned it into an influential force in the government. First, Harold Millican, a long-time confidant of Premier Lougheed, was appointed FIGA's first deputy minister -- a move which clearly strengthened the position of FIGA within the government. In addition, FIGA acquired the services of academics to enhance FIGA's analytical abilities - the most notable being Dr. Peter Meekison, a former chairman of the political science department of the University of Alberta, who later became deputy minister. Finally, the financial resources of the agency grew enormously during this period. In the two years following the petroleum feud, FIGA's expenditures escalated by 125% with a parallel increase in the number of personnel.

As a consequence, FIGA has become much more aggressive in supervising and co-ordinating Alberta's relations with the federal government. The additional resources enabled FIGA to become more involved in the full range of policy negotiations between governments. The department began to direct and vigorously manage Alberta's intergovernmental relations.

Given the absence of other central planning processes in Alberta with the exception of the budgetary process, FIGA has acquired additional responsibilities beyond its intergovernmental functions, responsibilities that are similar to those performed by the Privy

Council Office in the federal government. It also examines policies to ensure a proposal is well-developed and reasonable, analyzes the potential financial and political implications of a proposed program, and studies the impacts of a proposal on other activities of the provincial state.

(iii) Newfoundland's Intergovernmental Affairs Secretariat

The establishment of Newfoundland's Intergovernmental Affairs Secretariat was due to a tremendous expansion of federal-provincial activities, a belief that the province should obtain better inter-governmental agreements, and a need to defend provincial autonomy. The purpose of the Secretariat is: to stiffen the resolve of the program departments in negotiating the best possible accord for the province and the provincial government; to ensure that federal funding is maximized but federal conditions, which constrain provincial freedom, are minimized; and to educate program specialists not to relinquish constitutional responsibilities in exchange for federal largesse. As in other governments, some program departments, especially the weaker and less established, have a strong proclivity to become enmeshed with the federal government and to shelter their programs from internal budgetary scrutiny in order to ensure the security of their programs.

The Secretariat tends to focus on key political issues, such as fisheries, hydro power, petroleum resources, and transportation infrastructure.<sup>85</sup> The agency is not involved in day-to-day issues or discussions that are primarily technical and administrative in nature. It participates only in those discussions which entail policy changes and new financial obligations. In such cases, the Secretariat's officials become the leading negotiators, or at least major actors, with the program professionals doing the preparatory work.



In Newfoundland, the intergovernmental officials' ability to monitor, co-ordinate and shape policy is enhanced because their ministers have always been senior and influential. The officials are skilled and talented and are committed to Newfoundland's political and economic development. Consequently, the Secretariat is able to ensure that the political interests of the government and the social and economic objectives of the province are not compromised by program specialists who pursue their narrowly defined program objectives.

The Secretariat has enhanced the awareness of the politicians and the program departments that Newfoundland's economic, social, and political interests may not be best served by allowing the provincial government to become subordinate to the federal government. Indeed, the intergovernmental officials believe that provincial responsibilities need to be expanded to permit the economic blossoming of Newfoundland; they have helped, for example, to conceptualize and articulate Newfoundland's claims for greater constitutional power over the fishery.<sup>86</sup>

Newfoundland's intergovernmental specialists have also influenced their government's views on bloc funding versus cost-sharing arrangements. Although the government has improved the quality of its services and programs through cost-sharing provisions, the Secretariat has been important in persuading the cabinet to accept the principle of bloc funding. Intergovernmental officials assert that cost-sharing programs erode provincial jurisdiction, distort provincial priorities, generate administrative inefficiencies, and inhibit program flexibility. Conversely, some program departments argue that Newfoundland, facing a dearth of revenues, has benefitted from these types of program arrangements because the province delivers services with the same quality as the wealthy provinces. Program officials in the Department of Health, for example, assert that the level of health services has declined

because one national program has been replaced by ten distinct provincial plans. In spite of these arguments, the cabinet accepted the Secretariat's case and approved the principle of bloc funding.

#### Conclusion

Intergovernmental agencies in Quebec, Alberta, and Newfoundland share common goals and functions. Their role is to ensure that policies, programs, and activities of the government fit within a coherent framework for intergovernmental relations. Intergovernmental bureaucrats educate program advisors about the need not to forsake provincial constitutional prerogatives in return for federal largesse. Their purpose is to maintain the financial and constitutional integrity of the provincial government.

The influence of intergovernmental co-ordinating agencies varies from issue to issue. The intergovernmental agencies in these three governments are equally concerned with issues like natural resources, economic development, and the constitution. However, Alberta's and Newfoundland's intergovernmental specialists are less worried about federal intrusions in social and cultural fields, whereas Quebec's federal-provincial professionals strongly guard provincial powers over issues such as income security, culture, and language.

The development of these co-ordinating agencies has made it more difficult for the federal government to "play one department against another" because these governments have become more internally coherent and cohesive.<sup>87</sup> Policies now better reflect the goals and objectives of the politicians because the cabinet and their centrally-oriented officials have a greater say in defining the views and mandates of program experts at intergovernmental conferences. Federal program officials are less able to secure the acquiescence of their provincial counterparts because politicians

and their intergovernmental officials are inclined to examine not only the substantive merits of a particular program, but also the level of federal funding and conditions, and the jurisdictional powers involved in proposed agreements. In addition program officials have become less independent in pursuing their professional goals and objectives because they have become socialized to accept the policy framework of intergovernmental agencies.

In these three governments, the well-focussed and specific policy objectives of program specialists have been generally submerged in or subordinated to the wider institutional concerns of the politicians and the cadre of intergovernmental advisors. But, it would be an overstatement to suggest that program specialists have been completely displaced from the process of forging intergovernmental agreements. Program technocrats retain significant roles. In highly technical discussions, program experts are often the lead players in framing government's policies. In some cases, program specialists are able to win battles against the intergovernmental specialists. However, this does not negate the fact that intergovernmental specialists wield tremendous political influence.

#### B. Intergovernmental Advisory Agencies:

##### Saskatchewan, Federal, Ontario, Nova Scotia, and Manitoba Governments

Politicians and their senior advisors in the Ontario, Manitoba, Saskatchewan, Nova Scotia, and Federal governments have not perceived a need to establish powerful intergovernmental co-ordinating agencies which would oversee and shape, if not dictate, their respective government's policies concerning federal-provincial relations. Rather, these governments assembled a group of bureaucrats to advise and make recommendations on specific policy issues, constitutional problems, and the general framework for intergovernmental relations. They also monitor federal-provincial activities of line departments. In essence, these governments constructed intergovernmental central agencies

which are advisory bodies rather than central co-ordinating agencies.

As was discussed earlier, intergovernmental agencies were established by these governments because of the growing complexities of federal-provincial relations and the linkages between issues. A need was felt for an analysis of the current and long-term implications of the ever increasing number of federal-provincial events so that governments could handle developing brushfires and crises. The emergence of the constitutional crisis is another critical factor in the rise of these agencies. The government of Saskatchewan created an Intergovernmental Affairs Ministry to prevent the erosion of the federal system and to improve its abilities to cope effectively with the emerging constitutional issues, prompted by federal intervention before the Supreme Court on cases involving the the province's ownership and management of natural resources. Ontario, Nova Scotia, and Manitoba have been relatively satisfied with the operation of the federal system; consequently, a political desire to establish a powerful bureaucratic unit, charged with the responsibility of combatting federal hegemony and tutelage, has yet to emerge. These provinces, dependent on a strong central government to direct the economy, believe that fundamental challenges to Ottawa's preeminence would threaten the economic, social, and political fabric of their provincial societies and the Canadian nation.

In Nova Scotia, Premier Buchanan created the Intergovernmental Affairs Office to enhance the province's capacity to take "advantage of many of the federal government's financial assistance programs."<sup>88</sup> Apparently, Premier Buchanan created this advisory agency with the sole intention of wrestling more funds from the federal establishment.

An important factor that discouraged governments from erecting powerful intergovernmental co-ordinating agencies was the presence of other well established central agencies; the development of intergovernmental advisory agencies in the Federal, Ontario and Saskatchewan governments occurred well after the creation of other coordination mechanisms. Because these governments had already made the effort to centralize decision-making and strengthen political control of the bureaucracy, there was less need for another strong co-ordinating agency to perform a similar function albeit with a different objective.

During the 1940's, the Saskatchewan government established planning agencies, such as the Economic Advisory and Planning Board and the Budget Bureau, to advise on general and specific policies, and to ensure proposed policies are well prepared and integrated with an overall scheme. These planning mechanisms were abandoned under the Liberals but were re-established when the New Democrats returned to office in 1971.<sup>89</sup> The Department of Finance handles the negotiations for financial arrangements and closely monitors intergovernmental discussions in other policy spheres to ensure that the government's financial integrity is not compromised. The Budget Bureau, staffed by ambitious and sophisticated individuals, tends to have a much larger role in moulding the government's views concerning specific functional issues, especially if they have financial implications. Because the Budget Bureau already had an extensive role in monitoring and co-ordinating federal-provincial affairs, there was less need for a strong intergovernmental affairs agency. Several program officials observe that the finance department has the de facto power of exercising approval or disapproval of proposed intergovernmental agreements since its views have a significant effect on cabinet decisions. As a result, program specialists are in closer contact with the financial officials than the intergovernmental specialists.

In the federal government, strong central agencies, such as the Privy Council Office, the Department of Finance, and the Treasury Board Secretariat are influential in shaping the tone and substance of Ottawa's approach to federal-provincial relations. The Department of Finance makes a "critical appraisal of proposals which generate implications for the economy"<sup>90</sup> and in doing so it allocates substantially more resources than the intergovernmental affairs agency to monitoring federal-provincial relations. A finance official explains the rationale for this policy review function:

Departments are constantly coming up here with ill-conceived ideas which would either screw up the economy and/or employ an economic instrument, like taxation, for a social or cultural goal. I find it satisfying and exciting to see these policy proposals shot down by our boys purely on the grounds of economics.<sup>91</sup>

According to Richard Phidd and Bruce Doern, the Finance Department examines policies in terms of Ottawa's constitutional powers, the policy framework of the government, the financial and budgetary plans of the cabinet, and the existing state of the economy. The department is also responsible for negotiating the financial and fiscal arrangements with the provincial governments.<sup>92</sup> In June 1980, the federal cabinet requested the Finance Department to begin preparing various policy alternatives with respect to federal-provincial financial arrangements. Although the request suggested that the finance officials should consult National Health and Welfare and the Social Policy Ministry, the request did not indicate whether FPRO should be involved in the negotiations or even consulted about the character of federal policies. To several officials, this incident sustains their argument that FPRO has a relatively unimportant role in co-ordinating intergovernmental relations because there are other more powerful central agencies which perform similar functions. The Privy Council Office and the Treasury Board Secretariat also monitor and evaluate both existing and proposed programs to ensure that they are integrated with the

government's policy thrusts. The existence of three well established central agencies, each pursuing their own planning framework, has lessened the need for another powerful central agency which co-ordinates and directs intergovernmental relations.

In the Ontario government, the Ministry of Treasury and Economics, the most influential central agency, has a significant role in framing Ontario's policies in respect to intergovernmental relations. To Ontario, intergovernmental relations involves fiscal and macroeconomic issues more than constitutional and jurisdictional issues; and accordingly, economic officials tend to be much more prominent than the intergovernmental specialists in governing Ontario's relations with other governments. On controversial issues, such as oil pricing, social security review, and anti-inflation initiatives, economists were the leading players in formulating Ontario's positions.<sup>93</sup>

In these three governments, the prior existence of strong central agencies, responsible for bringing some coherence to their respective government's policies and programs, resulted in intergovernmental central agencies having a narrow mandate to monitor and advise. More importantly, the concerns of intergovernmental professionals are generally subordinate to the considerations promoted by the established central agencies and the program departments. Generally, the intergovernmental advisory agencies do not have a significant involvement in the daily relations between governments. In Nova Scotia, the Intergovernmental Affairs Office has virtually no role in substantive policy discussions. In the five governments, the responsibility for conducting federal-provincial relations rests with the program departments while the intergovernmental agencies advise the program specialists on the overall perspective, strategy, tactics, and general policy implications.

However, the willingness of program departments to take advice from intergovernmental agencies hinges on the quality of the policy suggestions and the rapport and respect between program and intergovernmental specialists. Unlike the Alberta, Quebec, and Newfoundland governments, these intergovernmental agencies do not have the statutory power to supervise and control the activities of the program departments. Although Saskatchewan's Intergovernmental Affairs Department was granted a much broader legal foundation, the department has lacked the powers to organize its government's relations.

None of these governments has committed a large amount of money or person-years to improve their management of federal-provincial relations. In Nova Scotia, the government has given its Intergovernmental Affairs Office a narrow mandate and it has limited the Office's expenditures to ensure that it does not go beyond its assigned responsibilities. Most of Saskatchewan's resources have been allocated to the constitutional renewal process. When the constitutional talks are completed, these resources will likely be allocated to intergovernmental co-ordination or to co-ordinating the government's external relations. This department is clearly in the midst of an evolutionary cycle which may be similar to the development of intergovernmental agencies in Quebec and Alberta. It is probable that this department will grow in the future if the federal government continues to try to erode provincial control over natural resources. Ontario's intergovernmental relations ministry may also be strengthened if the province is forced to take "a more forthright defence of the narrow provincial interest, and finds it more difficult to maintain the statesmanlike and dignified stance" because Ontario's economic, social, and political pre-eminence is threatened by the growing economic and political power of the New West.<sup>94</sup> It is also possible that Ottawa's intergovernmental central agency may grow in the future if Ottawa's powers are challenged or, indeed, thwarted by the ascendant provincial governments.



(i) Saskatchewan's Department of Intergovernmental Affairs

The mandate of the Department of Intergovernmental Affairs comprises three major elements. First, the officials in this Department are committed to obtaining a clarification and fortification of the rights and privileges flowing from provincial powers, especially provincial ownership of natural resources, although this task has not become the department's complete raison d'être as in the case of Quebec, Alberta and Newfoundland. Second, the intergovernmental specialists also tend to be conciliators and mediators rather than agents of provincial aggrandizement because the social democratic government is committed to a strong central government and the government's wish to make the federal system work. Third, the department has a general mandate to seek changes in federal policies and programs which are perceived to be damaging to the provinces.

Saskatchewan's intergovernmental affairs department has a significant role in the highly political issues, such as the constitution. The department co-ordinates Saskatchewan's efforts to extract more funds from DREE and ensures that the province is well prepared for First Ministers' Conferences, Premier's Conferences, and Western Premiers' Conferences. Generally, the department does not become too involved in substantive discussions or the day-to-day contacts between governments, although the department does endeavour to monitor negotiations. On some occasions, the department does participate in policy discussions which the intergovernmental affairs minister feels are important, such as medicare or issues that do not fall naturally within the mandate of a single program department, such as urban natives. The intergovernmental affairs department is primarily a program department and its program is the constitution.

In sum, Saskatchewan's intergovernmental department is an advisory body which does not have the power to override the objectives of the program specialists. This does not suggest that program specialists have unrestricted licence to implement their professional goals because the finance department has been able to retain its traditional role of monitoring and co-ordinating those negotiations that involve financial considerations. Financial considerations tend to be more important in determining policies than jurisdictional and constitutional concerns -- although the latter are becoming more central.

(ii) The Federal Government's Federal-Provincial Relations Office

Neither the philosophy nor the mandate of FPRO has been clearly defined, and no single purpose animates this central agency. Essentially, there are two prevailing schools of thought in FPRO. One set of officials stresses the need for the central government to gain more powers, while other officials emphasize the need to make the federal-provincial machinery function more effectively by removing the irritations between the two orders of government.

The members of the first school tend to believe that Canada has evolved a very decentralized political system which threatens the country's unity and economic prosperity. They suggest that Ottawa has surrendered its economic powers to insurgent provinces, which are driven by politicians who are grasping for more and more powers without popular support from their provincial constituents. Accordingly, they argue that Ottawa must adopt an aggressive strategy to retrieve its lost economic powers and galvanize public support for its cause against the provinces. During the intensive constitutional discussions in the summer of 1980, Ottawa insisted that it be given more powers over the economy; at the same time, the Canadian Unity Information Office launched a \$6 million publicity campaign to build public support for Ottawa's vision of constitu-

tional renewal. The underpinnings of this thrust were evident in the document authored by senior FPRO officials which was leaked in the midst of the constitutional conference in September, 1980.<sup>95</sup>

Officials in the other school of thought assert that tensions between governments will decline when there is a greater respect for the policies, programs and constitutional prerogatives of both orders of government. This has led the officials to promote policies like "disentanglement" as a way to remove irritations. Moreover, they feel that FPRO's role is to enhance Ottawa's understanding of provincial policies, programs, and activities in order to reduce tensions and conflicts. These officials see themselves as conflict managers and not agents of federal aggrandizement. During the financial arrangements negotiations in 1976, for instance, FPRO pressed the Department of Finance and program departments to make a proposal which would achieve provincial consensus. During the oil-pricing feud of 1973-74, FPRO had a vital role in constructing the mechanisms which led to a compromise.

The conflict between philosophical frameworks has meant that there has been no common purpose within FPRO. As a result, FPRO's ability to co-ordinate the government's federal-provincial relations or even furnish the cabinet with consistent advice has been attenuated. One senior official suggested that the central agency was little more than a collection of individual policy-makers. The conflicting conceptions of FPRO's mandate also generated considerable internal tension and personal animosity. The government's constitutional advisors drafted a set of proposals for the Clark cabinet without assessing their implications for the upcoming Quebec referendum. This serious deficiency was due to the animosity between the constitutional group and the strategic planning officials who were developing the federal strategy for the referendum. In general, then, FPRO's lack of common purpose and the resulting infighting has undermined the central agency's authority.

As described earlier, FPRO does not have sufficient resources to become intimately involved in the daily interactions between governments because of the vastness of the federal bureaucracy. This is especially the case for those negotiations which are technical and detailed and require a high degree of expertise. Until the most recent reorganization, one FPRO official, for example, would be responsible for overseeing the activities of several program departments and monitoring the political events in a number of provinces. FPRO officials will likely remain "generalists" who are unable to furnish substantive policy advice. As a result, FPRO monitors federal-provincial negotiations, but it rarely, if at all, intervenes into policy discussions.

On some occasions, FPRO has become involved in fashioning new policies and programs, such as the federal proposal en bloc funding for medicare, post secondary education, and hospital insurance. In addition, FPRO has developed a framework for the government's management of federal-provincial relations. During the fall of 1979, FPRO circulated a set of procedures and guidelines for the conduct of federal-provincial relations to the program departments. However, no mechanisms exist to enforce such procedures. As suggested earlier, the success of this framework depended on its merits and FPRO's rapport with program departments.

Although FPRO has a limited role in enhancing internal cohesion in respect to federal-provincial relations, the central agency, because of its close relationship with the Privy Council Office, has access to both the Prime Minister and the cabinet. On major issues, FPRO briefs the Prime Minister and prepares his correspondence with the Premiers. FPRO's position was strengthened when a Minister of State for Federal-Provincial Relations was appointed because it increased the agency's direct access to cabinet and cabinet committees. Even then, however, FPRO's role was constrained.

Unlike the intergovernmental central agencies in Alberta, Quebec, and Newfoundland which have ample opportunities to shape policies early in the process, FPRO and its minister could only intervene when a proposal had reached the level of senior interdepartmental committees, cabinet committees and cabinet. Such interventions were very late in the policy process, and, were therefore less likely to be successful. A minister had also to husband his political credits; consequently, his interventions were limited to the politically pressing issues. Although having a minister did enhance FPRO's position, Prime Minister Trudeau decided in March, 1980 that he no longer needed a Minister of State for Federal-Provincial Relations.

When the Prime Minister assigns a project to the FPRO, the central agency becomes quite influential -- although such projects may be short-lived. In the 1973-74 oil pricing dispute, Prime Minister Trudeau gave FPRO a mandate to bring cohesion to the government's policies and to seek an agreement with Alberta.<sup>96</sup> However, since this dispute, FPRO has had a negligible role in framing Ottawa's policies concerning oil pricing and revenue-sharing. After the election of the Parti Quebecois in November 1976, a task force within FPRO, headed by Paul Tellier, was entrusted with almost an unlimited access to funds and personnel to co-ordinate and direct Ottawa's national unity campaign. Tellier's Task Force was dismantled under the Conservative government.

The management of federal-provincial affairs is still in the hands of the program specialists because the size and scope of federal activities makes it difficult to achieve internal cohesion. Indeed, federal program officials "are not easily excluded or dominated by actors from the central agencies."<sup>97</sup> Most program departments have created intergovernmental affairs units which are responsible for devising strategy on federal-provincial negotiations. Program departments equipped with these units are more able

to challenge FPRO. Power and influence in the federal government in respect to intergovernmental relations is much more dispersed and diffused.

In April 1980, Michael Kirby was appointed Secretary to the Cabinet for Federal-Provincial Relations. Under his aegis, FPRO has streamlined its operations and developed a more tightly defined mandate, focussing on liaison and the constitution. Its work has become much more closely integrated with the Privy Council Office.

(iii) Ontario's Ministry of Intergovernmental Affairs

Ontario's cadre of intergovernmental specialists has two roles. First, the Ministry tries to improve the government's ability to cope effectively with constitutional and jurisdictional issues. Second, it attempts to educate the cabinet, ministers, and program officials about the political developments in Quebec and the growing discontent in the Western and Atlantic provinces.

Whereas intergovernmental professionals in some provinces, such as Alberta, are concerned only about defending the constitutional prerogatives of their respective governments, Ontario's intergovernmental specialists are concerned about the constitutional propriety of policy thrusts initiated by both provincial and federal governments. This orientation has led them to argue that program entanglement threatens the constitutional integrity of both orders of government and it blurs the lines of responsibility and accountability. As a consequence, they argue for a clearer delineation of program responsibilities and mandates between the provincial and federal governments. This basic policy of "disentanglement," and the refusal to accentuate the aggrandizement of provincial jurisdiction at the expense of the federal authority reflects Ontario's deep commitment to both a relatively centralized nation-state and the maintenance of the political and economic

position of Ontario. Little need or desire has developed for a powerful co-ordinating agency to govern Ontario's intergovernmental relations.

The Intergovernmental Affairs Ministry monitors and advises on federal-provincial relations, but it does not co-ordinate and integrate all the government's external activities. Once again, therefore, the political influence of intergovernmental officials depends upon their credibility and the quality of their arguments, their diplomatic skills, and the willingness of program specialists to be persuaded. However, the Ministry's efforts to gain some authority over the management has had limited success because of the vehement opposition from program departments. The Intergovernmental Affairs cannot supervise closely because it has not been given the political mandate and the requisite resources. As a result, several program specialists, who are extensively involved in federal-provincial negotiations, have little contact with the intergovernmental professionals. Since a number of program departments have even created their own intergovernmental units, program officials feel there is little need to involve the Ministry of Intergovernmental Affairs. Some departments explicitly rejected or ignored the "disentanglement" concept because this policy interfered with their inclination to become enmeshed with federal departments. Other program departments have accepted the idea of "disentanglement", but only because it strengthens their arguments for the preservation of the programs.

The Intergovernmental Affairs Ministry is the lead agency in co-ordinating the government's preparation for conferences which involve the Premier. This Ministry has a significant role in fashioning the government's views on constitutional renewal. Indeed, the Ministry functions like a constitutional secretariat, although the Premier's Office, the Ministry of the Attorney-General, and the Ministry of Treasury and Economics, also have had considerable say

in framing Ontario's constitutional policies. The agency also has an important role in putting out any brush fires that may ignite from time to time.

In general, program specialists still manage federal-provincial relations. The role of the intergovernmental specialists is to review policies and programs in the context of the government's overall policies to provide assistance to the program departments, and - according to some officials - to gather intelligence on the policies and attitudes of other governments. But as in the 1950's, there is "a community of interest and purpose" among program specialists in each of the functional policy areas which cuts across jurisdictional lines. Program officials are still tied together by an intricate web of functional interests which helps to ensure the longevity of their programs, and they vigorously resist interventions by centrally-oriented officials. In addition, as in the case of federal line departments, many program departments have developed their own policy planning units which strengthens their analytical capacities. As a result, program specialists retain considerable freedom to implement their own professional goals and objectives, especially if they do not entail new financial obligations. They enjoy a high degree of independence because they are part of "an autonomous community of officials" that crosses governmental lines. The recent splitting of municipal affairs from intergovernmental relations may permit the Ministry to become more influential in program coordination.

Notwithstanding the efforts to impose a more centralized decision-making process, this process in the Ontario government remains relatively fragmented in relation to the degree of co-ordination in other governments. As in the federal government, central agencies face a formidable task of co-ordinating the policies and programs of a large scale provincial bureaucracy. The complexity of both problems and solutions ensures program



technocrats have an extensive role in moulding the character of public policies and programs.

(iv) Nova Scotia's Intergovernmental Affairs Office

During the 1978 Nova Scotia election, John Buchanan, the Progressive Conservative leader, promised to establish an Intergovernmental Affairs Office to bring some internal cohesion to the provincial government with regard to federal-provincial relations. Premier Buchanan kept his commitment, but this Office has been insignificant in forging public policy since its creation. It neither monitors the government's federal-provincial relations nor co-ordinates the ongoing intergovernmental activities of program specialists.

The Premier appointed a Minister of Intergovernmental Affairs, but the burden of his other duties and responsibilities has prevented the Office from developing a mandate within the government. The Office has simply lacked the political confidence of the Premier and cabinet, and has not been equipped with the personnel that would give it the opportunity to establish its credentials and earn its political credits. For the foreseeable future, the Office will likely not assume an important role in the government. The Office's prime function is to study the state of the financial arrangements between Nova Scotia and the federal government.

Although the intergovernmental advisory group has a minor role in fashioning the government's approach to federal-provincial relations, other agencies attempt to co-ordinate the government's external relations. These are the Premier's Office, the Policy Board, and the Department of Development. The Premier's Office is responsible for co-ordinating the preparations for conferences with the First Ministers, the New England Governors, and the Maritime Premiers. For these conferences, officials in the Premier's Office

rely largely on an ad hoc and personalized control structure and an informal network of officials. The Premier's Office, along with the Attorney General's department, the Policy Board, and a group of private lawyers and academics, were the key players in forming Nova Scotia's policies during the constitutional discussions in the summer months of 1980.

The Policy Board, a cabinet committee established in June 1979, and supported by five officials, reviews and scrutinizes policy proposals to ensure that they are well researched, that all potential implications are fully explored, and that all affected departments are fully consulted. The Board was created because of the need for greater interdepartmental consultation and co-ordination. Previously, there were no mechanisms to ensure that the policies and programs reflected the goals and objectives of cabinet, and the minutes of cabinet meetings were not maintained. The cabinet decision-making process was overworked. Consequently, the Board was instituted to ease the burden of cabinet decision-making and develop some mechanism to resolve conflicts between departments.

Although it is too early to assess properly the impact of the structure, the Policy Board has already established itself as an important player in forging Nova Scotia's policies because of its central location and its political support within cabinet. Hitherto, it has adopted an advisory and co-ordinating role rather than a supervising and controlling function. As it becomes more established and earns its credibility, the Policy Board will likely become the main structure through which the government achieves cohesion with respect to intragovernmental and intergovernmental relations.

The Department of Development, functioning like a central agency, is responsible for co-ordinating negotiations with DREE officials. Essentially, program departments formulate economic

proposals while the Department of Development negotiates the agreements with DREE. Having a single group of officials negotiate agreements enhances Nova Scotia's ability to obtain agreements; the group is in a better position to judge whether they can obtain funding, to determine the constraints within DREE and the federal government, and to develop warm interpersonal relations with DREE officials.

In spite of the creation of these central co-ordinating mechanisms, program departments still exhibit a tremendous degree of independence and vigorously resist intrusions from central officials. In their view, each individual minister and the cabinet should determine the government's policies. Several program officials observe that the Policy Board may assert a particular policy, but the program departments, reflecting their strong tradition of independence, can still ignore or resist interventions. When the Intergovernmental Affairs Office tried to solicit information on cost-sharing programs, the Office encountered resistance from program professionals who perceived this as interference in their affairs.

Nova Scotia's policy on the virtues of cost-sharing arrangements reflects the strength of program officials. Although most other governments have come to prefer bloc funding arrangements, the Nova Scotia government still believes that cost-sharing programs are the most effective vehicle to launch projects. Even the Department of Finance accepts cost-sharing provisions because strong support exists for national programs with minimal provincial differences in the quality of services. Both the politicians and officials believe that Nova Scotia has benefitted from extensive federal participation in traditional provincial areas of responsibility.

In contrast to some other governments, Nova Scotia's Department of Finance confines its responsibilities to financial and fiscal arrangements with Ottawa. This Finance Department does not monitor

intergovernmental negotiations in other policy fields even though the products of these discussions may have significant financial implications. In some cases, program departments will involve the finance officials to benefit from their financial expertise. In general, finance officials in the Federal, Ontario, and Saskatchewan governments tend to have a greater role in developing policies in the intergovernmental domain than the officials in Nova Scotia's Department of Finance.

In sum, despite the efforts to establish a modest central co-ordinating system, the decision-making process is still fragmented and ad hoc in the Nova Scotia government.

(v) Manitoba's Policy Co-ordination Group

As mentioned earlier, most governments have established central co-ordinating structures because they faced mounting pressures from the growing linkages between issues, the increasing complexity of problems and solutions, and the increased size of public bureaucracies. However, the Conservative government in Manitoba has moved in the opposite direction. After its election to office in 1977, Premier Lyon's government explicitly rejected the concept of central co-ordinating structures by dismantling the existing sophisticated cabinet secretariat.

Under the Schreyer administration, the Cabinet Secretariat -- a large coterie of officials who were young, aggressive, well-educated, and intellectually committed to a socialist society - initiated ambitious and expensive programs. The Secretariat also exerted tight control over the activities of program specialists; program departments needed to obtain the Secretariat's approval of policy positions prior to federal-provincial conferences. During Schreyer's tenure as Premier, the Cabinet Secretariat was influential in moulding Manitoba's views on almost all issues,

including those on the federal-provincial agenda. Indeed, the Cabinet Secretariat, according to several officials, had the power to impede or expedite the process of acquiring a decision from cabinet. The justification for this powerful cabinet secretariat was that this structure permitted greater collective control of bureaucratic activities and empowered the cabinet to implement comprehensive policy thrusts which served multiple objectives, and not just the narrowly defined and well-focussed goals of a single department.

Under the Conservatives, the responsibility for initiating, formulating and implementing federal-provincial policies was returned to the program specialists. Premier Lyon retained a small policy advisory group within his personal office to provide some integration of the government's policies, programs, and activities. The advisory group's responsibilities include the handling of highly political issues and co-ordinating the preparation for major intergovernmental conferences. Equipped with little or no resources to initiate and devise alternative policies, the advisory group is completely dependent on program departments for substantive policy recommendations. This group tries to eliminate obstacles to consensus and flag emerging problems. But their involvement is limited to the politically pressing issues; the group neither monitors nor co-ordinates the daily intergovernmental activities.

In essence, the Lyon government has placed the entire onus of co-ordination upon the shoulders of ministers in cabinet committees. Although these committees are able to devote more time to policy scrutiny, the growing workload of ministers in fact reduces their effectiveness. Because cabinet committees lack support from central officials, they are unable to co-ordinate and effectively organize government activities. No formal mechanism exists to ensure internal consistency, to minimize inefficiencies generated by program departments pursuing conflicting policies, or to augment the cabinet's hierarchical control over the bureaucracy. As a result,

the cabinet has less control over the destiny of its province and the electoral prospects of the government.

The disappearance of central co-ordinating structures has meant that the decision-making process has become much more decentralized and ad hoc. Program specialists have more freedom and independence to pursue and implement their professional goals and objectives. Unlike other Western provincial governments, Manitoba lacks the bureaucratic capacity to formulate precise proposals, to analyze events in and policies of other jurisdictions, to defend its interests effectively or to take aggressive initiatives at federal-provincial conferences. Further, the absence of a central coordinating structure also erects barriers to the prompt implementation of programs serving multiple socio-economic objectives.

The success of multifaceted programs usually depends on whether the officials are able to procure the voluntary co-operation of numerous departments. Each department pursues its own narrow mandate with little regard for the objectives and goals of other projects. Because there are no central structures to help shape the priorities and objectives of the government, each program department needs to be persuaded that its interests will be served by being involved in a project. Consequently, the implementation of a federal-provincial project may be frustrated by the lack of cohesion and coherence within the Manitoba government and not by the conflicts with Ottawa.

### Conclusion

The Ontario, federal, Saskatchewan, Nova Scotia, and Manitoba governments have preferred to form advisory ministries or secretariats to improve their management of intergovernmental relations. However, these central agencies lack the necessary resources and the political mandate to oversee, regulate, and organize their

government's conduct of intergovernmental relations. In contrast to the intergovernmental co-ordinating agencies, these central agencies have little involvement or role in governing the highly technical discussions, the less politically sensitive talks, and the day-to-day relations between governments. Instead, these advisory groups, with the exception of the intergovernmental agency in the Nova Scotia government, focus on politically pressing issues, such as the constitution. They also oversee the more significant intergovernmental conferences and gather intelligence on the policies, programs, activities, and attitudes of other governments. The influence, position, and role of these intergovernmental advisory agencies depend on the merits of their arguments, the credibility of their officials, and their rapport with program ministries. In each of these governments, intergovernmental specialists are one group of officials in the midst of many who must use the art of diplomacy and persuasion to realize their policy preferences.

In the federal, Ontario and Saskatchewan governments, other central agencies, most notably the Departments of Finance, have critical functions in monitoring and reviewing the activities of line departments. In Saskatchewan and Ontario, finance officials have considerable influence in governing their government's external relations. Indeed, intergovernmental specialists have a subordinate role to financial and fiscal policy officials. These latter officials are often the lead players in formulating policies and programs for a wide variety of issues ranging from the most contentious and controversial to the most mundane and technical. This is especially true when issues have consequences for the government's finances. Their chief concerns are the financial obligations of costs-sharing programs and the economic and fiscal implications of policy thrusts.

In spite of the extensive participation of financial officials in federal-provincial affairs, the program specialists retain a

prominent and influential role. Although there have been efforts to realize greater cohesion within governments, the program technocrats have the freedom to implement their professional goals and objectives, especially in those policy fields which are highly technical and do not entail new financial obligations.

The influence of program ministries has also been strengthened by the creation of their own policy planning and intergovernmental units which give program departments the analytical skills to ignore, challenge, or defy policy formulations of intergovernmental central agencies. Generally, functional policy concerns of program officials have not been subordinated to the government-wide concerns of the central officials. In these governments, the decision-making process with respect to intergovernmental relations is still decentralized and fragmented. However, unlike the previous decades, program advisors in the two orders of government are less able to shelter programs by erecting cost-sharing arrangements.

In recent years governments are more concerned about fiscal restraint and promoting economic development. Consequently, financial officials have a higher level of participation in fashioning federal-provincial agreements, particularly those involving social welfare programs which may affect the taxation level, the investment climate, and the fiscal state of governments.

#### C. Dual-Function Cabinet Secretariats:

##### New Brunswick, Prince Edward Island and British Columbia

Provincial governments in New Brunswick, British Columbia, and Prince Edward Island have established cabinet committees and a cabinet secretariat to enhance internal cohesion, to implement a more rational and comprehensive style of decision-making, to mediate conflicts between program departments, and to ensure that the priorities and objectives of cabinet are reflected in the policies and programs of the government. A key function of the cabinet



secretariats in New Brunswick and Prince Edward Island is to furnish the requisite logistical and administrative support to cabinet as well as its committees; British Columbia's cabinet secretariat -- the Ministry of Intergovernmental Relations -- on the other hand, provides support only to cabinet committees.

The mandate of these cabinet secretariats includes the overall management of their interprovincial and federal-provincial relations. Unlike the intergovernmental central agencies in Quebec, Alberta, and Newfoundland, these cabinet secretariats have not adopted an aggressive approach that accentuates the institution-wide concerns and subordinates the well-focussed policy objectives of program professionals. Neither do these agencies zealously defend provincial constitutional prerogatives or become overly immersed in the process of forging policies, unless the issues are highly political.

At this stage, the British Columbia, New Brunswick and Prince Edward Island governments have perceived little need to erect powerful intergovernmental agencies that endeavour to strengthen the powers of the provincial state. All three governments support the principle of strong central government, although British Columbia also advocates provincial representation within the central government through a provincially appointed Senate with certain veto powers. More importantly, the treasury and constitutional powers of these governments have not been threatened by federal initiatives, whereas Alberta, Newfoundland, and Saskatchewan have been embroiled in an embittered war with Ottawa. It is possible that the British Columbia cabinet might develop a co-ordinating agency at some point in the future if it believes that its interests are being threatened by Ottawa's resource policy thrusts. But the New Brunswick and Prince Edward Island governments, dependent as they are on the federal regime, are generally unwilling to challenge federal leadership. In addition, both these governments are still relatively

small, and the cabinet can rely on a more informal and personalized style of bureaucratic control.

The role and influence of the cabinet secretariats are particularly dependent on more informal factors such as expertise and knowledge, the officials' personalities, and access to decision-making. Cabinet secretariats in all three governments enjoy easy access to cabinet decision-making, a central location within the government, and proximity to the Premier. Consequently, their officials are familiar with the overall policy thrusts, the political beliefs, and the philosophical commitments of their cabinets. But there are important differences in the resources and the influence of the secretariats in these three governments, and each one will therefore be examined individually.

(i) New Brunswick's Cabinet Secretariat

In the New Brunswick government, the central co-ordinating mechanism consists of three cabinet committees, in addition to the Treasury Board which is responsible for expenditure control. Each of these three committees is supported by a branch of the Cabinet Secretariat. The Cabinet Committee on Economic Development co-ordinates New Brunswick's efforts to obtain funds from DREE; officials in the Economic Development Departments provide the program expertise and knowledge, while the officials in the Cabinet Secretariat have a prominent role during the actual negotiations with DREE officials. The government's numerous economic development departments, each with its own blueprint for the province, must seek the favour of this Cabinet Committee. Although the Cabinet Secretariat initiates policy ideas from time to time, the responsibility for formulating the principles and detailed aspects of economic proposals lies with the program departments.

The cabinet committees are responsible for allocating the government's resources which gives the Secretariat considerable say

in influencing the policies and programs of the government. By utilizing the "envelope" system,<sup>98</sup> a portion of the government's expenditures is given to each cabinet committee which, in turn, apportions the funds to the program departments. Neither new programs nor new financial obligations can be undertaken without an assessment. As a consequence, program departments that are developing new programs or modifying existing programs must work with the Cabinet Secretariat because the Secretariat has the power to expedite or impede the process of obtaining cabinet's acceptance.

One example of the Cabinet Secretariat's influence is the issue of bloc funding. The Secretariat, together with the Finance Department which is responsible for fiscal arrangements, have succeeded in moving the Government to endorse bloc funding. Like the Conservative government in Newfoundland, the Hatfield cabinet now prefers the principle of bloc funding to cost-sharing arrangements. Even though the province has extracted enormous benefits from cost-sharing programs, the cabinet has become frustrated with the federal tendency to launch expensive programs and, after a period of time, to make unilateral cutbacks in funding, leaving the provinces with an enormous financial burden. They also argue that bloc funding provisions enable the provinces to make adjustments in programs during times of economic recession and fiscal restraint.

As in other governments, social program officials have strongly opposed bloc funding arrangements because, in their view, such provisions impaired the quality of social services in the poorer provinces. This example confirms Professor Smiley's assertion that the growing distaste for cost-sharing arrangements is a "reflection of this redistribution of power and influence within the various governments,"<sup>99</sup> especially the decline in the influence of program specialists. It also suggests that institution-wide concerns of the central officials have become quite important in shaping public policy.

Even though institution-wide values are significant in moulding policies, these values have not submerged the functional policy objectives of program officials. The senior officials of the provincial government recognize that program specialists should be the lead players in federal-provincial negotiations because they have the expertise and knowledge. In some cases, program departments exhibit a strong sense of independence, and they resist interference from the Cabinet Secretariat. Program departments are also free to develop close ties with federal departments.

In sum, the central co-ordinating structures provide the Cabinet Secretariat officials with an opportunity to review and comment on proposed policies and programs. Moreover, this decision-making structure affords Premier Hatfield with an excellent opportunity to mould the government's actions without participating directly in cabinet committees. Program departments are rarely able to manoeuvre policies through the system without a proper review by the Cabinet Secretariat.

(ii) Prince Edward Island's Executive Council Office

During the 1979 provincial election, Angus MacLean, the Progressive Conservative leader, promised to establish a structure which would improve the government's capacity to handle inter-governmental relations, to fortify the government's legislative prerogatives, and to seek better agreements for Prince Edward Island. After the Conservative victory, the new government did appoint an official in the Executive Council Office to handle these functions, but the cabinet did not want an elaborate agency to control its external relations. Accordingly, the officer has concentrated on constitutional discussions and the Council of Maritime Premiers. These duties have consumed his time, and he has spent

little effort on monitoring the daily intergovernmental activities in other policy fields. When the constitutional crisis has abated, however, the official will likely concentrate on functional issues.

The officials from the Policy and Priorities Board, the Executive Council Office and the Premier's Office have a substantial voice in determining the government's framework for intergovernmental relations. But because they screen and review policy and program submissions, the officials in the Executive Council Office also can accelerate or slow down the arduous process of acquiring cabinet decisions. According to several officials, the Office's small staff does not have the detailed program expertise and knowledge which is essential to formulate policy alternatives. Unlike governments which have constructed extensive and formal co-ordinating systems, the PEI cabinet and its centrally-oriented officials oversee and control the affairs and activities of the program bureaucrats through interpersonal relations, informal scrutiny, and close ministerial supervision.

In comparison with other provincial governments, PEI politicians govern a more homogeneous and uncomplicated province with a relatively small bureaucracy. The smallness of the government ensures that the decision-making process is highly centralized and politicized. Nonetheless, program specialists have an important role in fashioning policy because the Executive Council Office does not have the expertise to challenge their policy formulations.

(iii) British Columbia's Ministry of Intergovernmental Affairs

The Ministry of Intergovernmental Affairs in the British Columbia government is still in its infancy and, consequently, is still relatively unsophisticated in its policy-making capacity.<sup>100</sup> Indeed, the levers and tools of modern decision-making have only recently been adopted by the government. Reflecting its anti-

intellectual, anti-bureaucratic and its anti-planning streak, the Social Credit government in the past had been generally unwilling to give political support to a sophisticated central co-ordinating mechanism. Creation of the Ministry signalled both a concern to create modern policy coordination structures and a desire for B.C. to play a more active and constructive role in the constitutional debate, and federal-provincial relations generally.

The role of the Ministry is that of an administrative body rather than a co-ordinating agency able to initiate new or revise existing policies. Overwhelmed by its responsibilities to provide logistical and administrative support to the cabinet committees, this central agency has yet to develop a substantive role in the government and to formulate a clearly defined perspective or philosophy. The Ministry's function is to flag problems, but it usually does not have an important role in resolving them.

To the eyes of some program officials, the Ministry was in its early days still a "glorified secretariat". According to a senior official, only one official concentrates on federal-provincial relations and this is limited to the constitutional discussions. The Ministry's officials, for instance, rarely attend federal-provincial conferences, except for conferences involving the Premier. The Ministry is virtually dependent on the program departments for the policy content of briefing books. For constitutional conferences, the Intergovernmental Affairs Ministry and the Attorney-General's ministry have been the lead agencies in developing British Columbia's proposals.<sup>101</sup> In 1981, James Matkin, a senior and experienced Deputy Minister was appointed to lead the Ministry, and it is in the process of considerably expanding its personnel resources.

In general, the responsibility for achieving policy co-ordination and integration rests completely with the cabinet and its

committees. According to several officials, however, this system has not generated internal cohesion because ministers are either unable to thoroughly review proposals or are overwhelmed by their other duties and functions. During the recent coal development negotiations between Victoria and Ottawa, the Premier intervened on several occasions to escalate British Columbia's demands -- even though the government's economic department minister had already reached tentative agreements with Ottawa. To take another example, the Ministry of Health presented a brief to the Hall Commission on the state of Canada's medicare system without any consultation with other ministries, including the Ministry of Finance.

The absence of strong central planning systems means that the decision-making process in British Columbia is decentralized and fragmented. In recent years, the bureaucracy has been in a constant flux because of the numerous efforts to restructure and reorganize the program departments. Several officials argue that this lack of cohesion has permitted Ottawa to out-maneuver the British Columbia government. Moreover, the government has been unable to exploit the generous financial provisions of intergovernmental agreements because of internal disunity. They also observe that the British Columbia government relies on other provincial governments to launch challenges against federal policies because British Columbia has yet to create the bureaucratic capability to do so.

#### Conclusion

Provincial governments in New Brunswick, Prince Edward Island, and British Columbia have created cabinet secretariats which are responsible for co-ordinating provincial and intergovernmental policies and programs. They are also administrative secretariats providing support to cabinet and its committees. Their influence, role, and internal position varies from agency to agency.

In New Brunswick, the cabinet secretariat has evolved into an influential body because the government has given it strong support. In spite of the fact that the Secretariat does not have a strong legal mandate, it has an important role in framing the character of policies and programs. This Secretariat has not become an aggressive central agency overseeing the path of intergovernmental relations, but these central officials do closely monitor, coordinate, and, on some occasions, initiate policies. The functional policy objectives of program technocrats have not been subordinated to or subsumed by the institution-wide concerns of the politicians and their senior advisors. The centrally-oriented officials examine proposed intergovernmental agreements in terms of the substantive aspects and the cost-sharing or bloc funding arrangements. New Brunswick's cabinet secretariat does not emphasize the constitutional and jurisdictional aspects of federal-provincial agreements.

In contrast, British Columbia's Ministry of Intergovernmental Relations has little substantive involvement in forging the government's strategies and policies, except for constitutional issues. The Ministry is basically an administrative body providing logistical support to cabinet committees. At this point, the Ministry has not been equipped with a powerful legal mandate, sufficient expenditures, and adequate number of personnel for a broader role. The intergovernmental officials enjoy access to the Premier and his ministers, but the Ministry simply does not have the analytical and policy-making capability to formulate policy, and to defend the institution-wide interests of the government. This intergovernmental affairs ministry relies on the program departments to produce the substance of policy. Thus, the style of policy formulation remains decentralized and fragmented; as a result, the values, norms, and objectives of programs professionals are still salient factors shaping policies and programs of the government.



## V. CONCLUSION: ORGANIZING INTERGOVERNMENTAL RELATIONS

Intergovernmental affairs central agencies are a new type of bureaucratic structure which are beginning to play an influential role in navigating their respective ships of state through the turbulent waters of Canadian federalism. The recent evolution of intergovernmental central agencies symbolizes the institutionalization of federal-provincial collaboration and conflict. The emergence of these central agencies results from the growing complexities of federal-provincial affairs, the externalities of governments, and the interrelationship of issues. In some provincial governments, these factors have been powerfully reinforced by a profound opposition to certain federal initiatives, their frustrations with Ottawa's intrusions into provincial jurisdiction, and Ottawa's failure to adjust its policies to accommodate provincial economic, political, and social interests.

The emergence of these agencies is, thus, the product of a mix of motives. In some provincial governments, the rise of intergovernmental co-ordinating agencies is a defensive reaction against what is perceived as an insensitive and arbitrary central government trying to usurp provincial powers. In others, intergovernmental agencies are aggressive initiatives to obtain better intergovern-

mental agreements which are more reflective of the cultural and socio-economic interests of their populace, and to enlarge and defend the constitutional prerogatives of their governments.<sup>102</sup> In yet another sense their role is to harmonize and co-ordinate the activities of program departments as they relate to other governments, less to challenge federal power than to ensure the best deal possible for their province in federal programs and policies.

By 1980, all eleven governments had established co-ordinating or advisory agencies to improve the management of their intergovernmental relations. However, the role and position of intergovernmental specialists in fashioning substantive policies varies sharply from government to government. As described in this paper, the differences in the forms, types, and structures of intergovernmental agencies are explicitly expressed in their goals and objectives, the legal mandates, budgets, and personnel allocations.

In large part, the differences in the power and prestige of the agencies are a reflection of two factors. The first is the intensity of dissatisfaction with Canadian federalism. Some provincial governments have created powerful co-ordinating agencies to supervise and organize their external relations because they have become disenchanted with the federal system and the behaviour of the central government; other governments are more cautious and have decided to create less powerful advisory agencies to monitor and conduct federal-provincial relations because they are more content with the federal system and less worried by the implications of Ottawa's policy thrusts.

The second factor that helps to account for the differences in the power of intergovernmental offices is the strength of other central agencies in each government. In some cases, the new agencies faced few bureaucratic rivals and, in effect, expanded rapidly in an organizational vacuum at the centre of government. But in

other governments, well-established central agencies, such as finance departments and cabinet secretariats, left the newcomer with much less territory, and cabinets continued to look in part to these traditional agencies to bring some cohesion to their intergovernmental relations.

In spite of these differences, intergovernmental central agencies have common traits and face similar problems, as they attempt to co-ordinate intergovernmental relations within their own governments. First, their effectiveness depends on similar factors. Because these agencies do not manage ongoing programs or allocate expenditures, their status depends on political dynamics. Ultimately, the success of a co-ordinating agency hinges on the political support from cabinet for its mandate to oversee, co-ordinate, and integrate the government's external relations. The legal foundations, the financial resources, and the number of professionals are the surest indicators of the extent to which the agencies enjoy such support, and are critical in moulding their role. But the influence and impact of these central agencies are also shaped by their rapport with program departments and the soundness of their advice.

Second, the basic concerns of intergovernmental agencies are of course, similar. Basically, the preservation of the constitutional prerogatives and the jurisdictional integrity of their governments constitutes their primary goal, although even here some agencies accentuate these concerns more than others.

Third, all intergovernmental agencies have a delicate relationship with program ministries, which frequently resent intrusions and interventions by centrally-oriented officials. Some agencies are more equipped than others to handle recalcitrant program technocrats and to cope with the rapidly growing maze of intergovernmental relations. But the underlying tensions are similar. Governments employ federal-provincial professionals or

enlist finance specialists to co-ordinate their "jurisdictional-wide" concerns or institutional wide interests. The former group is more concerned about constitutional power and the latter group tends to emphasize economic and fiscal aspects of problems and solutions. Yet their basic orientation is the integration of government activity. Program officials, in contrast, promote the substantive goals and objectives of their programs and clientele and wish to deliver tangible programs and services which "get the job done". A related difference - evident in the 1978 discussions on the economy - is that intergovernmental officials are concerned primarily with maintaining and improving the process of discussion; program officials are more concerned with results and are impatient with the need for lengthy consultation.

The effectiveness of intergovernmental professionals within their own governments is essential for effectiveness in the negotiation with other governments. As the 1980 constitutional discussions clearly illustrated, these agencies greatly enhanced the level of knowledge and sophistication of most governments as they dealt with complex issues. Governments with these agencies have greater access to background analysis. Although Saskatchewan is a relatively small province, it had an important role in the constitutional discussions in part because it has a skilled group of intergovernmental specialists.

What can be concluded from this study about the overall impact of intergovernmental agencies on the levels of conflict within the federation? As outlined in the introduction, some students of Canadian federalism, most notably Professor Donald Smiley, have argued that intergovernmental central agencies try to aggrandize the legislative authority, prestige and status of their own governments, and have pushed aside the substantive goals and objectives of program specialists. Smiley suggests that intergovernmental professionals have a "single-minded devotion to the power of [their]

jurisdiction."<sup>103</sup> As a result, he argues that conflicts and tensions in intergovernmental relations -- which have displaced the more harmonious and cordial linkages between program specialists -- have generated a political crisis because jurisdictional integrity and political status are the elements shaping federal-provincial relations.

Undoubtedly, Professor Smiley is correct when he argues that intergovernmental specialists are concerned about constitutional and jurisdictional issues. Their purpose is to ensure that their governments fully consider the intergovernmental implications of policy thrusts and activities. Unfortunately, Professor Smiley overstates the case in two critical aspects. First, the triumph of intergovernmental specialists over program officials is far from complete. The role, position, and influence of intergovernmental professionals are not the same in all eleven governments. In some governments, such as the federal, Saskatchewan, Manitoba, Ontario, Nova Scotia and British Columbia, intergovernmental specialists have a relatively minor role in forging public policy except on the issue of the constitution. Even in the Quebec, Newfoundland, and Alberta governments, for which constitutional and jurisdictional issues have become critical concerns, program specialists can still draw on their expertise and technical knowledge to wield considerable political influence.

Despite Smiley's assertion, a concern for jurisdictional integrity has not displaced the substantive and functional objectives of program technocrats. As in the 1950's, program specialists are still able to develop close relationships with their professional counterparts in other governments. The power of intergovernmental officials has undoubtedly grown; unlike the era when policies and programs were formed only on the basis of functional criteria, proposals are now exposed to other forces, considerations, and interests in a government. But in no Canadian government have program specialists been truly subjugated.

Second, even when intergovernmental specialists do influence policy, they are not always single-minded "province-builders." Although these officials jealously guard provincial powers and political stature, evidence exists which suggests that federal-provincial officials have also been important in resolving acrimonious conflicts: for example, the oil pricing feud of 1973-74. Also, the intergovernmental professionals from different governments have created their own social "club" which expedites the communication flows between governments and assists in resolving disagreements; perhaps, the best instance of this was the recent constitutional talks at the official and ministerial levels during the summer of 1980. Over the years, the officials have built a warm association with each other and developed a common belief that governments must resolve their differences. Part of their role is to educate their cabinets and bureaucracies of the need to compromise.

Clearly, the emergence of intergovernmental specialists in these governments is not solely or even primarily responsible for conflicts in the Canadian polity. More profound forces underlie the tensions and confrontation between governments. In recent years, conflicts and tensions have become more acute because provincial governments, reflecting diverse socio-economic interests, have become more assertive in the process of forming national policies. In general, these governments, more capable of conceptualizing and expressing their communities' concerns, are committed to shielding their provincial social and economic interests.

Growing conflict between governments also results from the change in the character of politically sensitive issues. During the years after the Second World War, governments enjoyed burgeoning public treasuries; thus, their chief concern was the expansion of social programs which were being fuelled by the economic prosperity of the period. Although governments disagreed over social programs at times, these issues were ones of policy harmonization and

information exchange and regional differences -- except for Quebec -- were not fundamentally at stake. Consequently, conflicts tended to be more easily resolved.<sup>104</sup>

In recent years, however, relative economic decline and fiscal restraint have forced governments to concentrate on promoting economic development, and made economic issues the contentious items on the intergovernmental agenda. These issues are inherently more difficult to resolve because they revolve around different economic objectives, the use of regulation and taxation and the location and control of development. In essence, the controversial issues of economic development inevitably pit regional interest against regional interest, and have generated greater conflict in the Canadian federal system.

Intergovernmental specialists have not generated these conflicts. Rather their influence flows from their capacity to articulate interests which are well-grounded in their provincial societies. These officials do not function in isolation from the socio-economic forces of their community; they are not autonomous of the respective provincial societies. Although they focus on institution-wide interests, intergovernmental professionals have generally not created and maintained conflicts which otherwise would have not developed or been easier to resolve.

During the past decade, intergovernmental specialists have emerged as key players in shaping policy discourse in Canada. Their role in the future seems assured. Of course, if constitutional problems recede from the public agenda of the nation, some of the agencies may lose an important element of their political standing within their governments. Constitutional reform, after all, is their only "program." But unless Canada's regional tensions and conflicts are eased, this cadre of bureaucrats will continue to play a more significant and influential role on the Canadian intergovernmental stage during the 1980s.

Footnotes

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- 8) Donald Smiley, "An Outsider's Observations of Federal-Provincial Relations among Consenting Adults" in Richard Simeon (ed.), Confrontation and Collaboration - Intergovern-



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- 9) Ibid., p. 110, see also Donald Smiley, "The Structural Problem of Canadian Federalism" in Canadian Public Administration, Volume XXIV, Number 3, (Fall, 1971).
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  - 13) Ibid., p. 20.
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  - 16) Donald Smiley, Constitutional Adaptation and Canadian Federalism 1945, (Ottawa: Queen's Printer, 1970), p. 58.
  - 17) Donald Smiley, Canada in Question: Federalism in the Seventies, 2nd edition, (Toronto: McGraw-Hill Ryerson Ltd., 1976).
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  - 19) Garth Stevenson, Unfulfilled Union, (Toronto: Macmillan of Canada Ltd., 1979); Black, op cit, pp. 91-92; Donald Smiley, "Public Administration and Canadian Federalism" in Canadian Public Administration, Volume 3, Number 3, (September, 1964).
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  - 22) Anthony Careless, Initiative and Response: Adaptation of

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- 24) Smiley, Constitutional Adaptation and Canadian Federalism, p. 33.
- 25) Edwin Black and Alan Cairns, "A Different Perspective on Canadian Federalism" in J. P. Meekison (ed.), Canadian Federalism: Myth or Reality, 3rd edition, (Toronto: Methuen Publications, 1977), pp. 35 - 38; Donald Smiley, "Federal-Provincial Conflict in Canada" in Publius, Volume 4, Volume 4, Number 3, (Summer, 1974).
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- 31) Gérard Veilleux, "L'évolution des mécanismes de liaison intergouvernementale" in Simeon (ed.), Confrontation and Collaboration, p. 37.
- 32) Careless, op cit., p. 145.
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- 36) French, op cit.; G.B. Doern and Peter Aucoin (eds.), The Structures of Policy Making in Canada (Toronto: Macmillan, 1971); Doern and Aucoin, Public Policy in Canada.
- 37) Careless, op cit., p. 135.

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- 56) Saskatchewan, The Department of Intergovernmental Affairs Act, 1979, Chapter A-18.1, section 6(a)(b).
- 57) Ibid, Section 6(c).
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- 63) British Columbia, Ministry of Intergovernmental Relations Act, 1980, Bill 63, (Victoria: Queen's Printer, 1980), Section 3.
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- 91) Cited in Campbell and Szablowski, op cit., p. 86.
- 92) Phidd and Doern, op cit., p. 210.
- 93) For more information on this point, see my M.A. thesis, Intergovernmental Emissaries - The Provincial Guardians of the Federal Bargain: A Case Study of Alberta and Ontario (Kingston: Queen's University, 1980). See chapters four, five, and six.
- 94) Richard Simeon, "Ontario in Confederation" in D. C. MacDonald (ed.), The Government and Politics in Ontario, (Toronto: Van Nostrand Reinhold Ltd., 1980), p. 202.
- 95) Ottawa Federal-Provincial Relations Office, Report to Cabinet on Constitutional Discussions, Summer 1980, and the Outlook for the First Ministers' Conference and Beyond, August 30, 1980, mimeo.
- 96) For an analysis of FPRO's involvement in this dispute, see chapter five of my M. A. thesis, op cit.

- 97) Schultz, op cit..
- 98) For a good description and evaluation of the "envelope" system, see French, op cit., chapter 7.
- 99) Smiley, Canada in Question, 2nd edition, p. 73, see also Garth Stevenson, op cit., p. 202.
- 100) This point was drawn from interviews with senior officials who were knowledgeable about the decision-making structures in other governments.
- 101) British Columbia, British Columbia's Constitutional Proposals, September, 1978.
- 102) See my M.A. thesis, op cit., chapters one, three, four, six, and seven.
- 103) Smiley, "An Outsider's Observations of Federal-Provincial Relations Among Consenting Adults", p. 110.
- 104) Don Stevenson, "The Role of Intergovernmental Conferences in the Decision-Making Process", in Simeon, (ed.), Confrontation and Collaboration, pp. 90-92.