

**POLITICS, POLICY, AND FEDERALISM:  
DEFINING THE ROLE OF THE INSTITUTE OF INTERGOVERNMENTAL RELATIONS**

by

**Peter M. Leslie**

**Institute of  
Intergovernmental Relations  
Queen's University  
Kingston, Ontario**

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## **PREFATORY NOTE**

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This paper sets out some thoughts intended to guide the activities of the Institute of Intergovernmental Relations over the next few years. It will serve as a background to the development of the research program, the publications program, and a schedule of conferences.

To identify the tasks that lie before the Institute, it seemed important to reflect on the current political situation in Canada and to comment on some of the features of intergovernmental relations today. If in the latter vein, many of my remarks are critical, that is because the patience of the public seems to be severely tested by what they observe of federal-provincial interaction: the ill-tempered squabbles, the delays, the complications, the apparent preoccupation of politicians with their own powers and prerogatives rather than with the needs of citizens. This is only a part of the reality, but it is the part the public sees.

I have sought, however, to place the discussion of the role of the Institute within a broader context than public dissatisfaction with the conduct of intergovernmental relations. It seemed even more important to examine the relationship between our federal system and our capacity, as members of a political community, to resolve serious

political tensions within it. Attention is paid, on the one hand, to economic and other problems with which policy-makers must deal, and on the other hand, to swirling currents of opinion on what to do about them. Growing disagreement over values and objectives enormously complicates the task of identifying criteria by which to judge policy outputs and to evaluate the institutional matrix within which they are formed.

From this point of departure, I have sought to interweave discussion of some features of present-day Canadian politics, the structure and operation of the federal system, and the responsibilities and role of the Institute of Intergovernmental Relations as implied by, or deriving from, the political setting.

P.M.L.

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## SUMMARY

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1. Canada faces deep-seated political problems. Some of them arise out of difficulties that confront most or all industrial countries, where the post-war consensus on the role of government -- in the economy, on welfare issues -- is evidently breaking down. Other problems are somewhat more specific to Canada, and reflect the tensions arising out of linguistic dualism and the highly regionalized make-up of our economy.
2. In Canada major political controversies, even ones which elsewhere are not considered to be regional, are crystallized in inter-governmental conflict. The Canadian constitution creates two organizationally distinct orders of government, but, contrary to the intentions of the framers of the British North America Act, they are not each endowed with specific and exclusive functions. As in other federations, the constitution sets up multiple repositories of power within an inclusive system; federalism is an integral feature of the processes of political representation and political accommodation in Canada, and affects -- both positively and negatively -- the capacity of government to take effective action in relation to certain policy goals.

3. The public is weary of the acrimony and confrontation that has marked federal-provincial relations in recent years.
4. Accordingly, it is important to do everything that can be done to remove unnecessary irritants from the conduct of intergovernmental relations. It is desirable to promote cooperation among governments when objectives coincide, and, when compromise can achieve mutually beneficial results, to facilitate bargaining and negotiation. Institutional innovation may help in this respect.
5. But intergovernmental disputes are unlikely to evaporate, even under the most favourable conditions. Conflict will persist, because underlying differences in public attitudes, preferences, and interests are difficult to reconcile. Federalism is a vehicle for the expression of these differences, and the structure and operation of the federal system ought to promote their accommodation.
6. "Accommodation" on any public issue involves more than a compromise negotiated among governments; and it may also involve less than full intergovernmental agreement. Indeed, "accommodation" is a process that involves shifts in public opinion, implying tolerance and restraint; it is not defined in relation to a specific threshold of consensus among those holding the relevant public offices. It is an essential aspect of the democratic process.
7. Accommodation, since it pertains to the attitudes and actions of the public, requires the public expression of diverse attitudes and preferences. It requires serious and responsible discussion of the merits of various policy options, which often are championed by different governments.

8. Political accommodation will be easier to achieve if the conduct of intergovernmental relations becomes more open or "public" than in the past, especially at early stages in the policy process, when the options are being defined and when debate on the merits of various choices is least confined.
9. At the present stage in Canada's history the need for achieving a higher degree of cooperation among governments, and a greater measure of political accommodation among Canadian groups and regions, is an urgent one. The problems Canadians face call for concerted action and enhanced governmental capacity to realize policy objectives. At the same time, the political support necessary for concerted action is evidently lacking. Rancour -- the legacy of battles over constitutional and policy issues, and of felt political impotence -- persists in Quebec, the West, and the Atlantic region.
10. To search for ways of overcoming the resentments built up in the past, to adapt the working of the federal system to cope with deep-seated policy problems, and to build support for needed government action, are urgent priorities.
11. The Institute of Intergovernmental Relations bears a special responsibility in these areas. It is the only non-governmental body in Canada concerned solely with research on the federal system and the challenges it faces, and with the task of broadening the public's understanding of these issues.
12. The Institute of Intergovernmental Relations seeks to fulfill these responsibilities by informing and sustaining discussion of public issues pertaining to, affected by, or impinging upon the structure and operation of Canada's federal system.

13. The Institute's aim is to support democratic norms of government and to promote the processes of political accommodation, which those norms imply.
14. The rationale for the Institute's activities is that knowledge and understanding are indispensable to the realization of those norms.
15. The Institute's mandate is:
  - (a) to **extend knowledge through research** on federalism and intergovernmental relations in Canada and elsewhere, and on related issues of public policy;
  - (b) to **broaden the public's understanding** of federalism, intergovernmental relations, and related policy issues, equally through
    - : public communication of research results, and
    - : the stimulation of public debate; and
  - (c) to act as a **catalyst** promoting accommodation and supporting policy innovation and institutional change where change is needed, through:
    - : dialogue with politicians, civil servants, academics and opinion leaders in interest organizations and the communications media; and
    - : public commentary on current issues concerning the constitution, governmental institutions and policy.



## **LIST OF PUBLICATIONS**

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## 1 POLITICAL CHOICE AND THE FEDERAL SYSTEM

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### **Introduction**

Canadians have the good fortune to live in conditions of physical security, political liberty, and economic well-being which must surely be the envy of most of mankind. Nonetheless the confidence we feel in the future, and in ourselves, appears to be slipping. Affluence can no longer be taken for granted; and perhaps we have become more aware that for many of us affluence has always been more of a taunt than a reality. Political discontent -- discouragement in some, anger in others -- is widespread. As is typical of man in industrial society, we tend to compare our situation with "what might be", not with the conditions of the least fortunate of peoples, and we measure our achievements against our expectations. And yet, some of the more thoughtful among us are worried too about our privileged condition in the world, about growing international disparities, and about habits of consumption implicitly postulated on the belief that there are "no limits to growth". Thus, both because of objective circumstances and because of our attitudes, values, and aspirations, Canada is confronted with deep-seated political problems. These provide the context

for all serious reflection on the structure and operation of our political institutions.

### **The Political Setting**

In many respects the political problems that beset Canadians are typical of industrial countries generally. For example, across western Europe and in North America a new consensus is being sought on the role of government in the economy. This is made necessary by the erosion of confidence in Keynesian prescriptions for economic stabilization and by the vigour with which newly industrializing countries are challenging the older, or earlier-developed, industrial economies. Moreover, in Canada and elsewhere there is swelling criticism of the principles of the welfare state, as the fiscal burden of social security programs increases and as controversy mounts over the extent of society's responsibility for individual welfare. The social malaise and ideological divergence which are evident in both these areas result from the faltering of economic growth since the early 70s; they afflict, with differing degrees of intensity, all mature capitalist states.

On the other hand, some of Canada's political problems are more specific to this country. As Canadians, we tend to be intensely aware of the tensions arising from linguistic dualism and the highly regionalized make-up of our society and economy. Only slightly less obvious is the impact of continentalism, or the constraints and opportunities that arise from living beside a much larger, richer, and more technologically advanced neighbour. Linguistic dualism, continentalism and regionalism have effects on our politics which can be appreciated only by noting how they intertwine with each other. Thus our situation is a complex one; this makes it difficult to draw comparisons between

ourselves and other countries. Nonetheless, we Canadians may be too impressed with the cultural and economic diversity of our own country, as if other nations did not experience regional differences of comparable or greater sharpness; and we may be too much preoccupied with the attractions and repulsions of the continentalist embrace, to notice that other small states too have an elephant-neighbour situation to contend with. It is foolish to ignore the admittedly imperfect parallels between ourselves and other countries, and to imagine that the political difficulties we experience are exceptional in degree or in kind.

### **Federalism and Representation**

Where Canada may well be unique, however, is in the extent to which fundamental political differences are crystallized in intergovernmental conflict. Every Canadian with an interest in public affairs knows that issues related to linguistic dualism -- issues such as official bilingualism or unilingualism, and language rights in education -- have been a subject of federal-provincial negotiation and manoeuvring, often provoking considerable bitterness. The same is true of issues arising out of the divergence of regional economic interests -- for example, issues pertaining to the location of industry, the relative strength of the resource industries and manufacturing, and the interregional redistribution of wealth and income. Because of cultural/linguistic differences among the regions, and because of the regionalized structure of the Canadian economy, provincial governments have frequently given voice to the aspirations and demands of their respective populations even in those policy-areas that lie exclusively within federal jurisdiction. Moreover, in areas of shared responsibility or overlapping powers, federal-provincial negotiation is a major feature of policy formation. Indeed, one reason

why constitutional issues have been prominent in Canadian politics over the past few years is that new structures would noticeably modify the bargaining strength of the various participants.

All this is well understood. It may, however, be less widely perceived that many of the challenges which face all industrial societies today assume in Canada a particular form affected by the structure and operation of the federal system.

**Government and the economy.** Simultaneously rising levels of inflation and unemployment and a grim international economic climate have had a polarizing effect on public and intellectual opinion. One prescription ("neo-liberalism") has been to urge that government should minimize public spending, should "get off the backs" of the private sector through deregulation, and should abjure overall responsibility for management of the economy. It proposes a return to pre-Keynesian economic policies, accepting as "natural" or inevitable a level of unemployment considerably higher than we have experienced for about a generation. The paradox has been advanced, that only when government renounces earlier commitments to maintain a high and stable level of employment, can unemployment be reduced while containing inflation within tolerable limits. An opposite ("interventionist") response to the apparent failure of Keynesian policies has been to endorse a degree of state involvement in the economy which goes far beyond recent practice, and to call for an industrial strategy to strengthen certain sectors of the national economy while phasing out or transforming others.

Elements of both responses have been observable in the policies of various provincial governments in Canada, while at the federal level no clearcut choice has been made. What is evident, however,

is that an unambiguous decision at the federal level in favour of either neo-liberalism or interventionism would engender a mixture of support and opposition from the provincial governments. On the other hand continued implementation of a compromise policy would not only be assaulted from both ends of the ideological spectrum, but denounced by provincial governments tending towards the one or the other direction. We have already seen this happen at federal-provincial conferences on the economy.

**The crisis of the welfare state.** Disagreement over the role of the state in the economy is deepened by controversies over social versus individual responsibility for protection against risk (illness, unemployment) and over the appropriate extent of income redistribution by government. The postwar consensus, thought by many to have been a permanent feature of our politics, may now be falling apart. Concretely, the welfare state is being challenged for three distinct reasons. (1) Transfer payments are said to impose an excessive financial burden on the state and indirectly on productive workers, incurring "fiscal drag" in the economy. (2) The equity of universal schemes of income redistribution is being challenged, when some recipients are not apparently in greater need than those who shoulder the costs. (3) Perhaps most fundamentally, redistributive programs and social services are held to corrode individual self-reliance as well as the community's sense of social responsibility, as manifested in mutual aid schemes and private charities.

For many, the welfare state is the outstanding political achievement of the postwar period. Naturally there is considerable public distress that the welfare state is under siege - and here too Canada's federal system is a vehicle of public controversy. Health care programs, pension reform, unemployment insurance

rules, and public assistance programs are all subjects of federal-provincial negotiation and not infrequently of dispute. Again, neo-liberal and interventionist (or "statist") tendencies are observable.

It thus appears that in Canada the federal system is involved in processes of political choice, even in relation to issues which in most countries are not considered "regional". This is one consequence of the demise of "classical federalism".

According to the classical conception of federalism, the powers of the state are divided between two distinct and independent orders of government, to each of which is confided specific and exclusive functions. This model appears to underlie the scheme for allocating powers under the Constitution Act (formerly BNA Act). However, it may be doubted that this model was ever an accurate description of any working federal state. In practice, the powers of each order of government, certainly in Canada, have always overlapped and even conflicted with those assigned to the other. A more accurate description of federalism, especially in the modern era when the activities of the state have hugely expanded relative to what they were a century or more ago, portrays it as a form of government that sets up multiple repositories of power within an inclusive system. Some of the powers of government may be termed "functions" or even "responsibilities", but many of them are more like **instruments** which may be wielded for diverse purposes. The exercise of central powers frequently impinges upon the exercise of provincial ones, and vice-versa.

This is why in federal politics -- the politics of the federation as a whole, rather than the artificially-distinguished politics of its several juridical components -- the provincial governments have become an integral part of the system of representation. It could not be



otherwise given the overlapping of powers. Implicitly and sometimes explicitly, the provinces deny the adequacy of existing institutions of representation at the centre. By their rhetoric and their actions they challenge the legitimacy of the central government when it acts in ways allegedly injurious to provincial or regional interests.

## 2 INTERGOVERNMENTAL RELATIONS TODAY

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In recent years federal-provincial relations have been marked by acrimony and confrontation. Failures at the bargaining table have resulted in increased recourse to litigation; and consultation has tended to give way to unilateral decision as governments at both levels attempt to preempt action by the other, or to manoeuver for advantage in a succeeding round of negotiations. The public sees much of this as needless bickering, and grows tired of jurisdictional disputes. People see themselves as victims of a process which is remote, exclusive, fractious, and unseemly.

Nonetheless it is salutary to emphasize that the conduct of inter-governmental relations furnishes opportunities for Canadians to work towards a resolution of some of the complex political problems earlier alluded to. On the one hand we must not expect conflict simply to evaporate in an effusion of good will. It is vain to exhort our federal and provincial governments to scrap their differences, when these reflect fundamental ideological divergence; we cannot expect them to implement a non-existent consensus. On the other hand, the

complex political processes we describe as "federalism" provide us with machinery which may and should be used to devise and implement policies in the democratic manner -- that is, in a manner which is guided by the will of the majority, but also is constrained by respect for the rights and the political sensitivities of minorities.

It is precisely because intergovernmental relations are not completely harmonious and cannot be expected to be, that federalism holds promise as a device for the accommodation of diverse interests and preferences. Federalism institutionalizes conflict: as do parliaments, interest organizations, and political parties. We expect these bodies to contribute to the discovery of ways we can "get along" with each other in spite of our differences. Similarly, the conduct of intergovernmental relations should be an activity through which those bearing governmental responsibilities seek out common ground where it exists, search for ways of acting in concert when objectives are shared, and negotiate in good faith when compromise yields mutual benefit.

Two tasks are immediately evident. One is to remove unnecessary irritants in the conduct of intergovernmental relations, achieving fuller cooperation and coordination in policy formation. In other words, attempts should be made to improve the existing procedures and perhaps the machinery of "executive federalism". The other task is to adapt the operation of the federal system, perhaps in ways that involve formal institutional change, so that government can cope more effectively with contemporary discontents and policy problems. The issues here are governmental capacity and the adequacy of political representation, both of which impinge upon the legitimacy of the Canadian political system and its success in accommodating diverse demands, needs, and aspirations.

**Removing unnecessary irritants.**

Opinions observably vary among the "practitioners" of intergovernmental relations, whether devising appropriate machinery and techniques of liaison has much potential for maintaining greater harmony in the federal system. According to some ministers and officials, maintaining regular communication between federal and provincial agencies, and routinely consulting the other order of government about contemplated policy initiatives, can generate good will and avoid needless misunderstanding. It is said, for example, that no matter how frequently formal conferences are held, they are too episodic to achieve the necessary degree of intergovernmental coordination and cooperation. Officials are constantly gearing up for meetings -- preparing the briefing books, devising negotiating strategies and working out fall-back positions, lining up bargaining coalitions -- or mopping up afterwards; it would be better to maintain a steady working relationship the aim of which is to achieve common objectives and to flag potential difficulties before they blow up into major controversies. Similarly, if officials were at least moderately well informed on constitutional matters, were generally aware of politically sensitive issues, and observed standardized rules and procedures in matters with potential intergovernmental significance, much ill-will could be avoided.

It is important, however, to recognize the fairly narrow boundaries of what can be achieved through merely procedural reforms. The will to reach agreement, to work together cooperatively, must be present. If it is not, the best imaginable procedures won't work. And there are times when cooperation is evidently not desired by political leaders.

- (1) There may be partisan advantage to be reaped from picking a fight. For example, provincial premiers call elections ostensibly to demonstrate that the electorate is behind them in some

"anti-Ottawa" crusade, but actually to dish the opposition. Similarly, federal ministers may launch an attack on provincial leaders in order to divide and embarrass an opposition party which has close links with several of the provincial governments.

- (2) Political leaders at either level may seek to undermine public support for the policies or the government at the other level. An intergovernmental dispute -- such as that over medicare -- may be carried to the people. At the extreme, as in the recent history of relations between the federal and the Quebec governments, one side may aim to increase its own legitimacy by denouncing the other.
- (3) A government, relying on its constitutional powers, may seek to outflank another government by unilateral action. This can happen both in federal-provincial disputes and interprovincially. The National Energy Program was probably the supreme instance of this; another was Newfoundland's legislation (now before the courts to determine its constitutional validity) to withdraw water rights from the Churchill Falls Power Corporation, aiming to force Hydro Québec to renegotiate its contract with the Corporation on terms more favourable to Newfoundland. The general point to be made here is that unilateral action may have different policy outcomes than would result from a consistent search for harmony and cooperation.

Disincentives to intergovernmental cooperation may prove to be very powerful in a period of continuing interregional conflict and polarization of opinion regarding the appropriate role for government in the economy and in the social welfare field. The public may wish that governments would suppress their aggressiveness and act as partners in the service of citizens, but the courses of action implied by this principle may be difficult to identify when provincial and national electorates are riven by multiple disagreements on policy issues.

**Federalism and political accommodation.**

In an era when people disagree widely on policy goals, it becomes increasingly difficult to establish criteria by which to judge the effectiveness of government or to evaluate institutional arrangements, such as the structure of the federal system, according to a "functional" (i.e. policy-related) standard. The problem one faces is not that of adapting institutional mechanisms to the pursuit of agreed ends. Rather, the problem, given diversity of opinion on fundamental issues, is to ensure that the federal system conduces to accommodation among conflicting preferences and interests, and to ensure that it does so in a way that assists the selection of policy responses appropriate to the challenges facing Canadian society.

In the context of a federal system, "political accommodation" is easily but misleadingly identified with the negotiation of compromises among governments. "Federal-provincial diplomacy" may well be an aspect of a process of accommodation, or may conduce to it; but a particular threshold of agreement or consensus among governments is not of the essence. Rather, **accommodation is a process that involves shifts in public opinion, implying tolerance in attitude and restraint in action.** One criterion of successful accommodation on a particular issue is that initially opposing views become reconciled, at least to the extent that the interested parties acknowledge that some form of common policy is necessary and justified, and ought to be proceeded with, even when disagreement persists concerning its substance. Thus it implies willingness to accept second-best solutions to policy problems. A second criterion applies when the first has failed, or has not yet been realized. This criterion is that political majorities observably refrain from attempting to implement a common policy when to do so would cause serious offense to minority opinion. In a nutshell: minorities recognize that decisions must be guided by the will

of the majority; but the will of the majority is constrained by the rights and the strongly-held views of minorities. Accommodation is thus an essential aspect of the democratic process.

Intergovernmental relations ought to be conducted in such a way as to facilitate and promote political accommodation. This has scarcely been the case in the recent past. The "public face" of federal-provincial relations has tended to emphasize the conflictual aspect of federalism, and both federal and provincial politicians have at times consciously incited public opinion against their counterparts at the other level. Non-participants have responded by counselling civility, which is sensible but not markedly effective. The negotiators of intergovernmental agreements, who professionally are very much alive to the tactical advantages of withholding information, tend to see the public wrangling among their political masters as added confirmation of the wisdom of proceeding in secret. Thus they are reinforced in their opinion that, except in cases where appeals to public opinion are necessary to strengthen a bargaining position, intergovernmental relations should be conducted as much as possible out of the public eye. Many of the practitioners have apparently thought that where agreement was mutually desired, it could be more easily achieved in private. There has been a widespread presumption that a more public process would be more conflict-laden and unproductive than the sometimes-quiet diplomacy of executive federalism.

The time has come to question these attitudes and presumptions, and to modify the practices adopted in accordance with them. The traditional methods of conducting intergovernmental relations have been objectionable when measured against the standards of openness and public involvement that democratic principles require. Moreover, the exclusion of the public may well, in many cases, have tended to magnify and embitter rather than to resolve political differences. It

seems to have contributed to governmental immobilism and to have complicated the process of devising effective policy responses to economic and social problems. Naturally, this lessens confidence in government, eroding legitimacy.

Political accommodation is not assisted by sweeping disagreements under the rug. On the contrary, it is furthered by the public expression and reasoned defence of diverse attitudes and preferences. Since accommodation pertains to the attitudes and actions of the public, it requires serious, open, and responsible discussion of the merits of various policy options. In circumstances in which different options are championed by different governments, as so frequently occurs in the Canadian federal system, accommodation is the more readily achieved if the conduct of intergovernmental relations becomes more open and public than in the past. This is especially true of the early stages in the policy process, when the options are being formulated and when debate on the merits of various choices is least confined.

This is not a plea for increasing the number of public conferences of first ministers. These are just the visible tip of the proverbial iceberg. Indeed, if confidentiality is required in intergovernmental relations -- and it would be unrealistic to endorse without reserve the Wilsonian principle of "open agreements openly arrived at" -- the doors should close at the final stages of negotiation, rather as when a legislative committee meets in camera to prepare its recommendations after extensive public hearings and widespread debate among interested parties and in the press. To have a secret process culminating in a televised conference simply invites posturing.

Federalism, it bears repeating, is integral to the system of representation in Canada. It is only to be expected that the federal, provincial, and territorial governments will rank public issues in various orders of importance, will define them in different ways, and



will have distinctive policy responses to propose in the face of citizens' demands. The open expression of this diversity, in a serious and responsible discussion of the merits of different choices, is an essential part of democratic decision making processes. A less secretive style of federal-provincial relations, relative to what we have now, would contribute to the resolution of Canada's political problems in a way consistent with democratic norms. Since these norms dictate respect for minority opinion and forbearance in overriding the strongly-held views of minorities, only a political process engendering widespread public involvement and participation, within an institutional framework providing for multiple repositories of power and authority, can be considered effective from a democratic standpoint.

### **Priorities for Canada**

At the present stage in Canada's history the need for achieving a higher degree of cooperation among governments, and a greater measure of political accommodation among groups and regions, is an urgent one. Severe economic challenges confront us, leaving us uncertain (as other countries also are) whether to minimize government interference in the economy, or to forge a new partnership of state and industry to improve our competitive position in world markets. Moreover, the outstanding policy innovations of the postwar years -- the extension of social security and of public services in education and health care -- are being criticized for their fiscal and their social consequences, posing fundamental questions about the future of the welfare state. In both major areas of controversy the overlapping of federal and provincial powers imposes grave strains on intergovernmental relations.

The problems Canadians face call for concerted action and enhanced governmental capacity to realize policy objectives. However, the political support necessary for concerted action is evidently lacking.

Agreement on what courses of action to take is conspicuously absent. Rancour persists in Quebec, the West, and in the Atlantic region: this is a legacy of recent battles over constitutional and policy issues, in which large parts of the country have felt disenfranchised, politically overwhelmed. Specific grievances remain unresolved, while resentments built up in the past reinforce present-day regional and linguistic tensions.

Our needs are clear: we must search for ways of overcoming the resentments built up in the past, we must adapt the working of the federal system to cope with deep-seated policy problems, and we must build support for needed government action.

### 3 THE ROLE OF THE INSTITUTE OF INTERGOVERNMENTAL RELATIONS

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The Institute of Intergovernmental Relations bears a special responsibility in these areas. It is the only non-governmental body in Canada concerned solely with research on the federal system and the challenges it faces, and with the task of broadening the public's understanding of the structure and working of Canadian federalism.

The Institute seeks to fulfill its responsibilities by stimulating and sustaining informed discussion of public issues that are in some way related to federalism and intergovernmental relations. Three classes of issues arise:

- **issues pertaining to the federal system itself:** whether the institutions that characterize the system are working well, and are adequate to our needs as a society; or whether institutional changes might be devised that would improve government's capacity for effective action and for promoting political accommodation;
- **policy issues affected by the structure and operation of the federal system:** the impact of federalism on public policy;

-- **policy issues challenging the federal system** in its present form, or tending towards its adaptation or transformation.

The Institute's aim is to support democratic norms of government, and to promote the processes of political accommodation which those norms imply. In this light, federalism is a means, not an end. When we affirm that federalism is useful as an instrument rather than being valued in itself, we acknowledge that the instrument may have to be refashioned as circumstances change. While it seems clear that only a federal form of government is consistent with Canada's ethnic and regional structure and with its geographic make-up, one should recognize that there are many types of federalism; a great variety of institutional forms and governmental practices are encompassed by this one word. It is therefore futile to ask what an "ideal" federation would look like, and try to live up to the model. Rather, we should identify what Canadians' values are, and whether and to what extent they change over time: **then** we may profitably ask whether our political institutions, including the form and practice of federalism, are well adapted to realizing and preserving national values in public policy. The work of the Institute assumes and affirms that political accommodation and, with it, respect for minority opinion, is a basic political value for Canadians.

The rationale for the Institute's activities is that knowledge and understanding are indispensable to the realization of democratic norms of government, and specifically to processes of political accommodation. This principle provides the link between the democratic values which the Institute is committed to supporting, and the activities implied in its mandate.

The Institute's **mandate** is:

- (a) **to extend knowledge through research** on federalism and inter-governmental relations in Canada and in other countries, and on related issues of public policy;
- (b) **to broaden the public's understanding** of federalism, inter-governmental relations, and related policy issues, equally through:
  - : public communication of research results,
  - : the stimulation of public debate; and
- (c) **to act as a catalyst** promoting accommodation and supporting policy innovation and institutional change where change is needed through:
  - : dialogue with politicians, civil servants, academics, and opinion leaders in interest organizations and the communications media.
  - : public commentary on current issues concerning the constitution, governmental institutions, and policy.

### **The "Research" Mandate**

The Institute of Intergovernmental Relations has become recognized as the leading centre in Canada for the study of federalism. The scope of its research program extends to all aspects of federalism in Canada, and in lesser degree to federal and quasi-federal regimes in other countries whose experience may be considered in some way instructive for Canadians.

The single most important focus for the Institute's research program is the evolving structure of the federal system in Canada, with

attention being paid both to formal constitutional change and proposals relating thereto, and to changing modes of interaction among governments. Shifts in the pattern of fiscal transfers and the exercise of taxing powers, and new policy initiatives (whether unilaterally announced or jointly undertaken) may easily have an impact as great as that of formal constitutional revision, modifying the de facto distribution of policy responsibilities and governmental power. Accordingly, changes in the style of conducting intergovernmental relations, and shifts in the distribution of political resources available to various governments in Canada, have been and remain at the core of the Institute's research program.

In part the Institute's research on the structure and working of the federal system is aimed at providing a record of the evolving character of our political institutions in their federal aspect. Perhaps more importantly, the intent is to interpret and explain such changes as have occurred, and to evaluate the functioning of the Canadian federal system according to democratic criteria. A particular difficulty here lies in the sometimes antithetical requirements of **policy effectiveness** and **qualified majoritarianism** (as is implied by respect for the interests and aspirations of political minorities). Thus the evaluative aspect of the Institute's research must take account of the delicate balance of objectives and must recognize, as has been repeatedly stressed, that federalism is integral to the system of political representation in this country. Any absolute distinction between the study of federalism and the study of the structure and operation of our central institutions of government is artificial, and the research program of the Institute accordingly comprehends both.

Attention to the goal of policy effectiveness implies a further dimension of the Institute's work on Canadian federalism. One assumes

that federal structures have an impact on policy, though it remains an important subject for enquiry how great and -- in any given policy area -- of what character that impact is. There is, too, the further implication that the policy impact of federalism affects various political groupings, regional and non-regional, in different ways. Accordingly, a major element in the Institute's research program is the study of federalism and policy formation. The policy areas selected for special attention vary according to their contemporary relevance. However, an indication of their breadth was earlier provided in the discussion of the growing disagreement over the role of the state in the economy and over the extent of private and social responsibilities in the welfare field.

While the primary focus of the Institute's research program is on Canada, studies of federal and quasi-federal arrangements in other countries are also important. To neglect comparative experience is not only short-sighted, it can be counter-productive in the sense that sometimes it is easier to appreciate the distinctive features of one's own country by looking abroad. This is obvious when Canadians are contemplating the adoption of certain features of foreign constitutions, such as an elected Senate. But it is also instructive to see how other countries, some of them unitary, are coping with regional tensions; or how non-federal associations of states, such as the European Community, handle certain policy questions (competition policy, transportation, and so forth). In all such cases research focusses on political capacity to implement effective policies, and the political tensions associated with adopting a common policy or, conversely, with inability to do so.

The scope of the research program indicated here is greater than can possibly be undertaken by Institute staff. This outline therefore constitutes a definition of the subject-matter from which individual

projects are selected according to their urgency or topicality, and according to the financial and human resources available at the time. The Institute's research role, however, is not limited to what can be done "in-house". An important aspect of its role is to keep informed about research being conducted elsewhere and, within the areas indicated, (a) to maintain a sense of research priorities and identify neglected subjects, (b) to help researchers keep in touch with work being undertaken in the field (for example, by publishing periodic reports on "research in progress", (c) to develop and maintain a comprehensive bibliography on Canadian federalism as well as a more selective bibliography on comparative federalism, and to offer its own research facilities to visiting scholars, and (d) to encourage and help finance research by other scholars both from Queen's University and across the country. Thus the Institute provides services for other researchers, stimulating and supporting research done elsewhere on federalism and related subjects.

### **The "Public Understanding" Mandate**

**Public communication of research results.** An important part of the Institute's mandate is the communication of research results. The intended audience is diverse. It includes, besides the scholarly community, both government and the interested public. The principal vehicle for the communication of research results has been a publications program comprising:

- An annual Year in Review, published in English and in French. This volume presents an overview of events pertaining to the structure and working of the federal system in Canada, and surveys political (including electoral) developments affecting federal-provincial and interprovincial relations as well as policy issues affected by or influencing the course of intergovernmental relations.



- A monograph series, dealing with topics such as electoral reform, communications policy, and the organization of intergovernmental relations in Canada and elsewhere.
- Reports, conference proceedings, and monographs published jointly with other organizations such as the Economic Council of Canada and the Science Council of Canada.
- A discussion paper series on diverse topics, providing reports of less-than-monograph length, presenting research findings and/or injecting ideas into the public forum for debate.

Not all of the Institute's work is published "in-house". It also appears in scholarly journals, in books issued by university presses and commercial publishers, and in conference proceedings published by other organizations. A broader audience is also reached through occasional "citizens' guides" and newspaper articles.

**Stimulation of Public Debate.** Some of the elements in the Institute's publications program, already described, are directed primarily to a specialist readership; others aim to reach a more general audience. The latter include books of commentary on the evolving political and constitutional situation in Canada (such as Must Canada Fail?, a book of essays reflecting on the consequences of the election of the Parti Québécois in 1976), occasional "citizens' guides", and feature articles published in newspapers. Other ways to stimulate and contribute to public discussion of federalism issues include radio and television commentary, and presentations to parliamentary and other official task forces, commissions, and committees. Conferences organized by the Institute, or in which Institute personnel participate, also contribute to the stimulation of public debate on federalism and related policy issues.

### **The "Catalyst" Mandate**

Most of the Institute's work contributes only indirectly to public purposes (notably to processes of political accommodation); but its activities also extend to a more direct form of participation in public life. In the latter respect it has a dual role, to facilitate dialogue among persons who are actively concerned with policy innovation and implementation, and to act as a positive and constructive critic on constitutional and policy issues.

**Dialogue with politicians, civil servants, academics and opinion leaders in interest organizations, and the communications media.** One of the most significant responsibilities of the Institute is to maintain links between federalism scholars and "practitioners" -- those who, whether as elected politicians or as public servants, are actively engaged in the conduct of intergovernmental relations. Of special importance in this respect are the annual meetings of the Institute's Advisory Council, the main agenda item being a two-day seminar on some topic of mutual interest. These and other occasional seminars and conferences, which sometimes include representatives of the press and/or of interest organizations, provide an opportunity for an informal exchange of views on issues of current importance.

The role of promoting dialogue is especially important at times when governments seem incapable of communicating with each other on certain issues. This can easily happen: words flow, but the participants talk past each other. On occasions when there is a dispute at the ministerial level, officials from the two orders of government are inhibited from exchanging ideas and working together; the blockage extends also, though to a lesser degree, to communication between civil servants and interest organizations. In circumstances such as these, a neutral body with a demonstrated interest and competence in

intergovernmental affairs can perform a useful function in promoting dialogue among responsible officials and interested parties outside government.

**Public Commentary.** The Institute's role in stimulating public debate on issues of the day has already been noted. There is a difference, if a fine one, between sustaining and informing discussion -- activities to which attention was drawn in an earlier section -- and the act of creating a forum for the advocacy of new ideas and the critique of institutions, procedures, and policies. It is the latter activity which is identified here. While the Institute does not, as an organization, take positions on policy issues or issues of a constitutional or procedural character (i.e., in the conduct of intergovernmental relations), its staff are not bound by a rule of absolute neutrality on individual issues. On the contrary, the Institute encourages its staff, in their personal capacities, to comment publicly on issues of the day and on emerging or foreseeable problems. The design of the publications program reflects this aim. Over a range of issues, and as much as possible for issues individually, the Institute aims for fairness, balance, and even-handedness, attempting to ensure the expression of a wide variety of opinion. It does so in the belief that policy effectiveness and political accommodation are supported by vigorous debate and responsible, constructive criticism.

### **Conclusion**

Only those who hold public office (elective or appointive) can fulfill the responsibilities of government. However, their capacity to do so depends importantly on factors which they only partly control. Their actions are conditioned and confined by a constitution which they inherit from the past and which they can modify only to a degree.

They face policy difficulties not always of their own making, and operate under a set of political impulses and constraints -- the exercise of private power and the frequently intransigent demands of public opinion -- which they may attempt to manage but cannot absolutely control. In short, the operations of government are set within an institutional matrix and a political context which to some extent may be moulded by the action of citizens. The responsibility of governing lies with government, but responsibility for the conduct of public life in a manner consistent with democratic principles is the responsibility of all.

At the present juncture of Canada's history the country faces a set of political problems which in the opinion of many are hard to cope with, and doubly so within the present federal system. Some politicians and opinion leaders go much further than this. They attribute many of Canada's political problems as a collectivity, to the functioning or malfunctioning of our federal constitution. Others -- probably a much larger group -- would like to forget about the constitution and concentrate on our economic woes and other policy issues. However, the relationship between many "substantive" and "process" or "structure" issues is so close, that it may be doubted whether a neat distinction can consistently be made between the two. Indeed, this probably goes a long way towards explaining an apparent decline in public respect for and support of the constitutional structure.

These facts point to the importance of acquiring the fullest and most accurate possible understanding of how our federal system works, how federalism affects public policy, and how policy disputes affect federalism. It is to these immediate objectives, and behind them to the goals and values summed up in the term "democracy", that the Institute of Intergovernmental Relations is committed.