
INTRODUCTION

In the past decade, Canadians have witnessed a change in the Canadian federal environment. The creation of the Council of the Federation in 2003, the strength of the resource sector, the growing attention paid to the North, changes to the equalization formula and the readjustments of fiscal arrangements, the “new” Ontario, the changing partisan landscape in Canada, the potentially diminishing influence and power of Quebec in the federation, on climate change, new provincial demands for a larger role in international trade negotiations, widespread opposition (with the important exception of Ontario) to a national securities regulator, attempts at institutional reform of the Senate and the House of Commons, and the positions taken by Newfoundland and Labrador, Nova Scotia, and Quebec on the Lower Churchill project. Provincial governments are not hesitating to assert themselves in protecting their interests.

In light of these changes, the Institute of Intergovernmental Relations invited experts from academia and government to explore this “new” Canadian federal environment at our State of the Federation conference, held in Montreal in December 2011. Participants were asked to discuss the role of the provinces and the territories in the federation and consider whether we are witnessing a redefinition, a change, and/or a rebalancing of the relationship between the central government and the provincial and territorial governments. We focused on three overarching research questions that capture the idea of Canada’s changing federal environment.

The first of these was whether the power base in Canada was changing and how, if such change was occurring, governments were responding. In particular, authors were asked to consider how the provinces were asserting or reasserting themselves. For example, are the provinces attempting to enlarge or redefine their role or powers in the federation? If they are, what are the manifestations of these enlargements or redefinitions? What role are provincial institutions (e.g., the Council of the

Federation) playing in these processes? Are they effective, or should provinces seek other avenues of cooperation and coordination? In short, has the proclamation of the era of “open federalism” resulted in substantive change?

The second major issue authors were asked to consider were the implications

This political reality is reflected in Quebecers' weak identification with Canada and loyalty to their provincial government.

As David Smith points out in his contribution, a further consequence of the 2011 election is that the subject of the prerogative power of the Crown has disappeared from the daily news, although by no means for good. Looking at institutional reform in the current political environment, Smith discusses the prerogative power of the Crown that is normally exercised on advice of the first minister. This power remains significant in two areas of public policy: foreign relations, and what is called the "condition of Parliament." In exploring the latter, Smith looks specifically at the summoning, dissolution, and prorogation of Parliament. He also addresses the possibility of institutional reforms as they apply to the House of Commons, asking the key question: Does the House have a future?

HEALTH POLICY, ECONOMIC FEDERALISM: WHO IS IN CHARGE?

The volume's third section considers the role of the provinces in key policy sectors: health policy, national securities, and international trade policy. Which order of government is or ought to be the leading force? How much cooperation between the two is desirable? What are the implications of the relationship between the two orders on the overall dynamics between the central government and

intergovernmental relations. Beginning with a definition of intergovernmental relations understood as the relationship between Canadian governments on matters of policy development, the authors look at the correspondence between policy priorities and intergovernmental relations. They examine speeches from the throne as a method for governments to express their policy priorities, while also offering an analysis of vertical intergovernmental relations. Finally the authors take a measurement of horizontal intergovernmental relations within Canada, finding that between 1960 and 2010, horizontal relations have been no less important, and possibly more so, than vertical ones.

In the final chapter, Christopher Dunn examines the shared political, social,