

- a need to adapt to local conditions
- applications operate differently in different conditions
- models can not be picked off the shelf.

The value of the Canadian experience includes two centuries of trying to reconcile different and distinct communities. Canadians have considered and tried various approaches (unitary, centralised and decentralised federation) and debated over federation *versus* confederation. **The value of our experience stems less from precise structures employed and contemplated, than from processes we have developed over time to reflect the need for tolerance, compromise and adjustment. Key issues have not been resolved once and for all, yet we continue trying. "Federalism in Canada is not a fixed ideal, but a process of evolution and change."**

The second point - danger of oversimplification - is particularly pertinent for Cyprus. **We must be wary of the "tyranny of terminology" or "lunacy over labels."** Terminology and labels detested by each side should be avoided. **As the debate over federation *versus* confederation in Cyprus and elsewhere demonstrates, use of terms that effectively reduce an issue to "either-or" prevents resolution.** Resolution is possible only when practical arrangements are addressed.

Both, federation and confederation combine shared-rule for common purposes with self-rule of component units for other purposes. The essential difference lies in the character of institutions for common purposes: in federations institutions are citizen-based, in confederations common institutions are based on the constituent governments. There are enormous variations within each category of which Ronald Watts cited numerous examples. In some cases, federations may be more decentralised than confederations or contain some confederal elements. There also exist many hybrids. For instance, the constitutional structures in 1867 Canada combined both, federal and some unitary elements. Other combinations include, for instance: confederal and federal elements (EU governing structures) or confederal and unitary elements (the original U.S. federal constitution). There are currently few examples of successful "pure" confederations in practice, he said.

Canada has considerable experience in addressing constitutional issues in the context of a bi-communal situation. Lessons can be learned from the 1840-1867 Act of Union, from the rejection of a two-unit federation in 1867, and more recently from the mega-constitutional debates 1960-2000 (which included discussion of concepts such as *status quo* federalism, renewed federalism and sovereignty-association or partnership). Like the Turkish Cypriots in Cyprus, French Quebecers in Canada account for about 24% of the total population. Canada has, however, important features which distinguish it from Cyprus including 10 provinces rather than 2 units, a multicultural element and a growing voice of Aboriginal Peoples. Federation with some confederal features is likely to evolve in Canada, rather than a sovereignty-association.

There are no existing two-unit confederations. Literature suggests that all two-unit federations are or have been troubled and relatively unstable. Some of the reasons include: