

Canada – United Kingdom  
Interparliamentary Association



Association Interparlementaire  
Canada – Royaume-Uni

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**Report of the Canadian Parliamentary Delegation  
respecting its participation at the Bilateral Visit to London,  
England  
and Belfast, Northern Ireland, United Kingdom and Dublin,  
Ireland**

**Canada-United Kingdom Inter-Parliamentary Association**

**March 5-9, 2018**

# REPORT

## INTRODUCTION

On 5 and 6 March 2018, the Canada-United Kingdom Inter-Parliamentary Association (RUUK) sent a delegation of six parliamentarians to attend bilateral meetings in London, England, United Kingdom. The delegates were Mr. Frank Baylis, MP and head of the delegation; Hon. Patricia Bovey, Senator; Hon. Donald Plett, Senator; Mr. Daniel Blaikie, MP; Mr. Kerry Diotte, MP; and Hon. John McKay, MP. The delegation was accompanied by Association Secretary, Mr. Jean-Francois Pagé and Association Advisor, Ms. Sonya Norris.

From 7 to 9 March, the RUUK delegation was joined by a delegation of six parliamentarians from the Canada-Europe Parliamentary Association (CAEU) to attend bilateral meetings in Dublin, Ireland and Belfast, Northern Ireland, United Kingdom. The CAEU delegates were Mr. James Maloney, MP and head of the delegation; Hon. René Cormier, Senator; Hon. David Wells, Senator; Mr. Zaid Aboultaif, MP; Ms. Irene Mathysen, MP; and Mr. Scott Simms, MP. The delegation was accompanied by Association Secretary Ms. Guyanne Desforges and Association Advisor Ms. Laura Barnett.

During meetings in London, Dublin and Belfast, the delegation met with ministers, parliamentarians and other political representatives; government officials; and representatives from business associations, Canadian companies, and think tanks. In addition, the delegation attended a reception hosted by Canada's Ambassador to Ireland and was briefed by Canada's High Commissioner to the United Kingdom and officials as well as the Honorary Consul of Canada in Belfast. The discussions held during these meetings pertained to key issues in Canada-EU, Canada-Ireland and Canada-United Kingdom relations, including the *Comprehensive Economic and Trade Agreement* (CETA) and Brexit.

## 1. VISIT TO LONDON, ENGLAND, UNITED KINGDOM (5 AND 6 MARCH 2018)

On 5 and 6 March 2018, the RUUK delegation participated in bilateral meetings in London, England, United Kingdom. The delegation began the two days of meetings with a briefing from the Canadian High Commissioner to the United Kingdom, Mrs. Janice Charette and various officials at Canada House. In addition, delegates met with several parliamentarians including the Speaker of the House of Commons, Mr. John Berkow, and the U.K. Trade Envoy to Canada, Mr. Andrew Percy, as well as various representatives from policy think tanks Chatham House and Policy Exchange in London.

### A. Briefing at Canada House

The delegation began its mission with a briefing at Canada House, Canada's High Commission to the United Kingdom in London, from Mrs. Janice Charette accompanied by several staff of the High Commission. Mrs. Charette briefly described the work of

Canada's High Commission to the U.K. as Canada's second largest mission in its network next to Washington, D.C. in the U.S. The High Commission delivers services within all four devolved administrations within the U.K. Several sections within the mission carry out immigration and refugee services, trade promotion, security services with RCMP and CSIS members and public affairs. She explained that the U.K.'s withdrawal from the EU in 2019 has resulted in it having to devote effort to developing relationships with countries around the world and that she sees that as an opportunity for Canada to increase its own status and visibility on the global stage.

In terms of Brexit, the delegation was given a brief overview of the withdrawal process following the U.K.'s June 2016 referendum on leaving the EU. The process will end in March 2019 with the U.K. leaving the EU, regardless of whether a deal has been reached, unless there is unanimous consent at the European Parliament to extend the date. The U.K. hopes for a seamless transition, in terms of finance, trade, migration, etc., however delegates were told that this will depend on whether there is a transition period once the U.K. has left the union. Canada House officials agreed that reaching a deal for the U.K.'s exit is proceeding slowly, with issues specific to Northern Ireland causing a lot of concern. The U.K. and the EU agree that the Good Friday Agreement and the Common Travel Area must be honoured in any deal that is reached, meaning no border controls on the Island of Ireland. However, there is no agreement as to how this arrangement will be accomplished. Some of the officials at the briefing suggested that it would require the U.K. to remain within the EU customs union.

Officials explained that a customs union refers to a group of countries that apply a common tariff and non-tariff barriers on imported goods and can enter into free trade agreements with other countries, but individual members of a customs union cannot. A single market, it was explained, refers to a group of countries within which goods and services are traded freely. All EU countries are in a customs union and a single market, while some non-EU countries are members of the customs union only (e.g., Turkey) or the single market only (e.g., Norway).

Further complicating this issue, delegates were told, is that the Northern Ireland Assembly has not been in session since its last election as there has been no agreement on a power-sharing structure of the executive, a requirement under the Good Friday Agreement.

## **B. Informal Briefing with the Speaker of the House of Commons**

Following a tour of both Houses of Parliament at the Palace of Westminster, delegates were greeted by the Right Honourable John Bercow, Speaker of the House of Commons. In response to delegates' questions, Mr. Bercow described the process followed for electing the Speaker of the U.K. House of Commons and the requirements and duties of the position. Delegates discussed the similarities and differences between the U.K. and Canadian parliamentary practices. Mr. Bercow was also asked about the anticipated restoration of the Palace of Westminster, to which he indicated that no detailed plan had yet been adopted.

## **C. Working Luncheon hosted by the Commonwealth Parliamentary Association UK**

Several members of the U.K. Branch of the Commonwealth Parliamentary Association (CPA UK) attended a luncheon with the delegation. The CPA links all members of parliaments across the Commonwealth and encourages cooperation and understanding among Parliaments, promotes good governance, and advances parliamentary democracy. CPA UK is the most active branch within the CPA. The informal session was chaired by Mr. John Howell, MP who facilitated discussion around the table.

Questions about the Brexit referendum and the subsequent discussions with the EU to reach an agreement before March 2019 evoked strong and polarized responses that revealed tensions similar to those heard during the RUUK bilateral visit in 2017. The delegation heard that some U.K. parliamentarians were comfortable with the referendum process, results and negotiations to date and felt that the U.K. will thrive again following some turbulent years. Other participants, however, remained critical of the Brexit vote and suggested that the U.K. will be worse off after the split from the EU is finalized. There was some consensus over the issue of the Northern Ireland border, specifically that the U.K. should remain in the customs union in order to maintain the open border. As well, delegates heard that Gibraltar, a British Overseas Territory bordering on Spain that participated in the Brexit referendum, is another difficult component of the negotiations with the EU. CPA UK participants also agreed that Brexit issues are completely consuming the business of Westminster, which could compromise the legislature's ability to address other issues.

#### **D. Prime Minister's Statement**

Delegates were invited by Speaker Berkow to listen to the Prime Minister's Statement on the U.K.'s future economic partnership with the European Union from the House of Common's gallery.

#### **E. Briefing from Senior Fellow, Chatham House**

The final briefing for the delegation's first day of its mission was a discussion with Professor Matthew Goodwin of Chatham House, the Royal Institute of International Affairs. Prof. Goodwin provided an overview of the political changes in Europe over the past decade which he described as socialist parties losing popularity while populist parties are becoming more popular. He stated that this effect is less noticeable in the U.K. with its first-past-the-post electoral system than it is in jurisdictions with proportional representation.

In terms of Brexit, Prof. Goodwin indicated that immigration into the U.K. was one of the factors that led to a "leave" result. He outlined that a majority of U.K. citizens want lower net immigration levels and are willing to endure reduced economic growth in return for immigration reform. However, he was of the opinion that the currently suggested quota of 300,000 people for net migration, which includes international students, which was viewed to be a number too small to be practical or sustainable. Finally, he expressed reservations about the outcome of the U.K. – EU withdrawal negotiations, specifically about whether a "hard Brexit" agreement, as promised by Prime Minister May can be reached which upholds the Good Friday Agreement and the Common Travel Area as both parties have agreed.

## **F. Briefing from U.K. Foreign Policy Experts**

The second day of meetings in London began with a briefing from three panelists with foreign policy expertise who provided their own perspectives on the continuing Brexit negotiations and their opinions on potential Brexit outcomes.

Lord David Hannay of Chiswick, former U.K. Ambassador to the United Nations and Cyprus, offered three possible outcomes to the Brexit negotiations in descending order of probability: a deal will be reached between the U.K. and the EU and accepted by the European Parliament and Westminster by the deadline of 29 March 2019; a deal will be reached by the deadline but rejected by the European Parliament or Westminster; or no deal will be reached by the deadline. Lord Hannay also suggested that the U.K. will have less influence in the world once it has left the EU.

Jacqueline Minor, former European Commission representative in the U.K., summarized the Brexit negotiations to this point. She indicated that Phase I of the negotiations were completed in December 2017 and explained that the EU views that stage of negotiations as a pre-condition to discussing further business while the British consider it to be a down payment on a future trade deal. She outlined that Phase II can proceed, which includes the legal text of the Phase I agreement in principle, the transitional arrangements following U.K.'s withdrawal from the EU, and discussion of the future relationship between the U.K. and the EU. In this regard, Ms. Minor referred to Prime Minister May's speech to Parliament on 5 March that the delegation attended, which identified three categories of U.K. relations with the EU post-Brexit: alignment with EU agencies (e.g., medicine and aerospace industries), mutual recognition of standards (e.g., food) and non-alignment with EU (e.g., agriculture and fisheries).

Lord Michael Jay of Ewelme, former U.K. Ambassador to France and a member of the House of Lords European Union Committee, expressed some optimism that a withdrawal agreement will be reached but that its contents could not be predicted at this point. He was also more optimistic than previous speakers that the U.K. would continue to have influence in Europe. He pointed out that for practical purposes the U.K. will remain close to the EU, but that the U.K. may not be able to move quickly on trade deals with non-EU countries.

Upon questioning from delegates, the three speakers agreed that the U.K. will regain influence on the global stage within three to five years; if the U.K. leaves the customs union and the single market then a solution to the Irish border is still unknown; and, Brexit issues are completely consuming Westminster business and could cause increased tensions between Westminster and the devolved administrations.

## **G. Meeting with the Prime Minister's Trade Envoy to Canada**

Andrew Percy, MP and the Prime Minister's Trade Envoy to Canada, offered a short question and answer session to the delegation. Mr. Percy indicated that sovereignty was the biggest issue during the Brexit referendum. When asked about the anticipated contents of a withdrawal agreement, he noted the government's preference to exit the single market but perhaps stay within the customs union. As to the concerns regarding the Irish border, Mr. Percy stated that there is no obvious solution at this time but that

when a solution is reached it will not be specific to Northern Ireland. Rather it will be applicable to all of the U.K. in order to address the requirements of the Good Friday Agreement and the Common Travel Area. He ended the exchange by acknowledging that negotiating the U.K.'s exit from the EU is complicated but that change is usually difficult.

#### **H. Working Lunch with the Head of the Britain in the World Project at Policy Exchange**

An informal discussion was held between delegates and Professor John Bew of King's College who is also head of Policy Exchange's Britain in the World Project. Prof. Bew outlined some of the potential consequences of withdrawing from the EU. He predicted that the U.K. economy will shrink, at least in the short term, while the EU economy will increase, but more slowly than the Asian economy. He also explained that the U.K. is at a critical moment requiring a choice between isolationism and seizing the opportunity post-Brexit to expand its influence in other parts of the globe. He called this option "Global Britain," which would require increased defence spending and increased resources for the Foreign Office as it focusses on bilateral discussions. Prof. Bew listed two pillars of influence for the U.K. in the world; the United Nations and the North Atlantic Treaty Organization (NATO). He emphasized that the U.K. must meet its obligations of 0.7% of GDP and 2.0% of GDP for foreign aid and support to NATO, respectively, and must maintain its support of the UN and NATO if it is to remain influential in the world.

#### **I. Meeting with the Manager of Chatham House's Europe Programme**

The delegation's final meeting in London was a briefing from Mr. Tom Raines, research fellow and Programme Manager for Chatham House's Europe Programme. Mr. Raines explained that his work with the Europe Programme focusses on the U.K.'s relations with Europe post-Brexit. In terms of U.K. foreign policy, delegates heard once more that the U.K. is consumed with Brexit-related matters and has been for about five years. With respect to the EU, U.S. and NATO, Mr. Raines indicated that polling shows that U.K. relations are weaker than at any other time in the past. He also expressed uncertainty about the EU's willingness to extend any type of special status to the U.K. in the withdrawal agreement, although he acknowledged the European Commission proposal to keep Northern Ireland within the single market and the customs union, a proposal rejected by Prime Minister May. He suggested that Brexit will be harmful not only to the U.K.'s "hard power" in terms of finance, defence and security, but also to its "soft power" assets including academia, the arts, etc. Finally, Mr. Raines reiterated a sentiment that delegates heard during a number of meetings over the course of the week; the Irish border issue is the most difficult problem to solve for Brexit and nobody has been able to come up with a proposal to resolve it.

## **2. VISIT TO DUBLIN, IRELAND (7 MARCH 2018)**

### **A. Meeting with the Irish Business and Employers Confederation**

On 7 March, the CAEU and RUUK delegations joined for the remainder of the week's program, and began the day in a meeting with the Irish Business and Employers Confederation (IBEC). Fergal O'Brien, Director of Policy and Chief Economist, began the discussion with an overview of IBEC's work as an employer service organization, representing 70% of Ireland's private sector workforce from seven regional offices. Joanne Reynolds, Brexit Campaign Officer, then presented IBEC's strategic campaign for 2018, *Ireland: A Model of Substance*, which focuses on presenting Ireland as a strong economy that is built on real substance, unlike the situation that led to the 2008 financial crisis.

Mr. O'Brien commented that Ireland's economy is thriving – it managed to recover quickly from the financial crisis (within two years the country reached record levels of exports) and today its open economy is benefitting from the booming global economy. In terms of investment, the country still has a strong industrial basis, but is increasingly focused on innovation. He noted that local investment, construction and infrastructure took longer to recover after the financial crisis, while the rest of the economy grew; this difference has led to a lack of housing in the country generally, and affordable accommodation in particular. Moving forward, there will be an ambitious period of public investment (€10 billion over 10 years), representing 4% of economic activity. Danny McCoy, CEO, noted that private sector investment is very important in Ireland – even during the recession. He noted that some observers have expressed skepticism with respect to Ireland's impressive GDP per capita, but that there is real substance behind those numbers. He also countered concern about Ireland's low corporate tax rate of 12.5% by noting that Ireland is following OECD rules in this respect. Mr. O'Brien followed on this, commenting that economic stability is crucial to promoting Ireland as a destination for investment and that this is exemplified by the country's commitment to maintaining its corporate tax rate.

Presenters all noted that IBEC is very engaged on the issue of Brexit. Mr. McCoy commented that the business voice has been relatively absent from Brexit discussions, and IBEC has been trying to make sure that the Irish business community's voice is heard. Ms. Reynolds said that IBEC is emphasizing the need to focus on practical solutions during withdrawal negotiations to mitigate damage while also looking at contingency planning to ensure that potential impacts on different sectors are not ignored. Mr. McCoy emphasized that Ireland will suffer following Brexit unless negotiations can be extended. The country also needs to work to maintain goodwill from other EU member states. Although there is full political alignment between Ireland and the EU as a whole, there is resentment by some in the EU business community with respect to Ireland's booming economy. He expressed frustration at Prime Minister May's regular references to the "Irish" border question, which seem to distance the U.K. from the equation. He also emphasized that all individuals born in Northern Ireland can receive both U.K. and EU citizenship.

With respect to labour and environmental issues, Mr. O'Brien emphasized the country's skilled talent pool, while Mr. McCoy noted that 15% to 20% of Ireland's labour market is non-Irish and non-British. He also commented that because of Ireland's significant population growth, it is very unlikely to meet its climate change targets. Ireland's

economic objectives are likely to take precedence over environmental concerns in the short term.

## **B. Meeting with the Deputy Prime Minister**

The delegation, accompanied by Ambassador Vickers, then met with Simon Coveney, Deputy Prime Minister (Tánaiste) and Minister of Foreign Affairs and Trade. Tánaiste Coveney highlighted the close historical relations between Canada and Ireland that have deepened in recent months with the implementation of CETA. A number of Canadian companies are investing in Ireland and soon Irish financial services and agri-food companies will hopefully be investing in Canada. Ireland will also be opening a large consulate in Vancouver to serve the Irish population on the Canadian West coast.

Tánaiste Coveney, who is tasked with coordinating Ireland's negotiating strategy with respect to Brexit, provided the delegation with an overview of Phases 1 and 2 of those negotiations. The issue of the border is important – the Common Travel Area has existed since the 1920s, with recognition of dual citizenship for those born in Northern Ireland. Tánaiste Coveney emphasized that Common Travel Area must be maintained. The border is now invisible and it must stay that way both for trade and peace purposes – there must be no physical infrastructure at the border or checks elsewhere. The border was a contentious issue during Phase 1 of the negotiations, but an agreement was reached and various options on how to move forward have been incorporated into the EU's legal text of that draft agreement: Option A looks to a future relationship to manage the border; Option B looks to bespoke technological solutions; and Option C is the fallback position, stating that Northern Ireland will remain a part of the customs union with full alignment with the EU if no other agreement can be found. The border issue has forced everyone to closely consider the reality of Brexit.

Tánaiste Coveney noted that although the EU may not need the U.K., Ireland does in many ways. The U.K. was the chief architect of the single market, it is a voice for open markets, it generally mirrors Ireland's views on taxation, and it has advocated for a union of sovereign states instead of a federalist model for the EU. Ireland agrees with these approaches, so will now have to work hard to build alliances with other states to support these positions. Ultimately, the U.K., the EU and Ireland will suffer if there is a hard Brexit – Brexit represents the values of a different era when states were fully sovereign and did not need others.

## **C. Meeting with the Ireland-Canada Parliamentary Friendship Group**

Following a brief tour of the Irish Parliament (Oireachtas), the delegation met with the Ireland-Canada Parliamentary Friendship Group. The conversation focused in large part on CETA, with some Irish parliamentarians noting the important recent decision of the European Court of Justice, which held that the *Treaty on the Functioning of the European Union* did not allow the arbitration provisions contained in a bilateral investment treaty between Czechoslovakia and the Netherlands. This case may have implications for the Belgian case that has been referred to the Court with respect to the investment court system provisions in CETA. The Irish parliamentarians expressed enthusiasm about CETA generally, but a number had reservations about the proposed

investment court system, which is not yet in force. They emphasized the need to trust national courts in this context and noted that Ireland may not ratify CETA until the European Court of Justice has issued its ruling on the matter. Conversation also focused on recent increased trade between Canada and Ireland, including the importance of tourism and improved air carrier connections between the countries.

The conversation also touched on professional accreditation for Canadian students who train as doctors in Ireland; migration and gender equality policies in Canada; and the implications that Brexit may have on fisheries.

#### **D. Meeting with the Oireachtas Joint Committee on Foreign Affairs and Trade, and Defence**

The delegation then met with members of the Oireachtas Joint Committee on Foreign Affairs and Trade, and Defence, including Vice Chair Maureen O’Sullivan, Teachtaí Dála (T.D., member of the Irish legislature); Seán Barrett, T.D.; Noel Grealish, T.D.; and Tony McLoughlin, T.D.. The discussion began with an exchange on Ireland’s military neutrality and the respect that the country has earned for its peacekeeping initiatives as a result of this approach. It was noted that Ireland is taking part in the EU’s recent Permanent Structured Cooperation (PESCO) initiative, and some participants expressed concerns that such membership compromised Ireland’s neutrality. Flowing from this topic, Ms. O’Sullivan also mentioned Ireland’s approach to international work, highlighting that Ireland’s international development assistance comes with no strings attached.

On the issue of Brexit, committee members expressed concern about the uncertainty surrounding the border question. Any real border will have a significant impact on Irish industries and trade, however it is difficult to see how a hard border can ultimately be avoided. Nevertheless, despite the challenges, Ms. O’Sullivan noted that Brexit also represents an opportunity for Ireland to diversify its trade channels.

Discussion also turned to the current political stalemate in the Northern Ireland Assembly that seems to centre on the issue of official recognition of the Irish language, with some members fearing that the language issue is being used as a political card.

#### **E. Meeting with the Minister of State for the Diaspora**

The delegation’s final meeting of the day was with Ciarán Cannon, Minister of State for the Diaspora. Minister Cannon began by describing the breadth and scope of the Irish diaspora in Canada and around the world – one in nine Canadians claim Irish ancestry. As such, the Irish government devotes resources to supporting Irish communities around the world, including through a grant aid scheme that focuses mainly on the Irish diaspora in the U.K., the U.S., and Canada, with particular emphasis on welfare assistance for the aging diaspora. The minister also noted the consulate that will soon be opening in Vancouver.

Because many emigrants do not engage with Irish culture beyond identifying themselves as Irish-American or Irish-Canadian, one of the minister’s areas of priority is to strengthen links with the Irish diaspora through digital media, culture, sport, the

twinning of cities, enhanced business links, and scholarships such as the Flaherty Scholarship offered through the Ireland Canada University Foundation. Co-funded by the Canadian and Irish governments, this scholarship allows Canadian and Irish students to study in each other's countries, with the goal of creating life-long affinities for the other culture. As the third most important industry in the Irish economy, the minister also spoke positively about the tourism generated by individuals of Irish heritage who come to the country to learn more about their historical roots. Minister Cannon echoed Prime Minister Varadkar's words by noting that the idea is to promote a "global Irish nation" that supports a two-way relationship with the Irish diaspora.

#### **F. Reception hosted by the Embassy**

The delegation's mission to Ireland closed with a reception at Ambassador Vickers' residence, where delegates continued conversations with many of the individuals that they had met throughout the mission, as well as some who had been unable to attend the meetings over the previous days.

### **3. VISIT TO BELFAST, NORTHERN IRELAND (8 TO 9 MARCH 2018)**

#### **A. Travel from Dublin, Ireland to Belfast, Northern Ireland, United Kingdom**

The delegation travelled by bus from Dublin to Belfast for the opportunity to cross the border between Ireland and Northern Ireland. Members noted that the openness of the border was comparable to Canada's interprovincial boundaries. Upon arriving in Belfast, members were taken on a bus tour of the area of the city that still reflects the sectarian tensions that was the source of considerable violence over many years until the end of the "Troubles" in 1998.

#### **B. Working Lunch with Members of the Northern Ireland Assembly**

A formal working lunch was held for the delegation at Stormont Estate hosted by the Speaker of the Northern Ireland Assembly, Robin Newtown (Democratic Unionist Party, DUP) and attended by a number of other members of the Northern Ireland Assembly (MLAs) representing a variety of political parties.

Speaker Newton, the DUP MLA from East Belfast, welcomed the delegation and offered some introductory remarks after which he invited his fellow MLAs to introduce themselves and offer a few words.

Roy Beggs, the Ulster Unionist Party MLA from East Antrim, described some of the essentials of Brexit. He explained that Northern Ireland will work in partnership with Westminster and the devolved legislatures in the Brexit negotiations despite the fact that the majority of voters in Northern Ireland voted to remain in the EU in the June 2016 referendum. While he stated that the U.K. will be leaving the EU regardless of the hurdles that lay ahead, he expressed concern that Ireland had shown some reluctance to discuss options for respecting the Good Friday Agreement while also ensuring minimal disruptions at the Irish border.

Caoimhe Archibald, the Sinn Féin MLA for East Londonderry, provided her party's perspective on Brexit. The delegation heard that Sinn Féin had campaigned for the "remain" side in Brexit and that the party position now that the U.K. will leave the EU is that it would like Northern Ireland to receive special attention during Brexit negotiations as well as a continuation of no border controls at the Irish border. This outcome may require negotiation of a special status for Northern Ireland. She suggested that Brexit may bring about greater unity on the Island of Ireland. Ms. Archibald emphasized the importance of reinstating the Northern Ireland Assembly with a shared Executive so that Brexit discussions can continue in the legislature.

Stephen Farry, the Alliance Party MLA for North Down, explained that his party also campaigned to remain in the EU. However, contrary to Mr. Archibald's view, Mr. Farry voiced concerns that the decision to leave the EU could result in a worsening of the polarized views in Northern Ireland, leading to new divisions and ultimately harming the fragile peace on the Island. Similar to Ms. Archibald, Mr. Farry emphasized that Brexit negotiations must include a special situation, or status, for Northern Ireland.

Edwin Poots, the DUP MLA for Lagan Valley, expressed strong support for leaving the EU in part because of what he suggested is over-regulation of the agriculture sector under EU rules. He told delegates that Europe-wide regulations are not relevant in all jurisdictions and that some politics are best left to local authorities. Mr. Poots stated that it is his hope that the U.K. is a strong negotiator in the Brexit talks with the EU and that he is optimistic about entering into new free trade agreements, including one with Canada.

Finally, Claire Hanna, the Social Democratic and Labour Party MLA from South Belfast, voiced strong opposition to the U.K. leaving the EU and pessimism about Northern Ireland's ability to contribute and be heard in the Brexit negotiations. She listed her party's preferences for negotiation outcomes as 1) no Brexit, possibly by holding another referendum; 2) U.K. remains in the customs union; and 3) special status for Northern Ireland.

Despite the range of opinions and outlooks, all MLAs agreed that there can be no change to the soft border between Northern Ireland and Ireland, and that any form of border controls could trigger a resurgence of sectarian tensions on the Island. While some of the speakers acknowledged that there is general agreement between the U.K. and the EU that in the event of "no deal," the Irish border would remain unchanged, some MLAs felt that the language in the negotiated agreement is ambiguous and that a firmer guarantee is necessary. When asked whether re-unification of the Island of Ireland had become a possibility, delegates were told by Mr. Beggs that the issue is not up for discussion.

### **C. Briefing from Representatives of the Northern Ireland Executive**

The delegation attended a briefing at Stormont Castle, which houses the offices and meeting rooms for the Northern Ireland Executive, with Mr. Neill Jackson, Director of Executive Services, and Mr. David Patterson, lead on Brexit policy. Mr. Jackson provided a brief overview of Northern Ireland's governance evolution from 1921 through

to the signing in 1998 of the Good Friday Agreement. He described the three “strands” of the agreement:

- Strand One sets out the power sharing-structure of the Northern Ireland Assembly and its Executive
- Strand Two addresses the north-south relationship of the Island of Ireland by establishing institutions such as the North South Ministerial Council (NSMC), and
- Strand Three addresses the east-west relationship with the Island of Great Britain by establishing institutions including the British-Irish Council.

He described the Northern Ireland Assembly’s power-sharing governance structure established in 1998 and noted that the Assembly has been disrupted for several of the past 20 years because of difficulty in agreeing on the sharing of power. In particular, he noted that the Assembly was under the direct rule of Westminster between 2002 and 2007. After relative stability in the Northern Ireland Assembly from 2007 until 2014, there has been considerable dysfunction since that time. The Assembly has not been able to reach a power-sharing agreement since the March 2017 general election.

#### **D. Meeting and Tour of Bombardier Aerospace**

The final meeting of the day involved a presentation by officials at Bombardier Aerospace’s facility in Belfast followed by a tour of the C Series factory plant. Ms. Haley Dunne, Director of Communications and Public Affairs, provided a brief overview of Bombardier’s history and current business activities. Delegates heard that the company, which whose headquarters are in Montréal, pursues activities in the areas of aerospace as well as land transportation innovation and manufacturing. The aerospace business line includes business and commercial aircraft as well as aerostructures and engineering services. The Belfast facility is within Bombardier’s Aerostructures and engineering services and it is the largest manufacturing facility in the city, employing 4,000 people. The company has sister sites in Montréal; Dallas, Texas; and Casablanca, Morocco. These facilities specialize in the design and manufacture of complex metallic and composite aircraft structures and system components including fuselages, engine nacelles, wings, bulkheads, doors and horizontal stabilizers.

Ms. Haley stated that Bombardier’s position with respect to Brexit is the position of the aerospace industry; that while there are uncertainties for which contingencies cannot be planned, its hopes that there will be no changes from a business and trade perspective.

The delegation toured the manufacturing plant that produces the C Series wing. Ms. Haley explained that Bombardier’s C Series aircraft will address an underserved market: passenger airplanes with a capacity of 100-150 seats. She provided delegates with an overview of the recent American International Trade Commission decision in Bombardier’s favour and outlined the partnership agreement that Bombardier has entered into with Airbus. Delegates were told that although Airbus owns the C Series aircraft, Bombardier is its supplier and holds the intellectual property rights for some

manufacturing aspects of the C Series aircraft including the composite carbon fibre with resin used in the wing.

### **E. Meeting with Canada's Honorary Consul in Belfast**

The delegation began its last day in Belfast at a breakfast meeting with Mr. Ken Brundle, Canada's Honorary Consul in Belfast. The conversation was wide ranging – Mr. Brundle touched on the political stalemate in Northern Ireland and the prospects for its resolution, commenting on the potential benefits of an outside facilitator, or an advisory civil forum. With respect to political tensions in everyday life, he noted that despite the possibility of political problems easily spilling out into the streets, such tensions are very localized. Although the peace walls and gates are still present in one part of the city, and about which delegates expressed concern during the tour of the city, he emphasized that the people who live in those communities want the gates closed in the evening as that makes them more comfortable.

With respect to Brexit and economic indicators in Northern Ireland, Mr. Brundle highlighted the potential negative effects that Brexit may have on salaries in Northern Ireland as a result of currency fluctuation. He also noted the gap between Northern Ireland's relatively low unemployment rate and the relatively low proportion of the working-age population that is engaged in the workforce. He emphasized the fact that 60% of employment in Northern Ireland is in the public service, thus there is no real economic generator for the region.

Turning to Canada's presence in Northern Ireland, Mr. Brundle lamented the fact that there are no longer any direct flights from Canada to Belfast, and also highlighted the difficulties that arose when Canada's Electronic Travel Authorization (eTA) was introduced because few travellers understood how to fill out the forms.

### **F. Meeting with the North South Ministerial Council and the British-Irish Council**

The delegation then met with representatives from the North South Ministerial Council and the British-Irish Council at Stormont Castle. Donal Moran, Deputy Joint Secretary (Northern Ireland), and Emer McGeough, Sectoral Manager of the Irish Department of Foreign Affairs, provided delegates with an overview of the work of the NSMC, which was born of the second strand of the Good Friday Agreement focussing on North-South relations. The NSMC acts as a forum for meetings between the ministers of Ireland and Northern Ireland in 12 listed areas of cooperation. In terms of structure, ministers meet in a plenary twice a year, sectoral meetings are held with relevant ministers on specific areas under discussion, and institutional meetings are also held with the ministers of foreign affairs on an as-needed basis.

Ms. McGeough went on to describe the six areas of cooperation: health (such as dealing with alcohol and tobacco use, pediatric cardiac services, and cancer research), education (such as an autism centre of excellence and youth and teacher exchanges), agriculture (such as farm safety, animal health and the Common Agricultural Policy), environment (such as dumping in the border area, as well as climate change), transport (focussing on road, rail and cycling networks) and tourism (marketing Ireland as an island); and the six implementation bodies that focus on languages, special EU

programmes, trade, aquaculture and tourism, inland navigable waterways, and food safety.

Mr. Moran commented that there has been very good engagement at the NSMC, with strong personal relationships developed among the two executives, and listed the various agreements that have been reached since 1999. However, he noted that the Brexit referendum “has changed our politics utterly.” Nevertheless, Ms. McGeough commented that there is a great desire on the part of officials to work closely together. She noted that the situation is so much better than it was 30 years ago and emphasized that economic prosperity has been key to peace.

Tereasa Bell and Jerry O’Donovan of the Joint Secretary of the British-Irish Council (BIC) then provided an overview of their institution, which was born of the third strand of the Good Friday Agreement focussing on East-West relations. The BIC is made up of representatives of the Irish, U.K., Scottish, Northern Ireland, Welsh, Jersey and Guernsey, and Isle of Man governments. The heads of government meet at a summit held twice a year, with other meetings also held at the ministerial and official levels. The BIC has 11 areas of focus: social inclusion, energy, indigenous and minority languages, housing, environment, misuse of substance, digital inclusion, early years policy, transport, creative industries, and spatial planning.

A conversation ensued with delegates that touched on climate change policy, food safety regulations, the future of the Good Friday Agreement, and the impact of Brexit on fisheries policy and education.

### **G. Meeting with the Lord Mayor of Belfast**

The delegation then met with the Lord Mayor of Belfast, Councillor Naula McAllister. The Lord Mayor provided delegates with an overview of the rotational mayor election process in Belfast, which is based on the D’Hondt system. As a representative of the third ranked Alliance Party, the Lord Mayor emphasized the importance that she and her party put on evidence-driven policy making. Providing delegates with her perspective on the issues facing Northern Ireland and Belfast, she noted that Belfast has seen a shift from the manufacturing industry to the digital sector, commenting that Belfast is now the most important region for cybersecurity investment outside the U.S. There is an enormous amount of construction happening in Belfast at the moment – this is a new phenomenon for the city. The Lord Mayor also touched on social issues, such as homelessness (noting that the waiting list for public housing is allocated based on nationalist or unionist allegiances), the situation for members of LGBTQ communities and women’s rights in Northern Ireland.

### **H. Meeting with Invest Northern Ireland**

The delegation’s last meeting in Belfast was with representatives from Invest Northern Ireland (Invest NI). Alan Wilson, Head of International Investment, began with an overview of Invest NI’s key messages, highlighting Northern Ireland as a region with a history of attracting innovative companies, with a great education system that produces skilled talent and that is cost competitive for investors. Northern Ireland has no need to market a low corporate tax rate – he said that it is simply a great place to invest.

Mr. Wilson commented that 95% of the region's graduates stay in Northern Ireland, and Shelley Pinkerton, Head of International Trade-Americas, highlighted the fact that Northern Ireland has the fastest growing population in the U.K. and is one of the youngest populations in Europe. She noted that Northern Ireland has a small business-focused economy and is seeking to increase exports as this generates income that leads to increased domestic spending. She described the key trade challenges that Invest NI helps businesses to overcome, highlighting the time and resources that it takes to enter new and multiple markets.

Paul McCoy, International Investment Manager, outlined Invest NI's focus on foreign direct investment, emphasizing that the organization's job is to highlight the specific benefits of investing in Northern Ireland, as most investors are more familiar with Ireland. Following up on comments made by Mr. Wilson, he said that these benefits include skilled talent, a good legal system, competitive costs, cutting edge research, a breadth of opportunities, and being part of a global trading zone. There has been a great deal of job creation in Northern Ireland over the last year, focussing on the financial services and technology sectors. Invest NI tries to look for best matches on a granular level – in particular, focussing on product development-oriented companies rather than service-based industries. Delegates were told that Belfast is fast becoming the number one location for North American cybersecurity firms, and Queen's University's Centre for Cybersecurity adds value in this regard. Mr. McCoy echoed Mr. Wilson's comments on the issue of cost effectiveness, noting that, with a median salary of £21,000, Belfast is almost 30% more cost effective than Dublin, almost 45% more cost effective than London, and over 55% more cost effective than New York City with respect to labour costs. He said that there is a perception of wealth in Belfast because the cost of living remains low – the region is not seeing the rapid rise in housing costs that leads salaries to rise in tandem. However, housing availability is limited in the city.

In response to questions about CETA, Ms. Pinkerton noted that tariff reduction is seen as very beneficial in Northern Ireland and that there has been an upswing in trade missions since the deal went into effect. However, Northern Ireland's smaller businesses are not necessarily thinking about engaging in trade, and Invest NI is trying to encourage this avenue. Ultimately, the organization is hoping for a future trade deal that will encourage investment between Canada and the U.K., and sees Northern Ireland as a gateway to both the U.K. and the EU. Mr. McCoy noted that both Brexit and political instability in Northern Ireland have led to uncertainty, which does not sit well with investors. But generally, Northern Ireland is weathering the storm.

Respectfully submitted,

Mr. Frank Baylis, MP

Canada-United Kingdom Inter-Parliamentary Association

## **Travel Costs**

|                       |   |
|-----------------------|---|
| <b>ASSOCIATION</b>    | Canada-United Kingdom Inter-Parliamentary Association                             |
| <b>ACTIVITY</b>       | Bilateral Visit   |
| <b>DESTINATION</b>    | London, England and Belfast, Northern Ireland, United Kingdom and Dublin, Ireland |
| <b>DATES</b>          | March 5-9, 2018   |
| <b>DELEGATION</b>     |   |
| SENATE                | Hon. Patricia Bovey<br>Hon. Donald Plett, Senator                                 |
| HOUSE OF COMMONS      | Frank Baylis<br>Daniel Blaikie<br>Kerry Diotte<br>Hon. John McKay                 |
| STAFF                 | Jean-François Pagé<br>Sonya Norris  |
| <b>TRANSPORTATION</b> | \$ 25,337.52  |
| <b>ACCOMMODATION</b>  | \$ 15,169.34  |
| <b>HOSPITALITY</b>    | \$ 4,181.56]  |
| <b>PER DIEMS</b>      | \$ 6,650.00   |
| <b>OFFICIAL GIFTS</b> | \$ 476.07   |
| <b>MISCELLANEOUS</b>  | \$ 0  |
| <b>TOTAL</b>          | <b>\$ 51,814.49</b>   |