



Report

**Visit of the Honourable Noël A. Kinsella,
Speaker of the Senate,
and a Parliamentary Delegation,
Budapest, Hungary,**

October 12 to 15, 2014

At the invitation of His Excellency László Kövér, Speaker of the National Assembly of the Republic of Hungary, the Honourable Noël A. Kinsella, Speaker of the Senate, and a parliamentary delegation visited Hungary from October 12 to 15, 2014.

The delegation has the honour of tabling its

Report

The official delegation led by Speaker Noël A. Kinsella was comprised of the following members:

The Honourable Noël A. Kinsella, Senator, Speaker of the Senate;

Mrs. Ann Kinsella;

The Honourable Claudette Tardif, Senator;

The Honourable John D. Wallace, Senator;

Mr. Andrew Saxton, M.P., Parliamentary Secretary to the Minister of Finance;

Mr. Gary W. O'Brien, Clerk of the Senate and Clerk of the Parliaments;

Ms. Janelle Feldstein, Chief of Staff of the Speaker of the Senate; and

Ms. Marie-Eve Belzile, Secretary to the delegation.

Background - Hungary

Hungary has a population of close to 10 million. Following the Second World War, the communist regime took control of the area and established the Hungarian People's Republic. In October 1956, the government faced large-scale public demonstrations. Hungary's new premier, Imre Nagy, abolished the state police and promised free elections. To prevent the Hungarian government from withdrawing from the Warsaw Pact, the USSR launched a massive military intervention and re-established a hard-line communist government. The late 1980s was a time of transition as the country moved toward a more democratic society and a market-based economy. In July 1989, Hungary cut the barbed wire fence separating it from Austria. This was the first in a series of events leading to the fall of the Berlin Wall. In 1990, Hungary held multi-party elections, bringing the communist regime to an end. The last Soviet troops left the country in June 1991. With Canada's support, Hungary became a member of the North Atlantic Treaty Organization (NATO) in 1999 and joined the European Union (EU) in 2004.

This year marks the 50th anniversary of the establishment of diplomatic relations between Canada and Hungary. The two countries maintain strong bilateral relations, but Canada's reputation in Hungary was established and remains firmly rooted in the fact that Canada was one of the countries to accept refugees fleeing the Hungarian Revolution in 1956. In 2010, the Canadian government proclaimed the refugees' arrival to be a "national historic event," one which helped to change Canadian immigration policies. Today, Canada is home to more than 315,000 people of Hungarian descent. Hungary also recognizes and appreciates Canada's support to include Hungary in NATO and the fact that Canada was the first member to ratify Hungary's membership in 1999.

Objectives

The objectives of the visit were to:

- promote Canadian interests and our democratic values;
- encourage ongoing parliamentary dialogue by promoting parliamentary exchanges;
- highlight the importance of the human ties between Canada and Hungary developed since the arrival of refugees from the 1956 Hungarian Revolution;
- discuss foreign policies regarding issues of international and common interest;
- encourage educational exchanges;
- encourage economic trade with Hungary and, in particular, discuss the Canada and European Union Comprehensive Economic and Trade Agreement;
- promote Canada's Atlantic Gateway and collaboration between container shipping ports;
- maintain good relations in all areas of trade.

Meetings – Budapest

In Budapest, the delegation met with:

H.E. Mr. János Áder, President of the Republic of Hungary; H.E. Mr. László Kövér, Speaker of the National Assembly of the Republic of Hungary; Mr. László Szabó, Parliamentary Secretary and Deputy Minister for Foreign Affairs and Trade; Mr. Bence Rétvári, M.P., Parliamentary State Secretary, Ministry for Human Resources; Mr. Péter Hoppál, M.P., State Secretary for Culture, Ministry for Human Resources; Dr. Paul C. Simak, Chief Executive and Chairman of the Board of Directors of the CIB Bank; Mr. András Heisler, President of the Mazsihisz (Alliance of Hungarian Jewish Faith Communities); and Mr. Csaba Ternyák, Archbishop of Eger, Vice-President of the Catholic Bishops' Conference of Hungary.

Meeting with H.E. Mr. János Áder, President of the Republic of Hungary

The purpose of the meeting with H.E. Mr. Áder, President of the Republic of Hungary, was to thank the people of Hungary for their hospitality and emphasize the importance of the bilateral relationship between Canada and Hungary. In 2014, the two countries are celebrating 50 years of diplomatic relations, and a solid business relationship is being developed through ongoing interpersonal and parliamentary connections.

Meeting with H.E. Mr. László Kövér, Speaker of the National Assembly of the Republic of Hungary

Speaker Kövér warmly greeted Speaker Kinsella and wished him a Happy Thanksgiving. He said he was honoured to receive such a senior parliamentary delegation from Canada, and he introduced the representatives attending the meeting with him.

Speaker Kinsella thanked his host and emphasized the significance of making an official visit in 2014, the 50th anniversary of diplomatic ties between Canada and Hungary. He then introduced the members of the delegation.

Speaker Kövér mentioned that he has visited Canada on more than one occasion in recent years. He had been told that Canada had accepted refugees fleeing the Hungarian Revolution but was surprised to learn that, of the approximately 315,000 Hungarians who immigrated to Canada in the 1950s, close to 88,000 of them still hold Hungarian citizenship.

Discussions turned to issues involving youth. Speaker Kinsella explained the constitutional basis for multiculturalism in Canada and the benefits to our society. Promoting student exchanges is a priority, particularly when these exchanges can guarantee an ongoing relationship between two nations, two languages and two cultures. Speaker Kövér said his government was working hard to change the country's foreign policy in order to encourage youth exchanges and strengthen higher education in Hungary. The reopening of the consulate in the spring of 2014 is one step in this regard, as it enables the members of Toronto's large Hungarian community to reconnect with their country of origin and fosters educational ties between the two countries.

Mr. Saxton addressed the importance of parliamentary dialogue. He highlighted the Canada-Hungary Friendship Group and encouraged the Hungarian parliament to quickly re-establish a similar group. Speaker Kövér pointed out the effectiveness of bilateral cooperation between parliamentary committees, which enable Canada and Hungary to take advantage of an ongoing parliamentary dialogue to address issues of common interest. This proposal was well received by everyone, and it was agreed that the Francophonie, and the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union would be priority issues.

Senator Tardif explained that she is deeply involved in issues regarding minority linguistic and cultural rights in Canada. She discussed common interests that both Canada and Hungary share regarding *la Francophonie*.

Senator Wallace emphasized the importance of human interaction in developing strong bilateral relationships between countries. He also encouraged an ongoing parliamentary dialogue. In the same vein, Speaker Kinsella discussed the Parliamentary Officers' Study Program, which is led by the Clerk of the Senate and Clerk of the Parliaments and designed to promote the sharing of sound administrative practices.

As the last time that Canada sent a senior parliamentary delegation to Hungary was in 2003, His Excellency took a moment to invite Speaker Scheer to lead an official delegation to Hungary. He then asked Speaker Kinsella to sign the guest book and the two speakers spoke briefly to the media.

Meeting with Mr. László Szabó, Parliamentary Secretary and Deputy Minister for Foreign Affairs and Trade

During this meeting, the members of the delegation discussed Canada's interests regarding energy and the economy, and learned more about Hungary's geopolitical situation.

Mr. Szabó explained the various reforms introduced by his government to facilitate foreign relations and foreign investment, and cut red tape. For example, the government set up the Hungarian Investment Promotion Agency, the Hungarian National Trading House and Eximbank (the Hungarian Export-Import Bank). These recent initiatives under the government's new foreign trade strategy support international bilateral and multilateral economic relations, provide professional assistance to foreign businesses interested in investing in Hungary, seek out new markets and opportunities for the country's small and medium-sized businesses, and provide support to Hungary's exporting companies in order to create and maintain jobs and increase exports.

Speaker Kinsella thanked the deputy minister for making himself available to speak to the delegation. He gave an overview of the main objectives for his visit to Hungary. With regard to exchanges for students and young workers, he emphasized that these initiatives work well for all participating countries as they help to ensure the future work force is better skilled, more inclusive and more culturally diverse. Additional details were provided on the need to limit obstacles and promote these exchanges.

Speaker Kinsella highlighted Canada's Office of Religious Freedom, which is part of Foreign Affairs, Trade and Development Canada. The office is headed by Ambassador Andrew Bennett and its mandate is to protect religious minorities and defend their rights, oppose religious hatred and intolerance, and promote Canadian values such as pluralism and tolerance. Canada considers freedom of religion or belief and the ability to practise it in peace and security to be a universal right.

The discussion turned to energy security and the CETA between Canada and the European Union, with the Speaker explaining that the CETA is a priority issue for Canada. The Canadian Parliament hosted the EU President a few weeks earlier to discuss the progress of negotiations. Speaker Kinsella stated that Canada appreciated Hungary's support for the signing of the CETA and for its prompt ratification by Parliament. He explained that the CETA could be very beneficial to Hungary in terms of trade and energy thanks to Canada's Atlantic Gateway, which links North America to global markets. The Gateway and the Atlantic trade corridor are an efficient transportation network located on Canada's East coast. The Speaker emphasized the Gateway's advantages. For example, it is closer to Europe than any other port on the eastern seaboard and is within a three-day drive to more than half the population of North America. He reminded the deputy minister that Canada is an oil-producing country and our largest refinery is located in St. John, New Brunswick.

Mr. Szabó was very interested in this information and noted that Hungary's energy supply is vulnerable since most of its natural gas and oil comes from Russia.

Both parties discussed opportunities for bilateral exchanges through parliamentary committees. Ambassador Helfand supported the comments made by Speaker Kinsella and encouraged Hungary to vote in favour of the upcoming United Nations resolution on Iran.

Meeting with Mr. Bence Rétvári, M.P., Parliamentary State Secretary, Ministry for Human Resources

The meeting with the Parliamentary Secretary of State provided an opportunity to discuss Hungary's future initiatives concerning energy, education and economic relations.

Mr. Rétvári emphasized the importance of bilateral meetings and briefly explained the country's economic and energy situation. He stressed that it is critical for Hungary to achieve energy independence as the country's economy is being undermined by its almost total dependence on Russia. Both parties discussed the economic sanctions that the international community has imposed on Russia and their consequences for Hungary. Speaker Kinsella reiterated the importance of maintaining close bilateral relations to ensure mutual understanding of the potential collateral impact of political decisions.

Speaker Kinsella described Canada's activities as an oil-producing country and explained the benefits to Hungary if it were to import Canadian oil. He also emphasized that the strategic Atlantic Trade Corridor offers quick and efficient access to the North American market. The significance of the CETA between Canada and the EU was also discussed.

The issue of the EU's overall economy was raised, and the State Secretary mentioned the losses that countries such as Hungary have suffered in favour of China, for example. One option the government is considering in order to

improve Hungary's competitiveness is to establish a national education system administered by the federal government. Mr. Rétvári stated that this type of transfer would help to foster higher education and develop a more skilled workforce in Hungary. He also emphasized the need to establish a national public health system.

Finally, delegation members discussed relationships between parliamentarians and the advantages of establishing a parliamentary friendship group.

Meeting with Mr. Péter Hoppál, M.P., State Secretary for Culture, Ministry for Human Resources

Mr. Hoppál, the State Secretary for Culture, hosted the delegation at a business luncheon. Various subjects were raised, including parliamentary diplomacy, Canada-Hungary relations and current events.

Meeting with Dr. Paul C. Simak, Chief Executive and Chairman of the Board of Directors of the CIB Bank

During the meeting, Speaker Kinsella stated that the Comprehensive Economic and Trade Agreement with the European Union is a priority for Canada. He asked about the banking sector's view on the subject.

Dr. Simak expressed the view that the Hungarian government must reduce the deficit and noted that 80% of the debt is held by foreign investors. Since 2010, the government has introduced several changes to the taxation system, such as reducing corporate and personal taxes, in order to boost Hungary's regional competitiveness. However, a few of these changes have affected the competitiveness of certain targeted businesses, mainly in the banking, energy and telecommunications sectors. Many foreign companies were upset by the unpredictability of Hungary's tax system, the retroactive nature of certain tax measures, and the speed with which the government introduced so many new economic measures.

Dr. Simak also discussed the devaluation of the Hungarian forint against foreign currency and the government's actions to protect consumers against significant monetary loss. These actions led to an additional charge being imposed on the country's banks, which had to assume the financial burden. Speaker Kinsella asked about the euro zone, and Dr. Simak stated that it was still a goal for Hungarians. Although Hungary did not use the euro, it nevertheless enjoyed many benefits related to the currency.

Discussions turned to the issue of bank ownership. The Hungarian government's objective is that 50% of the banks in the country be Hungarian, with only a few international banks being allowed to remain. Dr. Simak explained that the financial markets, insurance and consumer protection are overseen by the Hungarian central bank, which is an independent institution whose president was the minister of the economy in the Orbán government. Dr. Simak noted that this

appointment had been criticized as being a threat to the independence of the central bank.

Dr. Simak then raised the matter of the 27% value added tax (VAT), which is the highest in Europe. Excessive red tape was again cited as a hindrance to investment.

The delegation members briefly discussed the lack of opportunities for student exchanges between Hungary and Canada. Dr. Simak believes that this may be a structural problem or simply a marketing issue.

Meeting with Mr. András Heisler, President of the Mazsihisz (Alliance of Hungarian Jewish Faith Communities)

Speaker Kinsella thanked Mr. Heisler for taking the time to meet with the delegation. He emphasized the importance of meeting with a country's spiritual leaders to gain a better understanding of public opinion and the difficulties experienced by the various communities. Religious leaders are important as they help to foster a multicultural and multid denominational society. Speaker Kinsella pointed out that Canada is a multid denominational country and multiculturalism is supported by the Canadian constitution.

Mr. Heisler mentioned that he has visited Canada and seen our multicultural society. He also praised his own country's democratic values. Mr. Heisler explained that his organization is a federation of 24 Jewish communities. Despite the great loss of life in wartime, there were more than 100,000 Jews currently living in Hungary. He briefly explained how the community recovered after the war and how various educational institutions were established to ensure that the Jewish community could continue to receive a religious education in Hungary. Today, Jewish universities receive funding, as the Hungarian government recognizes Judaism as an official religion. Mr. Heisler also mentioned that the Jewish community has a hospital.

Discussions then focused on interdenominational dialogue and the importance of openness and transparency. Concerns about the radicalization of some religious groups were shared. Everyone seemed to agree that communication is a means to resolve conflicts. Mr. Heisler pointed out that Hungary has two Holocaust museums and he is working to create another museum dedicated to Jewish culture and values so that people can learn about Jewish life beyond the events of the Holocaust. Speaker Kinsella mentioned that a new human rights museum was recently opened in Winnipeg and it features a section on the Holocaust.

Members of the delegation participated in the discussion, asking Mr. Heisler about the Jewish values taught by the rabbis of various communities and countries. The subject of student exchanges was also raised, as well as the maintenance and upkeep of synagogues outside the major cities.

Meeting with Mr. Csaba Ternyák, Archbishop of Eger, Vice-President of the Catholic Bishops' Conference of Hungary

The purpose of this meeting was to discuss interdenominational dialogue and the circumstances facing Catholic religious communities in Hungary. Speaker Kinsella emphasized that Canada is first and foremost a multicultural and multidenominational country. Interdenominational dialogue is important and encouraged. This is one of the reasons why the Speaker asks to meet with the senior leaders of religious groups in the countries that he visits. He cited the outstanding efforts in this regard by the King of Saudi Arabia, such as the establishment of the King Abdullah Bin Abdulaziz International Centre for Interreligious and Intercultural Dialogue, and his visit with Pope Benedict XVI at the Apostolic Palace in November 2007. This was the first time a Saudi king visited Rome, and Speaker Kinsella called it an important gesture.

The Archbishop agreed with the Speaker's comments and said that he holds discussions with Hungary's other religious communities. However, he stated that the Jewish and Muslim communities were not very large.

The Archbishop described the evolution of the Catholic Church in Hungary from the time of the communist regime to today. He explained that the Church enjoys far more freedom now than during the communist era, due in part to the different process for appointing bishops and the funding allocated to the Church.

The subject of academic institutions arose. Over the past few years, several public schools have been transferred to religious organizations, primarily the Catholic Church. The Archbishop explained that this right is now entrenched in the constitution, making the conditions to transfer public institutions to private religious institutions more flexible. The transferred schools had previously been funded jointly by the federal government and municipalities, but were now supported by public funding through grants to religious institutions.

Finally, the Archbishop was asked about the presence of anti-Semitic groups in Hungary, and both the Archbishop and the Speaker agreed that this was unfortunately a reality in many countries.

Activities

During their stay in Budapest, the delegation members met with representatives from Hungarian civil society to discuss human rights in the country. They also attended a dinner with the Canadian Chamber of Commerce in Hungary, during which they discussed the business climate in the Hungarian capital. The Canadian embassy hosted a reception to mark the visit by the Canadian delegation during the 50th anniversary year of diplomatic relations between Canada and Hungary. While in Budapest, the delegation visited St. Stephen's Basilica, the Great Synagogue and the Basilica of Esztergom in order to better understand Hungary's cultural diversity and rich history.

Meetings – Visegrád

In Visegrád, the delegation met with:

Mr. Sándor Hadházy, M.P., Member of the Committee on Justice.

Meeting with Mr. Sándor Hadházy, M.P., Member of the Committee on Justice

Mr. Hadházy hosted the delegation at a business luncheon, where they discussed a number of subjects, including municipal politics in Hungary, recent elections and parliamentary committee work.

Other

Before his arrival in Budapest, Speaker Kinsella met with His Excellency Mr. Faisal bin Muaammar, Secretary General of the King Abdullah Bin Abdulaziz International Centre for Interreligious and Intercultural Dialogue (KAICIID), in Vienna, Austria. The Centre was established in 2012 by the King of Saudi Arabia to facilitate dialogue among followers of different religions and cultures. KAICIID organizes training, workshops, conferences and supports the mediation of conflicts. This meeting was in line with Canada's leadership role on human rights issues and principled positions to promote Canadian values of pluralism and tolerance throughout the world.

Acknowledgments

The members of the Canadian delegation would like to thank His Excellency Mr. László Kövér, Speaker of the National Assembly of the Republic of Hungary, for hosting the official visit, for providing such a warm welcome and for his generous hospitality. The delegation would also like to thank the protocol staff of the Hungarian government, who ensured that the visit went smoothly.

The staff at the Canadian embassy in Budapest was exceptionally helpful. Special thanks go to Lisa Hefland, Canada's Ambassador to Hungary, Slovenia, and Bosnia and Herzegovina, who helped to prepare the itinerary and accompanied the delegation throughout the visit. Delegation members also wish to recognize Brian Ebel for his assistance in organizing and carrying out the visit.

Finally, the delegation would like to thank Foreign Affairs, Trade and Development Canada, and the Library of Parliament for the documentation provided in preparation for the visit.

Respectfully submitted,

The Honourable Noël A. Kinsella
Speaker of the Senate

Travel Costs

Visit of the Honourable Noël A. Kinsella, Speaker of the Senate,
and a Parliamentary Delegation, to Budapest, Hungary

TRAVEL	\$28 500
PER DIEMS	\$2 300
PROTOCOL	\$2 600
MISCELLANEOUS	\$100
TOTAL	\$33 500