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| COMPETITION TRIBUNAL<br>TRIBUNAL DE LA CONCURRENCE              |       |
| <b>FILED / PRODUIT</b><br>Date: August 25, 2025<br>CT- 2024-010 |       |
| Grainne Gannon Dubroy for / pour<br>REGISTRAR / REGISTRAIRE     |       |
| OTTAWA, ONT.                                                    | # 133 |

PUBLIC

CT-2024-010

THE COMPETITION TRIBUNAL

**IN THE MATTER OF** the *Competition Act*, R.S.C. 1985, c. C-34;

**AND IN THE MATTER OF** certain conduct of Google Canada Corporation and Google LLC relating to the supply of online advertising technology services in Canada;

**AND IN THE MATTER OF** an application by the Commissioner of Competition for one or more orders pursuant to section 79 of the *Competition Act*.

B E T W E E N:

COMMISSIONER OF COMPETITION

Applicant

and

GOOGLE CANADA CORPORATION AND GOOGLE LLC

Respondents

BOOK OF AUTHORITIES OF GOOGLE CANADA CORPORATION  
AND GOOGLE LLC  
VOLUME 4 OF 20

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August 22, 2025

**DAVIES WARD PHILLIPS & VINEBERG LLP**  
155 Wellington Street West  
Toronto ON M5V 3J7

**Kent E. Thomson** (LSO# 24264J)  
Tel: 416.863.5566  
Email: [kentthomson@dwpv.com](mailto:kentthomson@dwpv.com)

**Elisa K. Kearney** (LSO# 49342T)  
Tel: 416.367.7450  
Email: [ekearney@dwpv.com](mailto:ekearney@dwpv.com)

**Chantelle T.M. Cseh** (LSO# 60620Q)  
Tel: 416.367.7552  
Email: [ccseh@dwpv.com](mailto:ccseh@dwpv.com)

**Chanakya A. Sethi** (LSO# 63492T)  
Tel: 416.863.5516  
Email: [csethi@dwpv.com](mailto:csethi@dwpv.com)

**Chenyang Li** (LSO# 73249C)  
Tel: 416.367.7623  
Email: [cli@dwpv.com](mailto:cli@dwpv.com)

Tel: 416.863.0900  
Fax: 416.863.0871

Lawyers for the Respondents, Google  
Canada Corporation and Google LLC

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**TO:** **ATTORNEY GENERAL OF CANADA**  
Department of Justice Canada  
Competition Bureau Legal Services  
Place du Portage, Phase I  
50 Victoria Street, 22nd Floor  
Gatineau, QC K1A 0C9

**Alexander M. Gay**

Email: [alexander.gay@cb-bc.gc.ca](mailto:alexander.gay@cb-bc.gc.ca)

**Donald Houston**

Email: [donald.houston@cb-bc.gc.ca](mailto:donald.houston@cb-bc.gc.ca)

**John Syme**

Email: [john.syme@cb-bc.gc.ca](mailto:john.syme@cb-bc.gc.ca)

**Derek Leschinsky**

Email: [derek.leschinsky@cb-bc.gc.ca](mailto:derek.leschinsky@cb-bc.gc.ca)

**Katherine Rydel**

Email: [katherine.rydel@cb-bc.gc.ca](mailto:katherine.rydel@cb-bc.gc.ca)

**Sanjay Kumbhare**

Email: [sanjay.kumbhare@cb-bc.gc.ca](mailto:sanjay.kumbhare@cb-bc.gc.ca)

Tel: 613.296.4470

Fax: 819.953.9267

Lawyers for the Applicant, the Commissioner of Competition

**AND TO: THE REGISTRAR OF THE COMPETITION TRIBUNAL**  
Thomas D'Arcy McGee Building  
90 Sparks Street, Suite 600  
Ottawa, ON K1P 5B4

Email: [Tribunal@ct-tc.gc.ca](mailto:Tribunal@ct-tc.gc.ca)

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**SUPREME COURT OF CANADA**

**CITATION:** Canada (Attorney  
General) v. Power, 2024 SCC 26

**APPEAL HEARD:** December 7,  
2023

**JUDGMENT RENDERED:** July 19,  
2024

**DOCKET:** 40241

**BETWEEN:**

**Attorney General of Canada**  
Appellant

and

**Joseph Power**  
Respondent

- and -

**Attorney General of Ontario, Attorney General of Quebec, Attorney General  
of Nova Scotia, Attorney General of New Brunswick, Attorney General of  
Manitoba, Attorney General of British Columbia, Attorney General of Prince  
Edward Island, Attorney General of Saskatchewan, Attorney General of  
Alberta, Attorney General of Newfoundland and Labrador, Fisher River Cree  
Nation, Sioux Valley Dakota Nation, Manto Sipi Cree Nation, Lake Manitoba  
First Nation, Quebec Native Women Inc., Speaker of the Senate, David Asper  
Centre for Constitutional Rights, Canadian Civil Liberties Association,  
Canadian Constitution Foundation, Queen's Prison Law Clinic, John Howard  
Society of Canada, British Columbia Civil Liberties Association, West Coast  
Prison Justice Society and Speaker of the House of Commons**  
Interveners

**CORAM:** Wagner C.J. and Karakatsanis, Côté, Rowe, Martin, Kasirer, Jamal, O’Bonsawin and Moreau JJ.

**JOINT REASONS** Wagner C.J. and Karakatsanis J. (Martin, O’Bonsawin and  
**FOR JUDGMENT:** Moreau JJ. concurring)  
(paras. 1 to 119)

**REASONS** Jamal J. (Kasirer J. concurring)  
**DISSENTING IN**  
**PART:**  
(paras. 120 to 253)

**DISSENTING** Rowe J. (Côté J. concurring)  
**REASONS:**  
(paras. 254 to  
383)

**NOTE:** This document is subject to editorial revision before its reproduction in final form in the *Canada Supreme Court Reports*.

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**Attorney General of Canada**

*Appellant*

v.

**Joseph Power**

*Respondent*

and

**Attorney General of Ontario,  
Attorney General of Quebec,  
Attorney General of Nova Scotia,  
Attorney General of New Brunswick,  
Attorney General of Manitoba,  
Attorney General of British Columbia,  
Attorney General of Prince Edward Island,  
Attorney General of Saskatchewan,  
Attorney General of Alberta,  
Attorney General of Newfoundland and Labrador,  
Fisher River Cree Nation, Sioux Valley Dakota Nation,  
Manto Sipi Cree Nation, Lake Manitoba First Nation,  
Quebec Native Women Inc., Speaker of the Senate,  
David Asper Centre for Constitutional Rights,  
Canadian Civil Liberties Association,  
Canadian Constitution Foundation, Queen's Prison Law Clinic,  
John Howard Society of Canada,  
British Columbia Civil Liberties Association,  
West Coast Prison Justice Society and  
Speaker of the House of Commons**

*Interveners*

Indexed as: **Canada (Attorney General) v. Power**

**2024 SCC 26**

File No.: 40241.

2023: December 7; 2024: July 19.

Present: Wagner C.J. and Karakatsanis, Côté, Rowe, Martin, Kasirer, Jamal, O'Bonsawin and Moreau JJ.

ON APPEAL FROM THE COURT OF APPEAL FOR NEW BRUNSWICK

*Constitutional law — Charter of Rights — Remedy — Damages — Legislation enacted by Parliament later found unconstitutional — Plaintiff commencing action against Crown for damages for breach of Charter rights caused by enactment of legislation — Whether damages against Crown can ever be appropriate remedy under Charter for enactment of legislation later declared unconstitutional — Canadian Charter of Rights and Freedoms, s. 24(1).*

In 1996, P was convicted of two indictable offences. He was sentenced and served his time. After his release, P applied for a record suspension but his application was denied. At the time of his conviction, persons convicted of indictable offences could apply for a record suspension five years after their release. However, the transitional provisions of legislation enacted since then by Parliament retroactively rendered him permanently ineligible for a record suspension. The transitional provisions were declared unconstitutional by courts in other matters and Canada concedes that their retrospective application violates s. 11(h) and (i) of the *Charter* in a manner that cannot be justified by s. 1. P filed a notice of action seeking, *inter alia*, damages under s. 24(1) of the *Charter* against Canada for the breach of his rights

caused by the enactment of the transitional provisions. In response to P’s action, Canada brought a motion on a question of law, asking two questions:

1. Can the Crown, in its executive capacity, be held liable in damages for government officials and Ministers preparing and drafting a proposed Bill that was later enacted by Parliament, and subsequently declared invalid by a court pursuant to s. 52(1) of the *Constitution Act, 1982*?
2. Can the Crown, in its executive capacity, be held liable in damages for Parliament enacting a Bill into law, which legislation was later declared invalid by a court pursuant to s. 52(1) of the *Constitution Act, 1982*?

The motion judge answered “yes” to both questions, finding that the government was entitled to only a limited immunity from *Charter* damages for the enactment of unconstitutional legislation. The Court of Appeal dismissed Canada’s appeal, agreeing with the motion judge that the government does not enjoy absolute immunity in exercising its legislative powers.

*Held* (Kasirer and Jamal JJ. dissenting in part and Côté and Rowe JJ. dissenting): The appeal should be dismissed.

*Per* **Wagner** C.J. and **Karakatsanis**, Martin, O’Bonsawin and Moreau JJ.: The questions should both be answered in the affirmative. The state is not entitled to an absolute immunity from liability for damages when it enacts unconstitutional

legislation that infringes *Charter* rights. Rather, as the Court held in *Mackin v. New Brunswick (Minister of Finance)*, 2002 SCC 13, [2002] 1 S.C.R. 405, the state may be liable for *Charter* damages if the legislation is clearly unconstitutional or was in bad faith or an abuse of power. An absolute immunity fails to properly reconcile the constitutional principles that protect legislative autonomy, such as parliamentary sovereignty and parliamentary privilege, and the principles that require the government be held accountable for infringing *Charter* rights, such as constitutionality and the rule of law. Each of these principles constitutes an essential part of Canada's constitutional law and they must all be respected to achieve an appropriate separation of powers. By shielding the government from liability in even the most egregious circumstances, absolute immunity would subvert the principles that demand government accountability.

Sections 32(1) and 24 of the *Charter*, along with s. 52(1) of the *Constitution Act, 1982*, entrench the court's role in holding the government to account for *Charter* violations. Pursuant to s. 32(1), the federal and provincial legislatures are subject to *Charter* scrutiny. A declaration of invalidity under s. 52(1), the first and most important remedy when dealing with unconstitutional legislation, allows courts to protect *Charter* rights while respecting the distinct role of the legislature in Canada's constitutional order. As for s. 24(1), it provides a personal remedy in the sense that it is specific to the violation of the applicant's rights; it is a unique public law remedy against the state that should not be assimilated to the principles of private law remedies. An award of damages as a s. 24(1) remedy against the state for exceeding its legal

powers has long been recognized as an important requirement of the rule of law. In *Vancouver (City) v. Ward*, 2010 SCC 27, [2010] 2 S.C.R. 28, the Court set out a four-step test for determining whether damages are an appropriate and just remedy: (1) whether a *Charter* right has been breached; (2) whether damages would fulfill one or more of the related functions of compensation, vindicating the right, or deterring future breaches; (3) whether the state has demonstrated that countervailing factors defeat the functional considerations that support a damage award and render damages inappropriate or unjust; and (4) the appropriate quantum of damages.

While there is a general presumption against combining remedies under ss. 24(1) and 52(1), there is no categorical restriction. The existence of an alternative remedy is a countervailing consideration under the *Ward* test; however, provided an award of *Charter* damages is not duplicative, the potential to combine declarations and damages must remain available in situations where a declaration would fail to satisfy the functional need for compensation, vindication or to meaningfully deter future breaches. While good governance concerns may defeat an award of damages, the mere suggestion that damages will have a chilling effect on government is not sufficient to defeat an applicant's functional entitlement to *Charter* damages established at steps one and two of the *Ward* test. Damages may promote good governance by encouraging constitutional compliance and deterring *Charter* breaches. Limited immunity for the state for the enactment of legislation subsequently declared unconstitutional is consistent with and best reconciles the constitutional principles underpinning both legislative autonomy and accountability: parliamentary sovereignty, the separation of

powers, parliamentary privilege, the broad and purposive approach to rights and remedial provisions in the *Charter*, and constitutionalism and the rule of law.

First, the principle of parliamentary sovereignty must not be confused with parliamentary supremacy. Parliamentary sovereignty does not mean that Parliament is above the Constitution; rather, Parliament remains subject to the constraints and accountability mechanisms of the Constitution, including the *Charter*. The supremacy of the Constitution in relation to Parliament is well recognized in each application of s. 52 of the *Constitution Act, 1982*. Limited immunity does not impair Parliament's power to make and repeal laws within the confines of the Constitution.

Second, limited immunity is consistent with the separation of powers. The separation of powers does not mean that each branch works in isolation. The Court has never adopted a watertight system of separation but rather has always emphasized that each branch cannot exercise undue interference, which depends entirely on the circumstances and the constitutional principles engaged. Holding the legislature liable for *Charter* damages when it seriously misuses its legislative power does not constitute undue judicial interference in the legislative process. Rather, damages are an after-the-fact remedy for a *Charter* violation. However, respect for the legislative role requires a high threshold for liability for the enactment of unconstitutional legislation.

Third, courts can respect parliamentary privilege when applying the limited immunity threshold. Parliamentary privilege provides the legislature with the tools to execute its core functions. It operates by shielding some areas of legislative

activity from external review: for example, parliamentary privilege gives members of the legislature the freedom of speech necessary to carry out their law-making power without fear of liability, and protects against the compellability of certain types of evidence, such as the testimony of sitting members of Parliament. The protection of these processes is fundamental to Canada's constitutional structure and the functioning of its democracy. Parliamentary privilege cannot be subordinated or diminished by other parts of the Constitution. But *Charter* damages for the enactment of unconstitutional legislation are not claimed against any individual members involved in the legislative process. The action is directly against the state. The basis for the state's liability for damages under s. 24(1) is the breach of the claimant's *Charter* right. The state's conduct within the legislative process is not an independent basis for liability but rather informs whether damages are an appropriate and just remedy for the breach caused by the enactment of the *Charter*-infringing law. The state's liability for unconstitutional legislation does not engage members' personal immunity for parliamentary speech. Nor does it interfere with Parliament's power to control its own debates and proceedings, or dictate how the legislative function is exercised. Parliamentary privilege must not be extended beyond the scope necessary to protect the legislature's core democratic functions. However, parliamentary privilege may prevent claimants from adducing certain types of evidence relating to the legislative process and hence limit a claimant's practical ability to satisfy the threshold in a given case. But this possibility does not foreclose the availability of such a cause of action in principle.

Fourth, an absolute immunity does not accommodate the principles recognized in the jurisprudence on constitutional remedies. It leaves little room for the principles that underpin legislative accountability — including the broad and purposive approach to rights and remedial provisions in the *Charter*, as well as constitutionalism and the rule of law. An absolute immunity would protect the government from any claim for damages for any unconstitutional legislation, no matter how egregious, and allow a narrow set of constitutional interests to dominate the analysis.

A high bar for immunity, set by the Court in *Mackin*, has been good law for over two decades. It has resulted neither in chilling good governance, nor in a floodgate of claims against the state for damages. Although the Court may depart from precedent where there is a compelling reason to do so, there are no compelling reasons to overrule *Mackin*. The *Mackin* qualified immunity threshold is assessed at step three of the *Ward* framework and can be restated as follows: the good governance defence will prevail unless the law was clearly unconstitutional, in bad faith or an abuse of power. If the threshold is not met, the balance of constitutional principles tilts in favour of state immunity. In such cases, the constitutional imperative that the government be afforded the autonomy to govern effectively will defeat the claim to damages.

*Per* Kasirer and **Jamal** JJ. (dissenting in part): The appeal should be allowed in part and the first question answered in the negative. The Crown enjoys an absolute immunity from damages under s. 24(1) of the *Charter* when preparing and drafting primary legislation later found to be unconstitutional. Such conduct is

protected from judicial interference by established categories of parliamentary privilege, namely freedom of speech and control over parliamentary proceedings. The courts have no jurisdiction to review or assign liability for the exercise of these established categories of parliamentary privilege. The second question should be answered in the affirmative, but in a qualified manner: damages may only be available under s. 24(1) for harms flowing from “clearly unconstitutional” enactments. *Mackin* should be clarified to eliminate bad faith and abuse of power in enacting primary legislation as grounds for damages under s. 24(1) of the *Charter*, as they inevitably trench on established categories of parliamentary privilege. They would also strain the separation of powers by asking the courts to entertain non-justiciable questions. The Crown may, however, be liable in damages under s. 24(1) for harms flowing from “clearly unconstitutional” enactments. The clearly unconstitutional threshold is a nuanced standard that appropriately protects the autonomy of Parliament and the limited immunity necessary for legislators to carry out their work, while employing a purposive approach to s. 24(1) remedies to vindicate *Charter* rights.

The doctrine of parliamentary privilege refers to the sum of the privileges, powers, and immunities of the federal Houses of Parliament or provincial legislative assemblies, and of their individual members, that are necessary to their capacity to function as legislative bodies. Parliamentary privilege helps Canada’s constitutional democracy maintain the fundamental separation of powers between the legislative, executive, and judicial branches of government, by shielding some areas of legislative activity from external review. Parliamentary privilege is part of the Constitution of

Canada. Since one part of the Constitution cannot be abrogated or diminished by another part of the Constitution, actions or conduct protected by parliamentary privilege are not subject to the *Charter*. Once the existence of a category of parliamentary privilege is established, conduct or activities that are themselves an exercise of that privilege are not subject to review by the courts, even when such conduct or activities are alleged to violate the *Charter*. This means that such conduct or activities cannot be the basis of a *Charter* breach and cannot give rise to a *Charter* remedy such as damages under s. 24(1).

In the instant case, three uncontroversial points regarding the questions at issue guide the analysis. First, there is no debate that the questions, which inquire as to the Crown's liability in its executive capacity, refer to the liability of the Canadian government *qua* executive, to be distinguished from the legislature. Second, there is no debate that the *Charter*, including s. 24(1), applies to Parliament and the government of Canada, pursuant to s. 32(1)(a) of the *Charter*. Third, remedies under s. 52(1) of the *Constitution Act, 1982* and s. 24(1) of the *Charter* can be combined. A remedy will be appropriate and just within the meaning of s. 24(1) when it furthers the general objectives of the *Charter* by compensating the plaintiff for any loss, vindicating rights, or deterring future breaches.

Both questions before the Court raise distinct parliamentary privilege considerations relating, in question 1, to the legislative process of preparing and drafting legislation, and in question 2, to the grounds on which legislation, once

enacted, may be reviewed. Concerning the first question, the Crown cannot be liable for preparing and drafting legislation. Government officials and Ministers involved in preparing and drafting legislation enjoy the parliamentary privilege of freedom of speech for words or conduct connected to their legislative work. Whether the privilege applies is not determined by the nature of the relevant individual, but by the activities in which they are engaged and the necessity of those activities to core legislative functions. Robust legislative debate, which falls within the privilege over freedom of speech, is the lifeblood of Parliament's day-to-day business. Exposing the Crown, in its executive capacity, to liability in damages for the conduct of government officials and Ministers in preparing and drafting legislation would inevitably intrude upon this category of privilege.

As with the free speech privilege, exposing the Crown to liability for the words or conduct of government officials and Ministers in preparing and drafting legislation would unavoidably trench on the established privilege over the proceedings of Parliament. This privilege is broad: it includes everything said or done by a Member in the exercise of their functions as a Member in committees of either House, as well as everything said or done in either House in the transaction of parliamentary business. It also extends to matters taking place outside the houses of Parliament. The words and conduct of Members who are occupied in something closely and necessarily related to a proceeding in Parliament are accorded absolute privilege. It cannot reasonably be suggested that preparing and drafting legislation is not closely and necessarily related to proceedings in Parliament.

Parliamentary privilege is a threshold jurisdictional issue under the *Ward* framework regarding *Charter* damages under s. 24(1). If the existence of a recognized category of parliamentary privilege is proved, there can be no judicial review of the exercise of the privilege, even on *Charter* grounds. This conclusion is a direct consequence of the constitutional nature of parliamentary privilege and its status as a rule of curial jurisdiction. The privilege cannot be the subject of a judicial balancing as to whether countervailing good governance concerns at step three of *Ward* defeat the functional considerations that support a damages award and render damages inappropriate or unjust. Instead, the existence of the privilege means that the courts lack jurisdiction to undertake any further inquiry. In addition, the Crown in its executive capacity cannot be held liable for the work of Ministers and other government officials in preparing and drafting legislation because, in doing so, they act in a legislative rather than an executive capacity. Such conduct is not Crown conduct that can be attributed to the executive for which the Crown can be liable in an action brought under s. 23(1) of the *Crown Liability and Proceedings Act*.

With respect to the second question, if it is interpreted as relating to whether an enactment that violates the *Charter* can ever give rise to *Charter* damages under s. 24(1) after a bill has become law and the legislative process is complete, the answer is a qualified “yes”. The limited immunity rule in *Mackin* should be modified to clarify that the Crown can be liable in damages for the breach of *Charter* rights caused by legislation only when the legislation is shown to have been “clearly unconstitutional” at the time it was enacted. There are compelling reasons to revisit

*Mackin*. None of the authorities cited in *Mackin* support awarding *Charter* damages against the Crown for harms caused by unconstitutional primary legislation. The test enunciated in *Mackin* also conflicts with the doctrine of parliamentary privilege, as well as the separation of powers and principles of justiciability. None of these points was argued in *Mackin*, and the Court did not consider them in its reasons.

The bad faith and abuse of power thresholds in *Mackin* are inappropriate thresholds in respect of damages under s. 24(1) of the *Charter* for unconstitutional primary legislation because they conflict with the doctrine of parliamentary privilege and principles of justiciability, and strain the separation of powers. The doctrine of parliamentary privilege prevents courts from passing judgment on the process of enacting legislation. Scrutinizing legislation for evidence of bad faith or abuse of power, even once the law has already been enacted, would inevitably pull courts into judging the legislative process, which is beyond their jurisdiction. The courts cannot put Parliament “on trial”.

In addition, inquiring into whether primary legislation was in bad faith and an abuse of power as standards for awarding *Charter* damages would threaten the separation of powers by requiring the courts to consider questions that are not justiciable. Justiciability refers to a set of judge-made rules, norms, and principles delineating the scope of judicial intervention in social, political, and economic life. A court may decline to answer a question on the ground of justiciability when doing so would take it beyond its proper constitutional role, or if the court cannot provide an

answer within its area of expertise. Once legislation has been found to be unconstitutional, there is no legal yardstick to measure whether the legislation was in bad faith or involved an abuse of power. Asking whether the legislation is in bad faith or constitutes an abuse of power requires the court to pass judgment on the content of the legislation on grounds other than its constitutionality, which strays into evaluating the wisdom or policy of the law and is not the proper role of the courts. The appropriate use of *Hansard* as proof of historical context or purpose in statutory interpretation must be distinguished from its inappropriate use to prove that legislation is in bad faith. The former does not impugn the freedom of speech or the integrity of parliamentary proceedings; the latter does.

In the context of legislative enactments, absolute immunity overshoots what is required to protect parliamentary privilege and the separation of powers. These constitutional imperatives can be respected by a test that focuses on whether the enactment itself clearly violated established constitutional norms at the time it was enacted. A qualified or limited immunity preserves the courts' power under s. 24(1) to craft remedies that meaningfully vindicate *Charter* rights, while ensuring that effective government is not jeopardized by overbroad state liability that trenches on parliamentary privilege. To overcome the good governance concerns at step three of the *Ward* framework, a claimant must show that the legislation was clearly unconstitutional in the sense that the unconstitutionality was readily or obviously demonstrable at the time the legislation was enacted and could not be subject to any serious debate. Such a standard focuses on legislative outputs rather than legislative

inputs, and on how the impugned legislation must be significantly wide of the constitutional mark before damages will be an appropriate and just remedy under s. 24(1) of the *Charter*. The clearly unconstitutional standard allows courts to consider whether legislation has an unconstitutional purpose as a factor in a damages assessment, and it is an appropriately high but not insurmountable bar for claimants to meet. If an enactment was clearly unconstitutional at the time of enactment, this should be readily or obviously demonstrable.

*Per* Côté and **Rowe** JJ. (dissenting): The appeal should be allowed and both questions answered in the negative. The preparation, drafting, and enactment of legislation necessarily implicates parliamentary privilege, which is fundamentally at odds with awarding damages against the Crown in the manner sought. Both parliamentary privilege and the *Charter* constitute components of the Constitution of Canada. Neither one subordinates the other. The *Charter* must, as a matter of constitutional law, be given effect in a manner that is compatible with parliamentary privilege. Parliamentary privilege is rooted in the earliest chapters of Canada's constitutional history, and reflects an inherited legacy of struggle between the Crown and Parliament in the United Kingdom, one that reaches back to Parliament's origins. The Court has a responsibility to preserve the inheritance of Canada's constitutional order. It should not be discarded, and parliamentary privilege should not be subordinated to s. 24(1) of the *Charter*. To do so would be to depart from precedent and to do so unwisely.

Canada's constitutional arrangements (aside from Aboriginal and treaty rights) consist of four written and unwritten components: the *Constitution Acts* of 1867 and 1982, constitutional conventions, Crown prerogative and parliamentary privilege. The unwritten components, including parliamentary privilege, fulfill a necessary role in Canada's constitutional order — they are no less part of the Constitution than are the two *Constitution Acts*. In addition, there are underlying (unwritten) principles that contribute to giving effect to Canada's constitutional arrangements. These principles are not themselves components of the Constitution; rather, they assist in interpreting the Constitution and arriving at answers to questions not otherwise provided for in the Constitution. They do not have a substantive policy content and cannot be the basis to challenge the validity of legislation. Norms expressed in the underlying/unwritten principles of constitutionalism and the rule of law do not constitute a basis to override parliamentary privilege, any more than they can constitute a basis to invalidate legislation. Parliamentary sovereignty and the separation of powers (plus constitutionalism and the rule of law) are underlying/unwritten principles that inform interpretation of the constituent components of the Constitution, but parliamentary privilege is different in that it is itself part of the Constitution. This distinction is fundamental.

The *Constitution Act, 1867* established that parliamentary privilege, which was essential to the operation of the largely unwritten constitution of the United Kingdom, would also be part of Canada's Constitution; the preamble states that Canada will have a Constitution similar in principle to that of the United Kingdom.

Parliamentary privilege was also specifically dealt with in s. 18 of the *Constitution Act, 1867*, which provides that the privileges, immunities, and powers to be held, enjoyed, and exercised by the Senate and by the House of Commons, and by the members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada. Thus, parliamentary privilege was from the outset a component of Canada's Constitution and continues to be so today. Unwritten components of the Constitution — including parliamentary privilege — have continued to be given faithful effect because they continue to play a crucial role in Canada's constitutional order.

Chief among the functions of parliamentary privilege is that it ensures that Parliament and provincial legislatures are able to carry out their work effectively. The purpose of privilege is to recognize Parliament's exclusive jurisdiction to deal with complaints within its privileged sphere of activity. A two-step process applies when courts are confronted with a privilege claim. First, the court must assess whether the existence and scope of the claimed privilege have been authoritatively established. If so, then the court's inquiry stops. The second step, which is not relevant in the instant case given the established nature of the privileges in question, requires the court to assess the necessity of the privilege asserted.

Parliamentary privilege ensures that the legislature is safeguarded from interference by the other two branches of the state, the executive and the judiciary. Intervention by the executive or by the courts in the working of legislatures would

inevitably create delays, disruption, uncertainties and costs which would hold up the nation's business and on that account would be unacceptable.

Parliamentary privilege also structures the dialogue between the courts and the legislature. By delineating the scope of what is open to review, this privilege ensures that legislatures are able to respond to decisions in which courts give meaning to the Constitution, and where necessary, invalidate legislation. The dialogical nature of constitutional development in Canada is reflected in the “second look” cases in which the Court has wrestled with what weight to afford Parliament's attempt to reformulate legislation in response to a decision under s. 52(1). Consistent in these cases is the principle that Parliament should not be discouraged from trying again to reformulate legislation so that it is consistent with the *Charter*.

Respect for the separation of powers — which has been repeatedly affirmed as a constitutional principle — precludes judicial scrutiny of the legislative process. Subordinating parliamentary privilege in order to impose s. 24(1) damages for the preparation, drafting, and enactment of legislation risks drawing the courts into a supervisory role over the legislative process.

In the instant case, the privileges invoked are the House's exclusive control over its proceedings, and the privilege related to freedom of speech. They are both well established, and are rooted in art. 9 of the *Bill of Rights* of 1689, which established that the freedom of speech and debates, or proceedings in Parliament, ought not to be impeached or questioned in any court or place out of Parliament. It has long been

accepted that these privileges must be held absolutely and constitutionally if they are to be effective; the legislative branch of government must enjoy a certain autonomy which even the Crown and the courts cannot touch. Judicial consideration of these privileges shows that the broad shelter afforded by the operation of parliamentary privilege is agnostic towards the content of what is protected. It matters not what was said or what the impugned conduct involved — what matters is whether the conduct in question relates to the assembly's ability to fulfill its constitutional functions.

Parliamentary privilege attaches to the entire process through which legislation is developed and adopted. It extends to the range of Parliamentary actors who are involved in the legislative process. When ministers develop legislation, they act in a parliamentary capacity. Despite an inevitable overlap between executive and legislative functions inherent in their work in developing legislation, because they are engaged in the law-making process when they develop legislation, the process is generally protected from judicial oversight.

While the existence and limits of parliamentary privilege are justiciable, their operation is not. Once a court finds that a privilege exists and describes its extent, the court's role ends. It is for the legislature itself to determine whether the exercise of the privilege was proper; such matters are not reviewable by the courts. The wide berth given to parliamentary privilege has been reflected in the manner in which the Court has approached apparent conflicts between parliamentary privilege and other components of the Constitution. The solution, when a conflict emerges between

parliamentary privilege and another component of the Constitution, is not to read down the protections afforded by parliamentary privilege — the solution is to read the relevant constitutional components in a compatible way. It is not open to the courts to intrude upon the *bona fides* of parliamentary debates and proceedings. The courts have long recognized the defining significance of Parliament’s work and the need for parliamentarians to debate and develop legislation freely. Parliamentary privileges are vital to the separation of powers as they enable parliamentarians — both individually and collectively — to freely express themselves and to act on matters of importance to Canadians, including controversial public policy issues, without fear of interference from the Crown or the courts.

The *Charter* did not negate the fundamental constitutional tenets upon which British parliamentary democracy rested or mark a “clean break” with existing constitutional structures that came before the passage of the *Constitution Act, 1982*. Instead, the passage of the *Charter* must be understood within the broader context of Canada’s constitutional development. Many consider the *Charter* to be the paramount constitutional instrument. This is incorrect. All parts of the Constitution must be read together, and no one can be subordinated to the others. That said, the *Charter* was accompanied by a revolutionary transformation of sorts, in the nature and extent of demands by litigants for courts to use their authority to advance goals that those litigants had not achieved through the electoral process. But it is not for the courts to pass upon the policy or wisdom of legislative will or question the wisdom of enactments which are within the competence of the Legislatures. Temperance and

moderation in the face of such invitations remain fundamental to the appreciation by the judiciary of its own position in the constitutional scheme.

The theory of liability endorsed by the courts below in the instant case elides the distinction between “the Crown” in its executive and legislative capacities. Canada’s Constitution incorporates the Westminster system of government, which was varied for a federal structure rather than a unitary state. Subsequent developments in the Constitution have built on this. In the contemporary constitutional order, the Crown acts in multiple distinct capacities, federal and provincial, as well as executive and legislative. The Crown in its executive capacity and the Crown in its legislative capacity are distinct. The Crown in its executive capacity consists of the King (through the Governor General) exercising the executive government and authority of and over Canada, as continued in the *Constitution Act, 1867*, s. 9. Those executive powers are, by constitutional convention, exercised by the Prime Minister, Cabinet, and public authorities in furtherance of statutory delegation of authority. The Crown-in-Parliament consists of the monarch (Governor General) acting in their legislative capacity. The Crown-in-Parliament embraces three determinative acts that are part of Parliament’s core functions as a legislative body: royal recommendation, royal consent and royal assent.

The Crown, thus, is at the heart of both the executive and legislative branches of government, but plays different roles in each. While Canada’s constitutional order envisages some overlap as to the Crown in its various capacities,

the law does not recognize executive control of the legislative branch. This is consistent with the scope of parliamentary privilege and its application across the various steps in the legislative process. The preparation of legislation is a complex process involving multiple actors across government. The courts are ill-equipped to deal with the procedural complexities of the legislative process. The distinctive roles played by the Crown reflects the separation of powers between the different branches of government, and the balance between them. This is part of the explanation as to why absolute immunity is needed for the preparation, drafting, and enactment of legislation, but not for determination of the validity of legislation once it is enacted or the legality of acts taken pursuant to the legislation.

*Mackin* does not resolve the question as to how parliamentary privilege operates where someone seeks s. 24(1) damages for the preparation, drafting, and enactment of legislation. The Court in *Mackin* did not turn its attention to this question nor has *Mackin* been applied in this way. The Court cannot rely on a passing reference in *Mackin* as the basis to depart from a substantial body of jurisprudence on parliamentary privilege and to abandon the fundamental principle that components of the Constitution do not negate one another. *Mackin* cannot be the basis for deciding that s. 24(1) damages can apply against the Crown in its executive capacity for the preparation, drafting, and enactment of legislation. Parliamentary privilege was never mentioned, much less discussed. To the extent, if any, that *Mackin*'s brief reference to damages for the mere enactment of a law represents a holding of the Court, it should

be treated as weak precedent at most. Accordingly, the matter being considered in the instant case must be seen as novel for the Court's consideration.

To remain faithful to the Court's jurisprudence, the Court's role must be limited to establishing the existence of the privileges in question, rather than inquiring into their operation. Parliamentary privilege stands without exception. Moreover, the Crown in its executive capacity cannot be liable for the preparation, drafting, or enactment of legislation, as it is not part of the legislative process. Rather it is the Crown-in-Parliament which is so; legislation is approved by the Commons and the Senate, followed by royal assent. Seeking damages from the Crown in its executive capacity for the preparation, drafting, and enactment of legislation is conceptually incoherent. The Attorney General of Canada is not the legal representative of Parliament and cannot represent Parliament in legal proceedings.

Absolute immunity is necessary. Parliamentary privilege is like an eggshell; one cannot break it just a little. In order for the Crown in its executive capacity to be held liable for the preparation, drafting, and enactment of legislation, courts will need to inquire into the motivations and knowledge of those engaged in the legislative process. The inquiry into "bad faith or abuse of power" can manifest itself in any variety of ways, many that cannot now be contemplated. Legislatures will have to ask themselves whether a court, sitting in judgment of their actions with the benefit of hindsight, will deem theirs to be "an improper purpose". Furthermore, a "clearly

unconstitutional” standard will necessarily depend on the eye of the beholder, and what is known to the court sitting in judgment of the legislature’s actions *ex post facto*.

Enabling s. 24(1) damages would upset the dialogical balance between legislatures and the courts. Courts will be thrust into a position of overseeing the work of Parliament, and inquiring into the motives and knowledge of parliamentarians and others involved in the legislative process. Extending s. 24(1) damages to the preparation, drafting, and enactment of legislation would deprive Parliament of its ability to meaningfully respond to decisions in which the judiciary has determined the validity of laws or the legality of actions taken pursuant to those laws. Further, given the number of parliamentary actors and the vagaries of the legislative process, it is unclear whose alleged actions would be at issue in any claim seeking *Charter* damages for the drafting and enactment of any one statute. Absolute immunities are required for certain institutions to function. This is exemplified by the fact that the judiciary enjoys an absolute immunity in the exercise of its adjudicative function.

Remedies under s. 24(1) are available following the enactment of legislation, in relation to executive action pursuant to legislation. P is not without recourse to a remedy, nor would others be. P could have applied for judicial review on *Charter* grounds of the decision to deny his application for a criminal record suspension. That remedy accords fully with Canada’s constitutional arrangements and would in no way detract from parliamentary privilege.

#### Cases Cited

By Wagner C.J. and Karakatsanis J.

**Discussed:** *Mackin v. New Brunswick (Minister of Finance)*, 2002 SCC 13, [2002] 1 S.C.R. 405; **distinguished:** *Mikisew Cree First Nation v. Canada (Governor General in Council)*, 2018 SCC 40, [2018] 2 S.C.R. 765; **considered:** *Vancouver (City) v. Ward*, 2010 SCC 27, [2010] 2 S.C.R. 28; *Chagnon v. Syndicat de la fonction publique et parapublique du Québec*, 2018 SCC 39, [2018] 2 S.C.R. 687; *Canada (House of Commons) v. Vaid*, 2005 SCC 30, [2005] 1 S.C.R. 667; *Conseil scolaire francophone de la Colombie-Britannique v. British Columbia*, 2020 SCC 13, [2020] 1 S.C.R. 678; *Ernst v. Alberta Energy Regulator*, 2017 SCC 1, [2017] 1 S.C.R. 3; **referred to:** *Chu v. Canada (Attorney General)*, 2017 BCSC 630, 347 C.C.C. (3d) 449; *Charron v. The Queen*, Ont. S.C.J., No. 16-67821, June 14, 2017; *Rajab v. The Queen*, Ont. S.C.J., No. 16-67822, June 14, 2017; *P.H. v. Canada (Attorney General)*, 2020 FC 393, [2020] 2 F.C.R. 461; *Hunter v. Southam Inc.*, [1984] 2 S.C.R. 145; *Reference re Senate Reform*, 2014 SCC 32, [2014] 1 S.C.R. 704; *McKinney v. University of Guelph*, [1990] 3 S.C.R. 229; *Nelles v. Ontario*, [1989] 2 S.C.R. 170; *Doucet-Boudreau v. Nova Scotia (Minister of Education)*, 2003 SCC 62, [2003] 3 S.C.R. 3; *Corbiere v. Canada (Minister of Indian and Northern Affairs)*, [1999] 2 S.C.R. 203; *Schachter v. Canada*, [1992] 2 S.C.R. 679; *Ontario (Attorney General) v. G*, 2020 SCC 38, [2020] 3 S.C.R. 629; *R. v. Albashir*, 2021 SCC 48; *R. v. Ferguson*, 2008 SCC 6, [2008] 1 S.C.R. 96; *Ravndahl v. Saskatchewan*, 2009 SCC 7, [2009] 1 S.C.R. 181; *R. v. 974649 Ontario Inc.*, 2001 SCC 81, [2001] 3 S.C.R. 575; *Mills v. The Queen*, [1986] 1 S.C.R. 863; *Roncarelli v. Duplessis*, [1959] S.C.R. 121; *Brazeau v.*

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By Jamal J. (dissenting in part)

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*Energy, Mines and Resources*), [1989] 2 S.C.R. 49; *Vancouver (City) v. Ward*, 2010 SCC 27, [2010] 2 S.C.R. 28; *Dickson v. Vuntut Gwitchin First Nation*, 2024 SCC 10; *Greater Vancouver Transportation Authority v. Canadian Federation of Students — British Columbia Component*, 2009 SCC 31, [2009] 2 S.C.R. 295; *Ontario (Attorney General) v. G*, 2020 SCC 38, [2020] 3 S.C.R. 629; *R. v. Albashir*, 2021 SCC 48; *Ontario v. Rothmans Inc.*, 2014 ONSC 3382, 120 O.R. (3d) 467; *Lavigne v. Ontario (Attorney General)* (2008), 91 O.R. (3d) 728; *Gagliano v. Canada (Attorney General)*, 2005 FC 576, [2005] 3 F.C.R. 555, aff'd 2006 FCA 86, 268 D.L.R. (4th) 190; *Canada (Deputy Commissioner, Royal Canadian Mounted Police) v. Canada (Commissioner, Royal Canadian Mounted Police)*, 2007 FC 564, [2008] 1 F.C.R. 752; *Prebble v. Television of New Zealand Ltd.*, [1995] 1 A.C. 321; *Canada (Board of Internal Economy) v. Boulerice*, 2019 FCA 33, [2019] 3 F.C.R. 145; *Reference re Canada Assistance Plan (B.C.)*, [1991] 2 S.C.R. 525; *Reference re Resolution to amend the Constitution*, [1981] 1 S.C.R. 753; *R. v. Demers*, 2004 SCC 46, [2004] 2 S.C.R. 489; *Canada (Attorney General) v. Hislop*, 2007 SCC 10, [2007] 1 S.C.R. 429; *Conseil scolaire francophone de la Colombie-Britannique v. British Columbia*, 2020 SCC 13, [2020] 1 S.C.R. 678; *Quebec (Commission des droits de la personne et des droits de la jeunesse) v. Communauté urbaine de Montréal*, 2004 SCC 30, [2004] 1 S.C.R. 789; *Henry v. British Columbia (Attorney General)*, 2015 SCC 24, [2015] 2 S.C.R. 214; *Ernst v. Alberta Energy Regulator*, 2017 SCC 1, [2017] 1 S.C.R. 3; *Kosoian v. Société de transport de Montréal*, 2019 SCC 59, [2019] 4 S.C.R. 335; *Rice v. New Brunswick* (1999), 235 N.B.R. (2d) 1; *R. v. McGregor*, 2023 SCC 4; *Plourde v. Wal-Mart Canada Corp.*, 2009 SCC 54, [2009] 3 S.C.R. 465; *R. v. Henry*, 2005 SCC 76, [2005] 3 S.C.R.

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APPEAL from a judgment of the New Brunswick Court of Appeal (Richard C.J. and LaVigne and LeBlond JJ.A.), 2022 NBCA 14, 471 D.L.R. (4th) 68, 508 C.R.R. (2d) 115, [2022] N.B.J. No. 80 (Lexis), 2022 CarswellNB 161 (WL), affirming a decision of Dysart J., 2021 NBQB 107, [2021] N.B.J. No. 172 (Lexis), 2021 CarswellNB 336 (WL). Appeal dismissed, Kasirer and Jamal JJ. dissenting in part and Côté and Rowe JJ. dissenting.

*Sharlene Telles-Langdon and Sarah Drodge*, for the appellant.

*Louis-Alexandre Hébert Gosselin and Lex Gill*, for the respondent.

*Ravi Amarnath and S. Zachary Green*, for the intervener the Attorney General of Ontario.

*François Hénault*, for the intervener the Attorney General of Quebec.

*Samantha Parris* and *Edward A. Gores, K.C.*, for the intervener the Attorney General of Nova Scotia.

*Rose Campbell* and *Isabel Lavoie Daigle, K.C.*, for the intervener the Attorney General of New Brunswick.

*Charles Murray* and *Julie Winter*, for the intervener the Attorney General of Manitoba.

*Nicholas Isaac, Emily Lapper* and *Steven Davis*, for the intervener the Attorney General of British Columbia.

Written submissions only by *Meaghan Hughes* and *Nicole Sylvester*, for the intervener the Attorney General of Prince Edward Island.

*Theodore J. C. Litowski*, for the intervener the Attorney General of Saskatchewan.

*David Kamal*, for the intervener the Attorney General of Alberta.

Written submissions only by *Justin S. C. Mellor, Mark P. Sheppard* and *Eugene H. Chao*, for the intervener the Attorney General of Newfoundland and Labrador.

*Mohsen Seddigh, Adil Abdulla and Alyssa Cloutier*, for the interveners the Fisher River Cree Nation, the Sioux Valley Dakota Nation, the Manto Sipi Cree Nation, and the Lake Manitoba First Nation.

*David Schulze and Sara Andrade*, for the intervener Quebec Native Women Inc.

*Marc-André Roy, Anne Burgess and Maxime Faille*, for the intervener the Speaker of the Senate.

*Neil Abraham and Megan Stephens*, for the intervener the David Asper Centre for Constitutional Rights.

*Andrew Lokan and Mariam Moktar*, for the intervener the Canadian Civil Liberties Association.

*George Avraam, Jennifer Bernardo and Rono Khan*, for the intervener the Canadian Constitution Foundation.

Written submissions only by *James Sayce, Vlad Calina and Caitlin Leach*, for the intervener the Queen's Prison Law Clinic.

*Connor Bildfell and Simon Bouthillier*, for the intervener the John Howard Society of Canada.

*Brodie Noga, Emily MacKinnon and Emily Wang*, for the intervener the British Columbia Civil Liberties Association.

Written submissions only by *Alexa Biscaro and Sarah Ivany*, for the intervener the West Coast Prison Justice Society.

*Alyssa Tomkins and John J. Wilson*, for the intervener the Speaker of the House of Commons.

The judgment of Wagner C.J. and Karakatsanis, Martin, O’Bonsawin and Moreau JJ. was delivered by

THE CHIEF JUSTICE AND KARAKATSANIS J. —

I. Overview

[1] It is a fundamental principle of our constitutional order that courts have a duty to protect the rights guaranteed by the *Canadian Charter of Rights and Freedoms* from infringement by the state. However, other foundational constitutional principles require that the state be afforded the legislative autonomy to govern effectively. At the heart of this appeal is a question about how to reconcile these principles in the context of s. 24(1) of the *Charter*, which authorizes courts to grant such remedies to individuals for the infringement of their *Charter* rights as is considered appropriate and just in the circumstances.

[2] The facts as pleaded indicate that the respondent Joseph Power's *Charter* rights were violated when Parliament enacted legislation that retrospectively changed the availability of criminal record suspensions for certain offenders. These changes made Mr. Power permanently ineligible for a record suspension. As a result, he was unable to maintain his employment. The appellant Attorney General of Canada concedes that the retrospective application of the legislation violates s. 11(h) and (i) of the *Charter* in a manner that cannot be justified by s. 1 (A.R., at pp. 89 and 91). Mr. Power brings a claim against Canada for damages under s. 24(1). He asserts that the invalid law infringed his *Charter* rights, and that damages are an appropriate and just remedy for this infringement. Canada seeks to strike the claim in a preliminary application.

[3] This appeal raises the question of whether damages can ever be an appropriate and just remedy under s. 24(1) of the *Charter* in respect of the enactment of legislation later declared unconstitutional. Canada submits that it enjoys absolute immunity from s. 24(1) damages for the enactment of unconstitutional legislation. It argues that the state cannot be held liable for anything done in the exercise of legislative power.

[4] We disagree. The state is not entitled to an absolute immunity from liability for damages when it enacts unconstitutional legislation that infringes *Charter* rights. Rather, as this Court held in *Mackin v. New Brunswick (Minister of Finance)*, 2002 SCC 13, [2002] 1 S.C.R. 405, the state enjoys a limited immunity in the exercise of its

law-making power. Accordingly, damages may be awarded under s. 24(1) for the enactment of legislation that breaches a *Charter* right. However, the defence of immunity will be available to the state unless it is established that the law was clearly unconstitutional, or that its enactment was in bad faith or an abuse of power. This is a high threshold. But it is not insurmountable.

[5] An absolute immunity fails to properly reconcile the constitutional principles that protect legislative autonomy, such as parliamentary sovereignty and parliamentary privilege, and the principles that require the government be held accountable for infringing *Charter* rights, such as constitutionality and the rule of law. Each of these principles constitutes an essential part of our constitutional law and they must all be respected to achieve an appropriate separation of powers. By shielding the government from liability in even the most egregious circumstances, absolute immunity would subvert the principles that demand government accountability. The necessary reconciliation of these principles demands that we affirm the limited immunity threshold recognized in *Mackin*.

[6] We would dismiss the appeal.

## II. Background

[7] Mr. Power filed a notice of action at the Court of Queen's Bench of New Brunswick in 2018. He alleges that the transitional provisions contained in the *Limiting Pardons for Serious Crimes Act*, S.C. 2010, c. 5, s. 10, and the *Safe Streets and*

*Communities Act*, S.C. 2012, c. 1, s. 161, are unconstitutional. He seeks a declaration of invalidity pursuant to s. 52 of the *Constitution Act, 1982*, and he also seeks damages under s. 24(1) against Canada for the breach of his rights caused by the enactment of the transitional provisions. He claims that the amending legislation was enacted in bad faith, abusively, and with knowledge of its unconstitutionality.

[8] Mr. Power's statement of claim alleges the following facts.

[9] In 1996, he was convicted of two indictable offences. He was sentenced to eight months' imprisonment. He served his time. After his release, he enrolled in college and graduated with an X-ray technician diploma. He became a medical radiation technologist in a hospital in New Brunswick.

[10] In 2011, his employer received a tip that he had a criminal record and suspended him from his employment. He searched for a new job but found that his criminal record prevented him from working in his field.

[11] In 2013, he applied for a record suspension. At the time of his conviction, persons convicted of indictable offences could apply for a record suspension five years after their release. However, the transitional provisions retroactively rendered him permanently ineligible for a record suspension. His application was denied. He has not since been able to find work in his profession in New Brunswick or Quebec.

[12] The transitional provisions have since been declared unconstitutional by provincial and federal courts (*Chu v. Canada (Attorney General)*, 2017 BCSC 630, 347 C.C.C. (3d) 449; *Charron v. The Queen*, Ont. S.C.J., No. 16-67821, June 14, 2017; *Rajab v. The Queen*, Ont. S.C.J., No. 16-67822, June 14, 2017; *P.H. v. Canada (Attorney General)*, 2020 FC 393, [2020] 2 F.C.R. 461). These courts found that the transitional provisions unjustifiably violated s. 11(h) and (i) of the *Charter* because they retroactively increased an offender's punishment.

[13] In response to Mr. Power's action, Canada brought a motion on a question of law to the Court of Queen's Bench. Canada concedes that the transitional provisions are unconstitutional, but maintains that there can be no liability for damages under s. 24(1) based on the enactment of unconstitutional legislation (as distinct from its implementation or enforcement) that is later deemed to violate *Charter* rights.

### III. Judicial History

#### A. *Court of Queen's Bench of New Brunswick, 2021 NBQB 107 (Dysart J.)*

[14] Canada asked the motion judge two questions:

1. Can the Crown, in its executive capacity, be held liable in damages for government officials and Ministers preparing and drafting a proposed Bill that was later enacted by Parliament, and subsequently

declared invalid by a court pursuant to s. 52(1) of the *Constitution Act, 1982*?

2. Can the Crown, in its executive capacity, be held liable in damages for Parliament enacting a Bill into law, which legislation was later declared invalid by a court pursuant to s. 52(1) of the *Constitution Act, 1982*?

[15] The motion judge recognized that these questions turned on the single issue of whether the state enjoys an absolute immunity in respect of the enactment of legislation. He found that the state did not. Accordingly, he answered “yes” to both questions. After reviewing this Court’s jurisprudence, the motion judge found that the government was entitled to only a limited immunity from *Charter* damages for the enactment of unconstitutional legislation. The motion judge found that this Court set a high threshold for such liability in *Mackin*, and that subsequent cases had not displaced this threshold.

B. *Court of Appeal of New Brunswick, 2022 NBCA 14, 471 D.L.R. (4th) 68 (Richard C.J. and LaVigne and LeBlond JJ.A.)*

[16] The Court of Appeal dismissed Canada’s appeal, agreeing with the motion judge that *Mackin* held that the government does not enjoy absolute immunity in exercising its legislative powers. In addition, the court rejected Canada’s argument that various constitutional principles require a finding of absolute immunity. It explained

that the separation of powers, parliamentary sovereignty, and parliamentary privilege are consistent with the high threshold recognized in *Mackin*.

#### IV. Issue

[17] This appeal raises a single issue: can damages ever be an appropriate and just remedy under s. 24(1) of the *Charter* for the enactment of legislation later declared unconstitutional?

[18] The courts below and both of the parties before this Court framed the two motion questions as turning on this single issue. The parties have not asked us to consider the two questions under separate analyses. Nor have they submitted how we might address the questions differently.

[19] As the motion judge recognized, the answer to the issue — “[i]n effect, is there absolute state immunity with respect to the legislative function?” — will determine the state’s liability under s. 24(1) with respect to the passage of legislation (para. 22 (CanLII)). In our view, the analysis of the single issue as framed above will answer both questions.

[20] That said, the range of state actors and conduct set out in the first question is much broader than the second. The first question refers to “government officials and Ministers preparing and drafting a proposed Bill” that is later enacted and subsequently declared invalid by a court. But, as this Court has recognized, a Minister’s legislative

and executive powers can overlap and are sometimes difficult to disentangle in the law-making process (*Mikisew Cree First Nation v. Canada (Governor General in Council)*, 2018 SCC 40, [2018] 2 S.C.R. 765, at paras. 33 and 40). Moreover, “government officials” can include public servants — acting in their capacity as part of the executive — engaged in policy development and advice to Ministers and Cabinet on the preparation of legislation. Given the broad and ambiguous scope of conduct implicated by this question, the extent of the state’s immunity in “preparing and drafting a proposed Bill” should not be determined in the absence of any submissions on the point, especially where the question is one of *absolute* immunity.

[21] Mr. Power’s claim focuses squarely on Parliament’s enactment of the unconstitutional legislation. There is no need in this case to define the exact limits as between the executive and parliamentary roles and conduct in the pre-enactment legislative process.

[22] Thus, we approach the issue in this case as did the courts below and the parties in this Court. Both questions ask whether the state may be liable for *Charter* damages for the enactment of invalid legislation. Our answer that there is no absolute immunity applies to both question one and question two.

## V. Analysis

[23] We begin our analysis by briefly setting out the constitutional provisions and constitutional principles engaged by this appeal. We then turn to how this Court

has dealt with these principles in the context of s. 24(1), most notably in *Mackin*. Next, we explain why the high threshold established in *Mackin* should not be overturned. We conclude by clarifying this threshold.

A. *Constitutional Provisions and Principles*

[24] Canada and Mr. Power advance opposing views on how to interpret and apply s. 24(1) in the context of a claim for damages for unconstitutional legislation that violates a *Charter* right. Canada submits that important constitutional principles require an absolute immunity for such damages. Mr. Power submits that the government is only entitled to a limited immunity.

(1) *Charter* Interpretation

[25] We start with the proper approach to *Charter* interpretation.

[26] The *Charter* must be given a generous and expansive interpretation; not a narrow, technical or legalistic one (*Hunter v. Southam Inc.*, [1984] 2 S.C.R. 145, at p. 156). *Charter* provisions must be “interpreted in a broad and purposive manner and placed in their proper linguistic, philosophic, and historical contexts” (*Reference re Senate Reform*, 2014 SCC 32, [2014] 1 S.C.R. 704, at para. 25).

[27] A purposive approach considers constitutional principles. Indeed, “the Constitution must be interpreted with a view to discerning the structure of government

that it seeks to implement. The assumptions that underlie the text and the manner in which the constitutional provisions are intended to interact with one another must inform our interpretation, understanding, and application of the text” (*Reference re Senate Reform*, at para. 26).

(2) Section 32(1): Application of the *Charter*

[28] With this approach in mind, we turn to the applicability of the *Charter* to the legislative branch of government.

[29] Section 32(1) of the *Charter* states that it applies to “the Parliament and government of Canada in respect of all matters within the authority of Parliament” and “to the legislature and government of each province in respect of all matters within the authority of the legislature of each province”.

[30] Clearly, the federal and provincial legislatures are subject to *Charter* scrutiny. As this Court has explained, the words of s. 32(1) express that “the *Charter* is essentially an instrument for checking the powers of government over the individual” (*McKinney v. University of Guelph*, [1990] 3 S.C.R. 229, at p. 261). The *Charter* “is intended to constrain governmental action inconsistent with those rights and freedoms” (*Hunter*, at p. 156). As explained further below, ss. 32(1) and 24 of the *Charter*, along with s. 52(1) of the *Constitution Act, 1982*, entrench the court’s role in holding the government to account for *Charter* violations (M. L. Pilkington, “Damages as a

Remedy for Infringement of the Canadian Charter of Rights and Freedoms” (1984), 62 *Can. Bar Rev.* 517, at pp. 535 and 552-67).

(3) Remedies for Breaches of Charter Rights

[31] The *Charter* guarantees the rights and freedoms of all Canadians and provides remedies for their breach. Granting remedies is the courts’ “most meaningful function under the *Charter*” (*Nelles v. Ontario*, [1989] 2 S.C.R. 170, at p. 196).

[32] It is well accepted that the need for a purposive and generous approach to *Charter* interpretation “holds equally true for *Charter* remedies as for *Charter* rights” (*Doucet-Boudreau v. Nova Scotia (Minister of Education)*, 2003 SCC 62, [2003] 3 S.C.R. 3, at para. 24). Courts have a duty to determine the appropriate constitutional remedy for a *Charter* violation and to ensure that the remedy is commensurate with the extent of the violation (*Corbiere v. Canada (Minister of Indian and Northern Affairs)*, [1999] 2 S.C.R. 203, at para. 46). This appeal is concerned with declarations of unconstitutionality under s. 52(1) of the *Constitution Act, 1982* and damages under s. 24(1) of the *Charter*.

[33] Section 52(1) provides that the “Constitution of Canada is the supreme law of Canada, and any law that is inconsistent with the provisions of the Constitution is, to the extent of the inconsistency, of no force or effect”.

[34] A declaration of invalidity under s. 52(1) is the “first and most important remedy” when dealing with unconstitutional legislation (*Vancouver (City) v. Ward*, 2010 SCC 27, [2010] 2 S.C.R. 28, at para. 1). Section 52(1) establishes the supremacy of the Constitution and empowers courts to declare legislation “of no force or effect” in part or in full. This remedy allows courts to protect *Charter* rights while respecting the distinct role of the legislature in our constitutional order (*Schachter v. Canada*, [1992] 2 S.C.R. 679, at p. 715; *Ontario (Attorney General) v. G*, 2020 SCC 38, [2020] 3 S.C.R. 629, at paras. 84-99).

[35] Section 24(1) provides that anyone whose *Charter* rights or freedoms have been infringed or denied may apply for “such remedy as the court considers appropriate and just in the circumstances”.

[36] Section 24(1) provides a “personal” or “individual” remedy in the sense that it is specific to the violation of the applicant’s rights (*R. v. Albashir*, 2021 SCC 48, at para. 33; *R. v. Ferguson*, 2008 SCC 6, [2008] 1 S.C.R. 96, at para. 61). It must be remembered, however, that it is a “unique public law remedy” against the state that should not be assimilated to the principles of private law remedies (*Ward*, at paras. 22 and 31; *Ravndahl v. Saskatchewan*, 2009 SCC 7, [2009] 1 S.C.R. 181, at paras. 26-27).

[37] Like other *Charter* provisions, s. 24(1) must be interpreted generously and purposively (*Doucet-Boudreau*, at para. 24). It must be construed “in a manner that best ensures the attainment of its objects” and, more generally, benefits from the principle of statutory interpretation that remedial statutes should receive a “large and liberal”

interpretation (*R. v. 974649 Ontario Inc.*, 2001 SCC 81, [2001] 3 S.C.R. 575 (“*Dunedin*”), at para. 18).

[38] The remedial discretion afforded to courts under s. 24(1) is broad. This Court has stated that “the language of this provision appears to confer the widest possible discretion on a court to craft remedies for violations of *Charter* rights” (*Dunedin*, at para. 18), and that it “is difficult to imagine language which could give the court a wider and less fettered discretion” (*Mills v. The Queen*, [1986] 1 S.C.R. 863, at p. 965).

[39] The broad discretion afforded under s. 24(1) and a purposive approach to remedies combine to give meaning to the idea that *Charter* rights are only as meaningful as the remedies provided for their breach. In this way, s. 24(1) is “a cornerstone upon which the rights and freedoms guaranteed by the *Charter* are founded, and a critical means by which they are realized and preserved” (*Dunedin*, at para. 20).

[40] In *Doucet-Boudreau*, the Court noted that s. 24 must be allowed to evolve to meet the different contexts in which *Charter* violations occur, and must remain flexible and responsive to the needs of a given case (para. 59). In general terms, the Court explained that a just and appropriate remedy under s. 24(1) will: (1) meaningfully vindicate the claimant’s rights and freedoms; (2) employ means that are legitimate within the framework of our constitutional democracy; (3) be a judicial remedy which

vindicates the right while invoking the function and powers of a court; and (4) be fair to the party against whom the order is made (paras. 55-58).

(4) Damages as a Section 24(1) Remedy

[41] An award of damages against the state for exceeding its legal powers has long been recognized as an important requirement of the rule of law (K. Roach, *Constitutional Remedies in Canada* (2nd ed. (loose-leaf)), at § 11:1, citing *Roncarelli v. Duplessis*, [1959] S.C.R. 121; see also W. H. Charles, *Understanding Charter Damages: The Judicial Evolution of a Charter Remedy* (2016)).

[42] In *Ward*, this Court set out a four-step test for determining whether damages are an appropriate and just remedy:

1. Has a *Charter* right been breached?
2. Would damages fulfill one or more of the related functions of compensation, vindicating the right, or deterring future breaches?
3. Has the state demonstrated that countervailing factors defeat the functional considerations that support a damage award and render damages inappropriate or unjust?
4. What is the appropriate quantum of damages?

[43] Canada's argument for absolute immunity to a claim for damages rests on two propositions that implicate the countervailing factors considered at the third step.

[44] First, Canada relies on the availability of an alternative remedy. Canada asserts that the availability of a declaration of invalidity under s. 52(1) will always render damages inappropriate and unjust. Canada asserts that damages will never be appropriate for the enactment of legislation subsequently declared unconstitutional because the declaration of unconstitutionality will always be sufficient. Canada submits that judicial review of a decision under the invalid law may also be appropriate in certain cases.

[45] While there is a general presumption against combining remedies under ss. 24(1) and 52(1) (*Schachter*, at p. 720; *Mackin*, at paras. 78-81), there is no categorical restriction. This Court has instead adopted a functional and flexible approach to combining remedies that is driven by principled and purposive considerations (*Ferguson*, at para. 53; *G*, at para. 147; Roach, *Constitutional Remedies*, at §§ 3:8-3:18). It is true that the existence of an alternative remedy is a countervailing consideration (*Ward*, at para. 33). However, the concern with alternative remedies is to avoid duplication and double recovery (para. 35; *Brazeau v. Canada (Attorney General)*, 2020 ONCA 184, 149 O.R. (3d) 705, at para. 43). Provided an award of *Charter* damages is not duplicative, the potential to combine declarations and damages must remain available in situations where a declaration would fail to satisfy the functional need for compensation, vindication or to meaningfully deter future breaches

(*Albashir*, at paras. 61-67; *Ward*, at para. 56; see also P. W. Hogg and W. K. Wright, *Constitutional Law of Canada* (5th ed. Supp.), at § 40:13). In some cases, a declaration of invalidity alone may be an insufficient and even hollow remedy. The availability of a declaration under s. 52(1) cannot absolutely displace a claim for damages under s. 24(1). The same is true for the availability of judicial review for a decision under the invalid law.

[46] The second countervailing consideration that Canada raises in support of absolute immunity are concerns for good governance. Canada submits that *Charter* damages would interfere with Parliament’s law-making functions, impeding the state’s ability to govern effectively. While this Court has held that good governance concerns may defeat an award of damages, we have also cautioned that the mere suggestion that damages will have a chilling effect on government is not sufficient to defeat the applicant’s functional entitlement to *Charter* damages established at steps one and two of the four-step test (*Ward*, at para. 38). Indeed, damages may promote good governance by encouraging constitutional compliance and deterring *Charter* breaches. Canada nonetheless submits that constitutional principles — that ground those good governance concerns — require that there be an absolute bar to *Charter* damages for the enactment of unconstitutional legislation.

(5) Constitutional Principles

[47] Canada argues that anything less than absolute immunity is inconsistent with three longstanding and foundational constitutional principles: parliamentary

sovereignty, the separation of powers, and parliamentary privilege. Mr. Power responds that these principles do not necessitate absolute immunity and, moreover, that such immunity is inconsistent with other foundational constitutional principles, including constitutionalism and the rule of law. Each of these principles inform the separation of powers. We will briefly consider each in turn, before addressing the parties' substantive submissions later in the analysis.

(a) *Parliamentary Sovereignty, Separation of Powers, and Parliamentary Privilege*

[48] Canada rightly notes that parliamentary sovereignty, the separation of powers and parliamentary privilege are constitutional principles that ensure that democratically elected officials are free to make laws and to hold the executive to account, without undue interference from an unelected judiciary. The preamble to the *Constitution Act, 1867* states that Canada has “a Constitution similar in Principle to that of the United Kingdom”. Parliamentary sovereignty, the separation of powers and parliamentary privilege are core features of the British Constitution (*R. (on the application of Miller) v. Prime Minister*, [2019] UKSC 41, [2019] 4 All E.R. 299). As a result, these are also important constitutional principles in Canada.

[49] As for parliamentary sovereignty, there are important differences between the United Kingdom and Canada. In the United Kingdom, the “laws enacted by the Crown in Parliament are the supreme form of law” (*Miller*, at para. 41; see also *Reference re Pan-Canadian Securities Regulation*, 2018 SCC 48, [2018] 3 S.C.R. 189,

at paras. 54-55). In Canada, it is the Constitution that is the supreme law: the legislature can “make or unmake any law it wishes, within the confines of its constitutional authority” (*Mikisew*, at para. 36 (emphasis added)). In other words, in Canada the principle of parliamentary sovereignty must not be confused with parliamentary supremacy (*Reference re Remuneration of Judges of the Provincial Court of Prince Edward Island*, [1997] 3 S.C.R. 3, at paras. 308-9).

[50] The separation of powers is part of the foundational architecture of our constitutional order. It is a constitutional principle which recognizes that the three branches of government have different functions, institutional capacities and expertise; and that each must refrain from *undue* interference with the others (*Fraser v. Public Service Staff Relations Board*, [1985] 2 S.C.R. 455, at pp. 469-70; *British Columbia (Attorney General) v. Provincial Court Judges’ Association of British Columbia*, 2020 SCC 20, [2020] 2 S.C.R. 506, at paras. 65-66). The separation of powers allows each branch to fulfill its distinct but complementary institutional role without undue interference and to create a system of checks and balances within our constitutional democracy (*Ontario v. Criminal Lawyers’ Association of Ontario*, 2013 SCC 43, [2013] 3 S.C.R. 3, at para. 29).

[51] Parliamentary privilege plays an essential role in our democratic and constitutional order by allowing legislative officials to carry out their function, including vigorously debating laws and holding the executive to account (*Chagnon v. Syndicat de la fonction publique et parapublique du Québec*, 2018 SCC 39, [2018] 2

S.C.R. 687, at paras. 1 and 20-21; *New Brunswick Broadcasting Co. v. Nova Scotia (Speaker of the House of Assembly)*, [1993] 1 S.C.R. 319, at p. 354).

[52] This Court has characterized parliamentary privilege as “the sum of the privileges, immunities and powers enjoyed by the Senate, the House of Commons and provincial legislative assemblies, and by each member individually, without which they could not discharge their functions” (*Canada (House of Commons) v. Vaid*, 2005 SCC 30, [2005] 1 S.C.R. 667, at para. 29; see also J. P. J. Maingot, *Parliamentary Privilege in Canada* (2nd ed. 1997), at pp. 14-15). Courts cannot review conduct within an area of parliamentary privilege, even for compliance with the *Charter* (*New Brunswick Broadcasting*, at p. 384). The sphere of activity for which privilege is claimed must therefore be closely scrutinized, and it will only receive protection if it is closely and directly connected with the fulfillment by the assembly or by its members of their functions as a legislative and deliberative body (*Chagnon*, at para. 27; *Vaid*, at para. 46).

(b) *Constitutionalism and the Rule of Law*

[53] Mr. Power submits that none of these principles are absolute and that none mandate absolute immunity. Rather, these principles must be reconciled with the role of courts as guardians of the Constitution, as reflected in the principles of the rule of law and constitutionality, both of which require courts to award meaningful and effective remedies for breaches of the *Charter* (*Reference re Secession of Quebec*, [1998] 2 S.C.R. 217, at para. 72; *Doucet-Boudreau*, at para. 25).

[54] The rule of law is “a fundamental postulate of our constitutional structure” (*Roncarelli*, at p. 142) and is “clearly implicit in the very nature of a Constitution” (*Reference re Manitoba Language Rights*, [1985] 1 S.C.R. 721, at p. 750). It protects “individuals from arbitrary state action” by providing “that the law is supreme over the acts of both government and private persons” (*Reference re Secession of Quebec*, at paras. 70-71).

[55] The Constitution is the supreme law of Canada. The principle of constitutionalism finds clear expression in s. 52(1) of the *Constitution Act, 1982*. Thus, “with the adoption of the *Charter*, the Canadian system of government was transformed to a significant extent from a system of Parliamentary supremacy to one of constitutional supremacy” (*Reference re Secession of Quebec*, at para. 72; see also *Newfoundland (Treasury Board) v. N.A.P.E.*, 2004 SCC 66, [2004] 3 S.C.R. 381, at paras. 105-6; C. Mathen and P. Macklem, eds., *Canadian Constitutional Law* (6th ed. 2022), at pp. 16-1 and 1275; L. E. Weinrib, “Of diligence and dice: Reconstituting Canada’s Constitution” (1992), 42 *U.T.L.J.* 207; K. Roach, “The Separation and Interconnection of Powers in Canada: The Role of Courts, the Executive and the Legislature in Crafting Constitutional Remedies” (2018), 5 *J.I.C.L.* 315).

[56] These principles “lie at the root of our system of government” (*Reference re Secession of Quebec*, at para. 70). Together, they explain the duty that courts have “to act as vigilant guardians of constitutional rights and the rule of law” (*Doucet-*

*Boudreau*, at para. 110). Thus, courts play a fundamental role in holding the executive and legislative branches of government to account in Canada's constitutional order.

[57] We agree with Mr. Power that these constitutional principles must be respected in determining the judicial reach of meaningful remedies for breaches of the *Charter*. Together, they inform the appropriate balance underlying the extent of immunity for the enactment of unconstitutional legislation.

B. *This Court Has Recognized a Limited Immunity for the Enactment of Unconstitutional Legislation*

[58] We now turn to how this Court's jurisprudence has addressed these constitutional principles in the context of state immunity for *Charter* damages. Mr. Power argues that *Mackin* directly dealt with the question in this appeal. He submits that *Mackin* rejected an absolute immunity and that we are bound to do the same here. Canada, however, argues that *Mackin* is not authoritative on this question and, in any case, subsequent cases have displaced the limited immunity established in *Mackin*.

(1) *Mackin* Set a High Threshold for Damages

[59] We agree with Mr. Power and the courts below that in *Mackin*, this Court considered precisely the same issue: the availability of *Charter* damages for the enactment of *Charter*-infringing unconstitutional legislation.

[60] The applicants in *Mackin* were two provincial court judges. They challenged a provincial statute that eliminated the system of supernumerary judges in favour of a panel of retired judges paid on a *per diem* basis. They claimed that the statute violated the right to judicial independence enshrined in s. 11(d) of the *Charter* and sought s. 24(1) damages and s. 52(1) declaratory relief.

[61] The Court agreed with the judges that the legislation was unconstitutional and declared it to be of no force or effect. Turning to the claim for damages, Gonthier J. explained that while legislative bodies enjoy immunity from damages for the “mere enactment or application of a law that is subsequently declared to be unconstitutional” (para. 78 (emphasis added)), such immunity will give way to liability when the law was “clearly wrong, in bad faith or an abuse of power” (para. 79 (emphasis added)). He concluded that damages were not justified in that case because there was no evidence to suggest that this threshold was satisfied (para. 82).

[62] In our view, the following three points can be distilled from *Mackin*.

[63] First, *Mackin* concerned only the enactment of legislation. The state’s actions under the law was not at issue: it was the legislation itself that abolished the supernumerary judicial status, thereby depriving the judges of their status and income — and thus, their independence. Accordingly, we do not accept Canada’s argument that *Mackin* never contemplated a claim for damages against the state for the enactment of unconstitutional legislation. The *Mackin* principle of limited immunity was plainly

set out in the context of the “enactment” of law, and as applying to “legislative bodies” (para. 78).

[64] Second, the Court did not deny the judges’ claim because the state enjoyed an absolute immunity for the enactment of legislation, but because the threshold was not satisfied. Gonthier J. found that there was no evidence to suggest the government of New Brunswick acted in bad faith or abused its power. He explained that the government could not have known of later developments in the law concerning judicial independence at the time the statute was enacted. In reaching this conclusion, Gonthier J. looked to the state’s motives, knowledge and conduct during the legislative process. He found the state had a “perfectly legitimate purpose” when it passed the invalid law: “efficiency, flexibility and cost savings” (para. 70). He also found that there was no evidence the state acted with “wilful blindness with respect to its constitutional obligations” (para. 82), nor that the state enacted the law with “knowledge” of its unconstitutionality, nor for an “ulterior motiv[e]” (para. 83).

[65] Third, the threshold for liability established in *Mackin* was expressly designed to reconcile competing constitutional principles. Gonthier J. explained that the “limited immunity given to government is specifically a means of creating a balance between the protection of constitutional rights and the need for effective government” (para. 79). To award damages merely because legislation was unconstitutional would fail to strike the right balance because it would not give effect to the need for effective government. Yet, at the same time, he recognized that “the government and its

representatives are required to exercise their powers in good faith and to respect the ‘established and indisputable’ laws that define the constitutional rights of individuals” (*ibid.*).

[66] For these reasons, Gonthier J. held that the “clearly wrong, in bad faith or an abuse of power” threshold provides the appropriate qualification on the state’s liability for the enactment of an unconstitutional law.

(2) The *Mackin* Threshold Has Not Been Overruled by Subsequent Cases

[67] Canada further argues that if *Mackin* established a limited immunity, this Court has overruled that immunity in subsequent cases.

[68] We do not agree. Rather, we agree with Mr. Power and the courts below that the post-*Mackin* jurisprudence does not depart from the limited immunity threshold.

[69] The first category of cases said to have overruled *Mackin* are those Canada says demonstrate that the limited immunity threshold in *Mackin* has been restricted in application to situations of executive action, such that it no longer applies in the realm of legislative power. We reject this argument.

[70] True, some of this Court’s cases have referred to the threshold applying to executive conduct under the law. For example, in *Ward*, McLachlin C.J. referred to

*Mackin* as applying to “state conduct under the law” (para. 39). And in *Henry v. British Columbia (Attorney General)*, 2015 SCC 24, [2015] 2 S.C.R. 214, Moldaver J. referred to it as applying to “state action taken pursuant to a law” (para. 42). But those cases involved such executive conduct. There is no inconsistency here. As explained above, Gonthier J. said in *Mackin* that the threshold applied to the “enactment or application” of legislation later declared unconstitutional (para. 78 (emphasis added)). Indeed, the *Mackin* threshold was described in general terms in *Ward* as recognizing “that the state must be afforded some immunity from liability in damages resulting from the conduct of certain functions that only the state can perform. Legislative and policy-making functions are one such area of state activity” (para. 40 (emphasis added)).

[71] Similarly, in *Conseil scolaire francophone de la Colombie-Britannique v. British Columbia*, 2020 SCC 13, [2020] 1 S.C.R. 678, this Court considered a different type of situation again: whether the *Mackin* threshold applied to government decisions made under government policies. Canada points out that at one point the *Mackin* threshold is described as applying to “acts carried out pursuant to a law that is subsequently declared to be invalid” (para. 168). But, at another point, the threshold is described as applying to “those who make laws” or “the legislature” (*ibid.*). Both are consistent with *Mackin*, and the Court was unanimous on this point. Although dissenting in the result, Brown and Rowe JJ. noted that “a key holding” in *Mackin* was its broad formulation of the immunity threshold and that it “plainly encompasses acts of both the legislatures and other public officials” (paras. 286-87 (emphasis deleted)).

[72] Canada also argues that the principles set down in *Mikisew* overrule *Mackin*. We do not agree. Canada is right that *Mikisew* says that courts should not meddle with the law-making process, including in the enactment of legislation. However, *Mikisew* is readily distinguishable. This appeal concerns remedies for an invalid law that breaches *Charter* rights. *Mikisew* concerned whether to impose a procedural step in the form of a duty to consult under s. 35 of the *Constitution Act, 1982* within the legislative process (paras. 31 and 52). And, while the majority in *Mikisew* accepted that it is “rarely appropriate for courts to scrutinize the law-making process” (para. 2), and that the judiciary “should forebear from intervening” in this process (para. 32), it also noted that after-the-fact review remains available in some circumstances (para. 52).

[73] A *Charter* damages analysis under s. 24(1) is conceptually distinct from the recognition of a duty to consult. As the motion judge and the Court of Appeal in this case explained, there is an important difference between, on the one hand, courts requiring the legislature to implement a substantive step within the legislative process, such as the pre-enactment consultations contemplated in *Mikisew*, and on the other, courts enforcing the *Charter* by requiring the state to pay damages for a *Charter* violation, even when that violation results from an unconstitutional law (motion judge’s reasons, at paras. 54-55; C.A. reasons, at para. 23). Compelling the government to consult as part of the legislative process would be a clear interference with Parliament’s exclusive control over its own procedures. By contrast, post-enactment damages do not “unduly interfer[e]” with Parliament, including its control over its own procedures

(*Mikisew*, at para. 35, citing *Criminal Lawyers' Association*, at para. 29). Such damages do not compel the legislature to regulate its own internal affairs in a certain way. *Mikisew* does not determine the outcome of this appeal.

[74] Finally, Canada raises *Ernst v. Alberta Energy Regulator*, 2017 SCC 1, [2017] 1 S.C.R. 3, as an example of the approach the Court should take in this case. In *Ernst*, this Court held that an administrative board, in exercising its adjudicative function, is immune from liability for damages. *Ernst* is of limited assistance to this appeal. Although *Ernst* engaged some of the same constitutional principles at work in this case, it did so in a different context. *Ernst* was concerned with protecting a different state function and implicated a different balance of underlying constitutional principles. An assessment into immunity must focus on the branches of government implicated by the claim (K. Cooper-Stephenson, *Charter Damages Claims* (1990), at p. 316). It is not surprising that a different form of state action raised different concerns about constitutional design and institutional relationships. Nothing in *Ernst* suggests a retreat from *Mackin*.

[75] Accordingly, we cannot accept Canada's submission that the *Mackin* threshold has been overruled.

C. *Mackin Should Not Be Overruled*

[76] Canada's final argument is that if this Court has not overruled *Mackin* already, it should do so now. Canada submits that the constitutional principles

underpinning legislative autonomy and good governance require absolute immunity for the enactment of legislation subsequently declared unconstitutional. Mr. Power responds that an absolute immunity would be inconsistent with the other fundamental constitutional principles engaged by the state’s law-making function.

[77] We agree with Mr. Power. Canada has not provided a compelling reason to overrule a precedent of this Court. Accordingly, we would not overturn *Mackin*. Limited immunity respects the constitutional principles underpinning both legislative autonomy and accountability. As this Court has said before, effective government and respect for constitutional rights are both “important pillars of our democracy” (*Ernst*, at para. 25). In order to fulfill its institutional function, the legislative branch requires an independent space for elected representatives to carry out their parliamentary duties, to freely debate and decide what laws should govern, and to exercise the unfettered ability to hold the executive branch of the state to account. But absolute immunity would subvert the principles that command government compliance with the *Charter* and the courts’ role in enforcing its fundamental guarantees.

(1) Limited Immunity Respects All of the Constitutional Principles

[78] As McLachlin J., as she then was, explained in *Harvey v. New Brunswick (Attorney General)*, [1996] 2 S.C.R. 876, “[w]here apparent conflicts between different constitutional principles arise, the proper approach is not to resolve the conflict by subordinating one principle to the other, but rather to attempt to reconcile them” (para. 69). And as Mr. Power notes, our Court’s jurisprudence demonstrates “that there

is no one constitutional principle that dominates the remedial analysis” (R.F., at para. 76, citing *G*, at paras. 89-99, *R. v. Sullivan*, 2022 SCC 19, at para. 60, and *Albashir*, at para. 34).

[79] Our constitutional jurisprudence has not created hierarchies of constitutional principles. It has aimed to provide flexibility and accommodation in the pursuit of good governance and fundamental rights. This is especially important in an era of increased transparency and accountability. Our constitutional remedies must reflect the interdependency of principles, and balance the need for both government autonomy and accountability.

[80] As we will explain, the *Mackin* threshold is consistent with and best reconciles each of the constitutional principles engaged by this appeal.

[81] First, parliamentary sovereignty is not undermined by the *Mackin* threshold. As noted above, parliamentary sovereignty does not mean that Parliament is above the Constitution. Parliament remains subject to the constraints and accountability mechanisms of the Constitution, including the *Charter*. By the text of s. 32(1), the *Charter* specifically applies to Parliament and the provincial legislatures. The supremacy of the Constitution in relation to Parliament is well recognized in each application of s. 52 of the *Constitution Act, 1982*. Limited immunity does not impair Parliament’s power to make and repeal laws within the confines of the Constitution.

[82] Second, limited immunity is consistent with the separation of powers. The separation of powers does not mean that each branch is completely “separate” or works in isolation. The separation of powers in Canada is not strict (*Reference re Secession of Quebec*, at para. 15; *Cooper v. Canada (Human Rights Commission)*, [1996] 3 S.C.R. 854, at para. 10). We have “never adopted a watertight system of separation of judicial, legislative and executive functions” (*Doucet-Boudreau*, at para. 107). Rather, our Court has always emphasized that each branch cannot exercise “undue” interference, which depends entirely on the circumstances and the constitutional principles engaged. The availability of an after-the-fact judicial remedy for unconstitutional legislation does not interfere with the law-making process. However, respect for the legislative role requires a high threshold for liability for the enactment of unconstitutional legislation. The high bar for liability established in *Mackin* ensures that the judiciary does not unduly interfere with the government’s ability to carry out its legislative function. Absolute immunity would give insufficient respect to the judicial role to provide meaningful remedies for the breach of constitutional rights.

[83] Like parliamentary privilege, discussed below, the separation of powers supports the need for some immunity, but not absolute immunity. Holding the legislature liable for *Charter* damages when it seriously misuses its legislative power does not constitute undue judicial interference in the legislative process. Rather, damages are an after-the-fact remedy for a *Charter* violation. Insofar as an award of damages provides any guidance to the legislature at all, it merely says that “the government and its representatives are required to exercise their powers in good faith

and to respect the ‘established and indisputable’ laws that define the constitutional rights of individuals” (*Mackin*, at para. 79). While the separation of powers demands a core of legislative autonomy, it also demands legislative accountability through the role of the courts.

[84] Third, courts can respect parliamentary privilege when applying the limited immunity threshold. Parliamentary privilege provides the legislature with the tools to execute its core functions. It operates by “shielding some areas of legislative activity from external review” (*Chagnon*, at para. 1). For example, it shields against legal proceedings for what was said during debate, giving members of the legislature the freedom of speech necessary to carry out their law-making power without fear of liability. Parliamentary privilege also protects against the compellability of certain types of evidence, discussed below, such as the testimony of sitting members of Parliament (*Vaid*, at para. 29). The protection of these processes is fundamental to Canada’s constitutional structure and the functioning of our democracy. Parliamentary privilege cannot be subordinated or diminished by other parts of the Constitution.

[85] But *Charter* damages for the enactment of unconstitutional legislation are not claimed against any individual members involved in the legislative process. The action is against the state. An action for public law damages “is not a private law action in the nature of a tort claim for which the state is vicariously liable but [a distinct] public law action directly against the state for which the state is primarily liable” (*Ward*, at para. 22, citing *Dunlea v. Attorney-General*, [2000] NZCA 84, [2000] 3 N.Z.L.R.

136, at para. 81; *Henry* (2015), at para. 34; see also *Maharaj v. Attorney-General of Trinidad and Tobago* (No. 2), [1979] A.C. 385 (P.C.), at p. 399). The nature of the remedy requires “the state (or society writ large) to compensate an individual for breaches of the individual’s constitutional rights” (*Ward*, at para. 22). For these reasons, the Attorney General for the Crown or a government agency is the appropriate defendant in *Charter* damages claims (Roach, *Constitutional Remedies*, at § 11:13).

[86] It is also worth emphasizing that the basis for the state’s liability for damages under s. 24(1) is the breach of the claimant’s *Charter* right. The state’s conduct within the legislative process is not an independent basis for liability but rather informs whether damages are an appropriate and just remedy for the breach caused by the enactment of the *Charter*-infringing law. Mr. Power’s action does not engage members’ personal immunity for parliamentary speech. Nor does it interfere with Parliament’s power to control its own debates and proceedings, or dictate how the legislative function is exercised. Mr. Power does not suggest that parliamentary speech or anything done in the legislative process breached his *Charter* rights.

[87] We reject Canada’s suggestion that recognized categories of parliamentary privilege extend to bar external review of every stage in the law-making process, and of all speech and all conduct by government officials or Ministers related to the law-making process, including their unspoken motivations. Courts must be careful to avoid enlarging recognized categories of privilege in response to broad or vague assertions of privilege, especially in the context of an alleged *Charter* rights violation (see, e.g.,

M.-A. Roy, “Le Parlement, les tribunaux et la *Charte canadienne des droits et libertés*: vers un modèle de privilège parlementaire adapté au XXI<sup>e</sup> siècle” (2014), 55 *C. de D.* 489, at pp. 512, 517 and 521). For example, we do not view parliamentary privilege over freedom of speech in Parliament or control over legislative proceedings as inherently extending to government officials, including public servants acting in an executive capacity, involved in policy development and advisory roles related to the preparation of legislation. The concern is not with the nature of the official, but with the breadth of state conduct implicated by this suggestion. Canada’s broad conceptualization of parliamentary privilege is not known in Canadian law, and is not necessary to protect Parliament’s constitutional role. Nor has Canada demonstrated that the scope of the privilege it invokes is inexorably supported under the strict necessity test. For this reason, we fundamentally disagree with the scope of parliamentary privilege asserted by our colleagues.

[88] This Court has emphasized that parliamentary privilege must not be extended beyond the scope necessary to protect the legislature’s core democratic functions (*Chagnon*, at para. 25; *Vaid*, at para. 41). In both *Vaid* and *Chagnon*, this Court rejected claims of parliamentary privilege, recognizing that the scope of each category of privilege must be carefully scrutinized, in part on the basis that the matters protected by the claimed privilege cannot be externally reviewed, including by courts on *Charter* grounds. In *Vaid*, this Court held that the parliamentary privilege to control parliamentary proceedings did not extend so far as to preclude a human rights claim on the basis of discrimination by the chauffeur to the Speaker of the House of Commons.

In *Chagnon*, this Court held that the parliamentary privilege to either manage employees or to exclude strangers from the National Assembly does not prevent judicial review of the dismissal of security guards employed by the National Assembly. Because of its inherent nature, parliamentary privilege means that its existence and scope must be strictly anchored to its rationale, delimited by the purposes it serves. Such an approach helps to reconcile the privilege with the *Charter*, by ensuring that it is only as broad as is necessary for the proper function of a constitutional democracy.

[89] A limited immunity reconciles the importance of parliamentary privilege with the *Charter* by ensuring that the privilege is no broader than is justified for a functioning constitutional democracy. In this respect, we agree that “parliamentary privilege, like parliamentary institutions themselves, must operate within — and never trump — the constitutional framework from which those bodies have emerged, and upon which they depend for their lawful authority and powers. In a country respectful of the rule of law, the courts must continue to maintain the supremacy of constitutional norms” (W. J. Newman, “Parliamentary Privilege, the Canadian Constitution and the Courts” (2008), 39 *Ottawa L. Rev.* 573, at p. 609).

[90] We also note that this Court has made clear that privilege claims should not be adjudicated “at too high a level of generality” (*Vaid*, at para. 51). As Mr. Power submits, “[i]ssues regarding the admissibility of parliamentary statements cannot be decided in the abstract” (R.F., heading of para. 94). An assertion of privilege must be particularized in the circumstances of the claim.

[91] To be clear though, parliamentary privilege may prevent claimants from adducing certain types of evidence relating to the legislative process. In this way, parliamentary privilege may limit a claimant's practical ability to satisfy the threshold in a given case. Indeed, it may well be that a claimant will not be able to lead any evidence. But this possibility does not foreclose the availability of such a cause of action in principle. While a claimant obviously cannot, for example, subpoena members of Parliament to establish a claim for damages, the claimant could lead other evidence related to the parliamentary process and relevant to the claim. There are many kinds of legislative documents routinely relied upon by courts in the context of public law litigation. For example, in *Brazeau*, Sharpe and Juriensz JJ.A. relied on government memoranda and reports, public records and social science and expert reports in assessing a s. 24(1) claim for damages (paras. 74-86). Thus, while it is beyond question that the conduct and speech protected by parliamentary privilege is not subject to review under the *Charter* by the judiciary (*New Brunswick Broadcasting*, at p. 384), we do not agree that parliamentary privilege inherently precludes *Charter* damages for unconstitutional legislation.

[92] It does not improperly undermine parliamentary privilege for the courts, engaged in a proper judicial task, to examine evidence and adjudicate an assertion of privilege in the context of a claim for damages. Courts regularly assess such evidence, including Hansard, in determining the background and purpose of legislation under a s. 1 analysis (see, e.g., *R. v. Big M Drug Mart Ltd.*, [1985] 1 S.C.R. 295; *R. v. Morgentaler*, [1993] 3 S.C.R. 463, at p. 484; *R. v. Moriarity*, 2015 SCC 55, [2015] 3

S.C.R. 485, at para. 31; *R. v. Sharma*, 2022 SCC 39, at paras. 88-90). Indeed, this Court has in other contexts assessed whether the legislature acted in good faith in enacting a law (see, e.g., *Libman v. Quebec (Attorney General)*, [1997] 3 S.C.R. 569, at para. 63; *Ell v. Alberta*, 2003 SCC 35, [2003] 1 S.C.R. 857, at paras. 3 and 38), or whether the state had actual or constructive knowledge of the unconstitutional effects of a law (*Canadian Council for Refugees v. Canada (Citizenship and Immigration)*, 2023 SCC 17, at para. 114). Granted, the purpose of the review may be different in a claim for *Charter* damages. But these examples reveal that the judicial assessment of the nature of legislation and Parliament’s purpose or objective in enacting it can be accomplished without violating parliamentary privilege.

[93] Fourth, an absolute immunity does not accommodate the principles recognized in this Court’s jurisprudence on constitutional remedies. It leaves little room for the principles that underpin legislative accountability — including the broad and purposive approach to rights and remedial provisions in the *Charter*, as well as constitutionalism and the rule of law. All these principles militate against absolute immunity. We agree in this respect with Mr. Power, who submits that “[a]n absolute immunity is . . . incompatible with the remedial discretion of the courts — ‘a fundamental feature of the *Charter*’ — and with the idea that ‘flexibility is necessary to arrive at appropriate remedies involving legislation’” (R.F., at para. 81, citing *G*, at paras. 101 and 146).

[94] As discussed above, the *Charter* effected a “revolutionary transformation of the Canadian polity” under which courts were “mandated to bring the entire legal system into conformity with a complex new structure of rights-protection” (L. E. Weinrib, “Canada’s *Charter of Rights*: Paradigm Lost?” (2002), 6 *Rev. Const. Stud.* 119, at p. 120). Even before the *Charter*, the court’s role in holding the legislature accountable was recognized as part of the fabric of Canada’s constitutional order. As Dickson J. (as he then was) explained in *Amax Potash Ltd. v. Government of Saskatchewan*, [1977] 2 S.C.R. 576, at p. 590:

A state, it is said, is sovereign and it is not for the Courts to pass upon the policy or wisdom of legislative will. As a broad statement of principle that is undoubtedly correct, but the general principle must yield to the requisites of the constitution in a federal state. By it the bounds of sovereignty are defined and supremacy circumscribed. The Courts will not question the wisdom of enactments which, by the terms of the Canadian Constitution are within the competence of the Legislatures, but it is the high duty of this Court to insure that the Legislatures do not transgress the limits of their constitutional mandate and engage in the illegal exercise of power. [Emphasis added.]

(See also *Manitoba Language Rights*, at p. 745.)

[95] The *Charter* demands that legislative power be constrained by constitutional rights. Courts are constitutionally obliged to hold the government accountable when it breaches such rights, including by providing meaningful remedies in the face of their violation. An absolute immunity would undermine the purpose and text of s. 24(1), which asks courts to look at the specific context of a given violation to determine whether a remedy is appropriate and just. The *Charter* requires courts to enforce constitutional rights. Enforcement means ensuring that remedies are

commensurate with the extent of the violation (*Corbiere*, at para. 46). In this way, the separation of powers also protects the judiciary's independence to carry out its constitutional duties: "Nothing less [is] required to maintain the normative ordering of the Canadian legal system" (*Doucet-Boudreau*, at para. 109).

[96] An absolute immunity would protect the government from any claim for damages for *any* unconstitutional legislation, no matter how egregious. We accept Mr. Power's assertion that an absolute immunity allows a narrow set of constitutional interests to dominate the analysis (R.F., at para. 81).

[97] In setting a high bar for immunity, *Mackin* has stood the test of time. It has been good law for over two decades. It has resulted neither in chilling good governance, nor in a floodgate of claims against the state for damages. The state will continue to benefit from immunity unless the high threshold is satisfied. This exacting threshold functions to limit the scope of causes of action for damages. And, as always, the state can apply for a s. 24(1) claim to be dismissed summarily if the claimant fails to plead circumstances which could, if accepted, satisfy the *Mackin* threshold for liability (*Henry* (2015), at para. 43).

[98] This Court may depart from precedent where there is a compelling reason to do so, including if the precedent was inconsistent with a binding authority or statute, it has proven unworkable, or its rationale has been eroded by significant social or legal change (*R. v. Henry*, 2005 SCC 76, [2005] 3 S.C.R. 609, at para. 44; *R. v. Kirkpatrick*,

2022 SCC 33, at para. 202). There are no compelling reasons to overrule *Mackin*. The state’s immunity has been and remains qualified.

(2) Clarifying the *Mackin* Threshold

[99] The question remains how to best articulate the qualified immunity threshold. The parties and interveners point to a number of different descriptions within *Mackin* and ask us to clarify the threshold.

[100] In *Mackin*, Gonthier J. used several formulations to describe the circumstances in which damages may be an appropriate and just remedy for legislation later declared unconstitutional. Gonthier J. initially sets out the threshold as capturing state conduct that was “clearly wrong, in bad faith or an abuse of power” (paras. 78-79). Later, in applying the threshold, he looked to whether the state enacted the unconstitutional law “negligently”, or with “wilful blindness with respect to its constitutional obligations at that time” (para. 82). He concluded there was no evidence “the legislation was enacted wrongly, for ulterior motives or with knowledge of its unconstitutionality” (para. 83).

[101] These different formulations reflect different lines of inquiry aimed at assessing the context of the enactment of the *Charter*-infringing law in that case. Gonthier J. focused on the state of the law at the time of enactment, and on any evidence of the state’s motives, conduct, and knowledge in relation to its unconstitutionality.

[102] Gonthier J.’s various formulations, with the exception of negligence, describe instances in which the enactment would have been clearly wrong, in bad faith or an abuse of power. In our view, however, negligence does not connote the gravity of misconduct this threshold was designed to capture. While Gonthier J.’s statements indicate that there was no evidence that would meet even this lower standard in that case, in our view, the use of the term negligence was not intended to lower the general threshold. It does not form part of the threshold. The concept of “negligence” is unhelpful as it does not reflect the high standard demanded by the constitutional principles underlying the analysis.

[103] Nonetheless, an objective assessment of the unconstitutionality of the legislation can assist in identifying whether the threshold is met, provided the standard remains high. Indeed, like negligence, the French translation in *Mackin* of “clearly wrong” — “*clairement fautif*” — signals such an objective standard. A number of interveners favoured a threshold that focussed on an objective review of the legislation under the “clearly wrong” component of the threshold. Other interveners point out that the concept of “wrongfulness” has led to some confusion. We would clarify that this inquiry is better understood as a focus on whether the legislation is “clearly unconstitutional”, which directs a judge to look objectively at the legislation itself, particularly the nature and extent of its constitutional invalidity. Underlying this objective assessment is a presumption of the legislature’s knowledge of and respect for basic *Charter* rights.

[104] However, we would reject any of the formulations suggested by the interveners that would set the threshold so high that it immunizes the government from liability for unprecedented but egregious constitutional breaches. Thus, the threshold will be met where the legislation was “clearly unconstitutional” in the sense that, at the time of its enactment, it would clearly violate *Charter* rights (M. L. Pilkington, “Monetary Redress for *Charter* Infringement”, in R. J. Sharpe, ed., *Charter Litigation* (1987), 307, at pp. 319-20, cited with approval in *Guimond v. Quebec (Attorney General)*, [1996] 3 S.C.R. 347, at para. 15; R. J. Sharpe and K. Roach, *The Charter of Rights and Freedoms* (7th ed. 2021), at p. 511). Such egregious or obvious violations of *Charter* rights are clearly wrong. We would not set the test as high as Jamal J.’s proposed articulation of the clearly unconstitutional threshold.

[105] A finding of clear unconstitutionality will usually imply that the state either knew that the law was clearly unconstitutional, or was reckless or wilfully blind as to its unconstitutionality. As Sharpe and Juriensz JJ.A. helpfully explained in *Brazeau*, where the law is clearly unconstitutional, the state may have shown a “‘clear disregard’ for *Charter* rights” by “proceeding with a course of action in the face of a known risk that the *Charter* will be violated or by deliberately failing to inquire about the likelihood of a *Charter* breach when the state knows that there is a good reason to inquire” (para. 87, citing *Ward*, at para. 43).

[106] While the clearly unconstitutional standard will likely resolve most issues of whether the limited immunity applies, other rare situations may require judges to ask

whether there is evidence that the state acted in bad faith or abused its power in enacting the invalid law. Principles of constitutionalism and legality require that the threshold leaves room for meaningful recourse for breach of constitutional rights involving such intentional state misconduct.

[107] We would not attempt to define bad faith or abuse of power in the law-making process with exactitude without the benefit of a full record and submissions. This standard may, for example, be met in cases where the state acted for an improper purpose, or was dishonest. We would not, however, limit the concepts of bad faith and abuse of power to an examination of the legislation's purpose.

[108] When it comes time to assess an allegation of bad faith or abuse of power on the basis of specific facts, other contexts of bad faith and abuse of power may provide guidance (see, e.g., *Roncarelli*, at p. 141; *Finney v. Barreau du Québec*, 2004 SCC 36, [2004] 2 S.C.R. 17, at para. 39; *Hinse v. Canada (Attorney General)*, 2015 SCC 35, [2015] 2 S.C.R. 621, at paras. 48-53; see also *Special Lectures of the Law Society of Upper Canada 1979 — The Abuse of Power and the Role of an Independent Judicial System in Its Regulation and Control* (1979)). However, we note that these concepts are “flexible” and their “content will vary from one area of law to another” (*Entreprises Sibeca Inc. v. Frelighsburg (Municipality)*, 2004 SCC 61, [2004] 3 S.C.R. 304, at para. 25). In the context of the state's law-making function, in which Parliament and legislative bodies are entitled to enact any law within their constitutional confines, bad faith and abuse of power may require a higher degree of misconduct than in other

contexts. These are legal standards applied by courts, they are not means of evaluating the wisdom or policy of the enactment process or the enacted law.

[109] Our colleague Jamal J. accepts the clearly unconstitutional standard but rejects bad faith and abuse of power. He reasons that while clearly unconstitutional is an objective standard, based on the enactment of the legislation, bad faith and abuse of power inherently implicate conduct that is beyond judicial review. We disagree. In our view, bad faith or abuse of power could be satisfied without violating parliamentary privilege. Moreover, like bad faith and abuse of power, the clearly unconstitutional standard implicates Parliament’s conduct in enacting legislation. As we explained, a finding of clear unconstitutionality amounts to a conclusion that in “enacting” the legislation, lawmakers knew the law was unconstitutional, or were reckless or wilfully blind as to its unconstitutionality. Changing the verb “enacting” to the noun “enactment” does not change the nature of the inquiry.

[110] We appreciate that discerning institutional motivation or the knowledge of legislative bodies when enacting legislation is a difficult task. We further appreciate that although *Charter* damages lie against the state and not individual lawmakers or government officials, the state acts through the vehicle of individuals. As with other contexts of institutional state conduct, whether it is possible to attribute the bad faith or abuse of power of an individual or group to the institution itself will depend on the facts of a given case. It bears repeating here that the basis for liability under s. 24(1) is the state’s breach of a *Charter* right. In cases like Mr. Power’s claim, it is the invalid law

that breached his right. Any inquiry into state misconduct in enacting the invalid law is to assess whether damages are just and appropriate for that breach, not to create an independent basis for liability.

[111] Where the claimant puts forward a particularized allegation that the *Mackin* threshold has been met, the claim must be assessed on the basis of evidence obtained in a way that does not violate parliamentary privilege, such as statements made outside of the parliamentary process.

[112] Thus, we would clarify that “clearly wrong” reflects an objective assessment into whether the legislation was clearly unconstitutional at the time it was enacted, and that bad faith and abuse of power remain part of the threshold. To that extent we would restate the *Mackin* threshold relating to the enactment of legislation later found to be unconstitutional: the good governance defence will prevail unless the law was clearly unconstitutional, in bad faith or an abuse of power. The exacting nature of the threshold means that an applicant’s failure to provide detailed particulars will be fatal to their claim at the pleadings stage (*Henry* (2015), at para. 43). Bald or vague assertions will necessarily fall short.

(3) The Threshold Is Assessed at Step Three of the *Ward* Framework

[113] Canada submits that the immunity threshold should be a preliminary matter, before engaging with the *Ward* framework. In the alternative, it submits that the threshold can operate within the third step of the *Ward* test. Mr. Power asserts that

the countervailing considerations raised by Canada in this appeal should be considered and balanced at the third step of the *Ward* test.

[114] In our view, the four-part test in *Ward* governs all claims for *Charter* damages. Immunity is not a preliminary question in a claim for *Charter* damages based on invalid legislation. The state's limited immunity defence fits best as a consideration at the third step of the *Ward* test. In order for an inquiry into the state's limited immunity to arise under s. 24(1), a claimant must first demonstrate that their rights were violated as a result of an unconstitutional law, and that damages are an otherwise appropriate and just remedy for that violation (*Ward*, at paras. 23-24). This Court and others have recognized that the *Mackin* threshold and other immunity considerations are an expression of the principles underlying the good governance concerns considered at the third stage of *Ward* (*Ward*, at paras. 39 and 68; *Ernst*, at para. 42; *Brazeau*, at paras. 46-48; Roach, *Constitutional Remedies*, at §§ 11:11 and 11:20; P. W. Hogg, P. J. Monahan and W. K. Wright, *Liability of the Crown* (4th ed. 2011), at pp. 204-5; Hogg and Wright, at § 40:19). Like good governance concerns in other contexts, the limited immunity threshold functions to ensure damages that may otherwise interfere with effective government are not awarded unless the state conduct meets a minimum threshold of gravity (*Ward*, at para. 39; *Henry* (2015), at paras. 39-41).

[115] Limited immunity ends at the point where it no longer strikes a justifiable constitutional balance. If the state enacts legislation that is subsequently declared

invalid and that is clearly unconstitutional, in bad faith or in an abuse of power, good governance concerns can no longer justify shielding the government from liability for violating *Charter* rights. Damages may instead “promote good governance” by supporting the “foundational principle of good governance” that state action must comply with the Constitution (*Ward*, at para. 38). If the *Mackin* threshold is not met, the balance of constitutional principles tilts in favour of state immunity. In such cases, the constitutional imperative that the government be afforded the autonomy to govern effectively will defeat the claim to damages.

## VI. Conclusion

[116] State immunity for the exercise of legislative power remains limited. There is no absolute immunity for the enactment of legislation later found to be unconstitutional. This conclusion answers both of the constitutional questions posed by Canada. In reaching this conclusion, we have explained that the state may be liable for *Charter* damages for enacting invalid legislation only if it is clearly unconstitutional or was in bad faith or an abuse of power. Because the first question implicates a broader range of state conduct and actors than the second question — indeed it implicates matters far beyond those raised by Mr. Power’s claim — the answer must be the same.

[117] To approach the first question separately in this case would have raised issues of the accountability of public servants who form part of the executive. Parliamentary privilege attaches to Parliament as a separate branch of government and shields certain spheres of parliamentary activity from judicial review. If the conduct of

public servants related to the preparation of legislation is included within parliamentary privilege and attracts absolute immunity, it would inevitably risk extending the privilege to the executive, with far-reaching and unforeseeable consequences. Thus, we disagree with our colleagues' answer to the first question.

[118] Accordingly, the constitutional questions are answered as follows:

Answer to question 1: Yes.

Answer to question 2: Yes.

[119] The appeal is dismissed with costs.

The reasons of Kasirer and Jamal JJ. were delivered by

JAMAL J. —

## I. Overview

[120] This appeal presents two questions of law posed by the Attorney General of Canada. First, can the Crown, in its executive capacity, be held liable in damages under s. 24(1) of the *Canadian Charter of Rights and Freedoms* for government officials and Ministers preparing and drafting a bill that is enacted by Parliament but subsequently declared inconsistent with the *Charter* and of no force or effect under s.

52(1) of the *Constitution Act, 1982*? Second, can the Crown, in its executive capacity, be held liable in damages under s. 24(1) of the *Charter* for Parliament enacting a bill into law that is later declared inconsistent with the *Charter* and of no force or effect under s. 52(1) of the *Constitution Act, 1982*?

[121] The New Brunswick Court of Queen’s Bench and Court of Appeal answered both questions in the affirmative. They followed this Court’s decision in *Mackin v. New Brunswick (Minister of Finance)*, 2002 SCC 13, [2002] 1 S.C.R. 405, which held that a court may award damages under s. 24(1) of the *Charter* for harms suffered because of a law that is later declared unconstitutional when the law is “clearly wrong, in bad faith or an abuse of power” (para. 78). Although the Attorney General of Canada had argued that there can be no Crown liability for the enactment of legislation because of parliamentary privilege, the separation of powers, and parliamentary sovereignty, the Court of Appeal said that “until the Supreme Court overrules [*Mackin*] or limits its application, we are duty-bound to apply it” (2022 NBCA 14, 471 D.L.R. (4th) 68, at para. 20).

[122] I accept that the courts below were bound to follow *Mackin* as a precedent of this Court. However, the parties in *Mackin* did not raise parliamentary privilege and the Court did not address the privilege in its reasons. In my respectful view, *Mackin* should now be clarified. Aspects of *Mackin* conflict with the constitutional doctrine of parliamentary privilege, principles of justiciability, and the separation of powers.

Applying *Mackin* without clarification or modification would intrude into the constitutionally-assigned domain of Parliament.

[123] Parliamentary privilege includes “the sum of the privileges, immunities and powers enjoyed by the Senate, the House of Commons and provincial legislative assemblies, and by each member individually, without which they could not discharge their functions” (*Canada (House of Commons) v. Vaid*, 2005 SCC 30, [2005] 1 S.C.R. 667, at para. 29(2) (citation omitted)). It includes the privileges of freedom of speech in the legislative process and Parliament’s exclusive control over parliamentary proceedings. This Court has recognized that, in principle, parliamentary privilege can extend to members of Parliament or a legislative assembly, and to parliamentary officers, employees, and officials (*Vaid*, at paras. 29(11) and 41). The issue is not the nature of the individual but whether their activities are necessary to the legislative functions that parliamentary privilege was originally designed to protect (*Vaid*, at paras. 4 and 44). Courts have jurisdiction to determine the existence of a recognized category of parliamentary privilege, but they have no jurisdiction to review the exercise of the privilege, even for compliance with the *Charter*. Because the privilege is part of the Constitution of Canada, it cannot be abrogated or diminished by another part of the Constitution, including the *Charter*. Parliamentary privilege is a corollary to the separation of powers because it gives the legislative branch of government the autonomy it requires to perform its constitutionally-assigned functions.

[124] Against this backdrop, the first question posed by the Attorney General should be answered in the negative for two reasons. First, the doctrine of parliamentary privilege creates an exception to the possibility of Crown liability for the conduct of government officials and Ministers in preparing and drafting legislation. The preparation and drafting of legislation is core legislative conduct that is necessarily incidental to proceedings in Parliament. Such conduct is protected from judicial interference by the established categories of parliamentary privilege of freedom of speech and control over parliamentary proceedings. The courts have no jurisdiction to review or assign liability for the exercise of these established categories of privilege, even after the legislative process has concluded, and even when it is alleged that the legislation infringed the *Charter*.

[125] Second, the Crown, in its executive capacity, cannot be liable for the legislative work of Ministers and the government officials supporting them in preparing and drafting legislation because this is legislative rather than executive conduct, and thus cannot be attributed to the Crown in its executive capacity. The Crown cannot be liable for legislative conduct in an action brought under s. 23(1) of the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, which provides the statutory basis for suing the Crown in right of Canada by taking proceedings in the name of the Attorney General of Canada.

[126] The second question should be answered in the affirmative, but in a qualified manner. *Mackin* should be clarified to eliminate “bad faith” and “abuse of

power” in enacting primary legislation as grounds for damages under s. 24(1) of the *Charter*. These grounds would inevitably trench on the established categories of parliamentary privilege of freedom of speech and control over parliamentary proceedings. They would draw the courts into scrutinizing whether the substance of the legislation is in “bad faith” or an “abuse of power” *after* that legislation has already been found to be unconstitutional. This question is not justiciable and would strain the separation of powers.

[127] Although “bad faith” and “abuse of power” are unavailable as grounds for damages under s. 24(1) of the *Charter*, the “clearly wrong” threshold contemplated in *Mackin* remains available under the second question. I would, however, reformulate that threshold by holding that the Crown could be liable for damages under s. 24(1) for harms caused by “clearly unconstitutional” enactments, if the unconstitutionality was readily or obviously demonstrable at the time of enactment and could not have been subject to any serious debate.

[128] The standard of “clearly unconstitutional” is a justiciable standard that allows a court to consider whether legislation had the unconstitutional purpose of infringing a *Charter* right in evaluating whether damages would be an “appropriate and just” remedy under s. 24(1) of the *Charter*. This is analytically distinct from the non-justiciable standard of whether the legislation involved “bad faith” or an “abuse of power”.

[129] In addition, the “bad faith” and “abuse of power” standards are not anchored in considerations relating to the constitutionality of legislation and would therefore inevitably stray into judging the wisdom or policy of the law, which is not the proper role of the courts. The “clearly unconstitutional” standard, on the other hand, protects parliamentary privilege as a rule of curial jurisdiction and upholds the separation of powers, while allowing individuals whose rights have been breached by clearly unconstitutional enactments to seek *Charter* damages in appropriate cases.

## II. Background

[130] It is common ground from the pleadings that the respondent, Joseph Power, was convicted of two indictable offences of sexual assault in 1996 and sentenced to two eight-month terms of incarceration to be served concurrently. He served his sentence and was released from custody in 1996.

[131] Mr. Power further pleads that, in 2010, he inquired about obtaining a pardon, now called a record suspension, but he did not apply for one at that time. In 2011, Mr. Power’s employer, a hospital, learned of his criminal record and suspended him from his job as a medical radiation technologist because it saw his criminal record as a risk in his work.

[132] In 2013, Mr. Power applied for a record suspension but was refused. In 2010, Parliament had enacted the *Limiting Pardons for Serious Crimes Act*, S.C. 2010, c. 5, and in 2012, it had enacted the *Safe Streets and Communities Act*, S.C. 2012, c. 1.

These statutes made individuals convicted of certain criminal offences permanently ineligible for a record suspension. The transitional provisions of both statutes applied the legislation retrospectively to offences committed before they came into force, making Mr. Power permanently ineligible for a record suspension.

[133] The transitional provisions were successfully challenged in unrelated litigation as being contrary to s. 11(h) and (i) of the *Charter*<sup>1</sup> and were declared to be of no force or effect (*Chu v. Canada (Attorney General)*, 2017 BCSC 630, 347 C.C.C. (3d) 449; *P.H. v. Canada (Attorney General)*, 2020 FC 393, [2020] 2 F.C.R. 461). It is no longer disputed that the transitional provisions unjustifiably infringe the *Charter*.

[134] In May 2018, Mr. Power sued the Crown in right of Canada. He alleged that his inability to receive a record suspension caused him to lose his job and made him ineligible for membership in the governing bodies for medical radiation technologists. Relying on this Court’s decision in *Mackin*, he asserted that the enactment and application of the transitional provisions was conduct that was clearly wrong, undertaken in bad faith, and an abuse of power, and claimed damages against the Crown under s. 24(1) of the *Charter*.

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<sup>1</sup> Section 11(h) of the *Charter* provides that any person charged with an offence has the right “if finally acquitted of the offence, not to be tried for it again and, if finally found guilty and punished for the offence, not to be tried or punished for it again”. Section 11(i) states that any person charged with an offence has the right “if found guilty of the offence and if the punishment for the offence has been varied between the time of commission and the time of sentencing, to the benefit of the lesser punishment”.

[135] The Crown sought particulars of Mr. Power’s claim. Mr. Power responded that the transitional provisions were “clear violations” of the *Charter* and “were imposed in bad faith, with the intention to add to the punishment of offenders who had been sentenced prior to the passing of the legislation” (Statement of Particulars of Joseph Power, reproduced in A.R., at p. 85). He also alleged the Attorney General of Canada “knew that the effect” of the transitional provisions “would be to increase punishment of certain convicted persons after the fact”, which violated the *Charter* (p. 85). Finally, Mr. Power asserted that “it was an abuse of power to impose these provisions despite being aware of their unconstitutional effect” on him and “other persons convicted of crimes prior to the passing of the legislation” (p. 85).

[136] The Attorney General of Canada then applied to the courts for the determination of two questions of law: whether the Crown, in its executive capacity, could be held liable in damages for (i) government officials and Ministers preparing and drafting a proposed bill enacted by Parliament, and (ii) Parliament enacting a bill into law, when a court later declares the law to be unconstitutional under s. 52(1) of the *Constitution Act, 1982*.

[137] The New Brunswick Court of Queen’s Bench and Court of Appeal blended these questions into a single question: Do the Crown and its officials enjoy absolute immunity when exercising a legislative function? Relying on this Court’s decision in *Mackin*, both courts held that the Crown enjoys a limited and not an absolute immunity.

Accordingly, they answered the two questions posed by the Attorney General’s motion in the affirmative.

[138] In its reasons, the Court of Appeal remarked that the Attorney General of Canada “forcefully argues that there can be no Crown liability for the enactment of legislation that may be found to be unconstitutional because of immunity arising from the separation of powers, parliamentary sovereignty, and parliamentary privilege” (para. 20). The court acknowledged that *Mackin* did not expressly address these issues, but considered itself “duty-bound to apply” *Mackin* as precedent unless and until this Court overturns it or limits its application (para. 20). Applying *Mackin*, the Court of Appeal said that “the legislative branch and those within it are free to make policy choices and adopt laws, although they may have to pay a price if they do so in circumstances that are clearly wrong, or where bad faith or abuse of power is proven” (para. 23).

### III. Analysis

[139] Although Mr. Power’s claim is principally concerned with his ability to obtain damages as a remedy for unconstitutional legislation under s. 24(1) of the *Charter*, the doctrine of parliamentary privilege forms the essential undercurrent of the Attorney General of Canada’s appeal before this Court. Accordingly, I will first set out the relevant law on parliamentary privilege, and will then explain how this doctrine informs the answers to the two questions of law posed by the Attorney General.

A. *The Constitutional Doctrine of Parliamentary Privilege*

(1) Definition

[140] Parliamentary privilege refers to the sum of the privileges, powers, and immunities of the federal Houses of Parliament or provincial legislative assemblies, and of their individual members, that are “necessary to their capacity to function as legislative bodies” (P. W. Hogg and W. K. Wright, *Constitutional Law of Canada* (5th ed. Supp.), at § 1:7, citing *New Brunswick Broadcasting Co. v. Nova Scotia (Speaker of the House of Assembly)*, [1993] 1 S.C.R. 319, at p. 385, and W. J. Newman, “Parliamentary Privilege, the Canadian Constitution and the Courts” (2008), 39 *Ottawa L. Rev.* 573; see also *Vaid*, at paras. 29(2), 29(4) and 29(5); *Chagnon v. Syndicat de la fonction publique et parapublique du Québec*, 2018 SCC 39, [2018] 2 S.C.R. 687, at para. 19; F. Chevrete and H. Marx, *Droit constitutionnel: Principes fondamentaux: Notes et jurisprudence* (2nd ed. rev. 2021), at p. 401). “The idea of necessity is . . . linked to the autonomy required by legislative assemblies and their members to do their [legislative work]” (*Vaid*, at para. 29(4)). Necessity is “to be read broadly”, based on what the “dignity and efficiency” of Parliament or the legislative assembly requires (*Vaid*, at para. 29(7), quoting *New Brunswick Broadcasting*, at p. 383).

[141] Parliamentary privilege provides a legal exemption “from some duty, burden, attendance or liability to which others are subject” (*Chagnon*, at para. 19, citing J. P. J. Maingot, *Parliamentary Immunity in Canada* (2016), at p. 13; see also *New Brunswick Broadcasting*, at p. 378). As noted by Joseph Maingot, a former law clerk

and parliamentary counsel to the House of Commons of Canada, “parliamentary privilege, though part of the general and public law of Canada, is an exemption from the ordinary law” ((2016), at p. 289 (footnotes omitted)). As will be seen, this includes an exemption from review under the *Charter*.

(2) History and Sources

[142] Parliamentary privilege has been part of the *lex parliamentis* or the law of Parliament and subsequently part of the common law and statute law of the United Kingdom for centuries (*New Brunswick Broadcasting*, at pp. 344-45, per Lamer C.J.; Hogg and Wright, at § 1:7). Although the doctrine can be traced to the eleventh century (Maingot (2016), at p. 19), it developed most significantly in the seventeenth century “through the struggle of the House of Commons for independence from the other branches of government”, including the Crown and the judiciary, which did not hesitate to interfere in the workings of Parliament, such as by arresting and prosecuting members of Parliament for allegedly speaking seditious words in debate in the House of Commons (*Chagnon*, at para. 22; see also *New Brunswick Broadcasting*, at pp. 344-45). The doctrine was partly codified in England by art. 9 of the *Bill of Rights* of 1689 (Eng.), 1 Will. & Mar. Sess. 2, c. 2, which affirms that “[t]he freedom of speech and debates or proceedings in Parliament ought not to be impeached or questioned in any court or place out of Parliament” (see *Vaid*, at para. 21; *Chagnon*, at para. 22; *New Brunswick Broadcasting*, at p. 345).

[143] Before Confederation, the colonial legislatures in Canada enjoyed parliamentary privilege at common law as an inherent and necessary part of their legislative functions, known as “inherent privileges” (*Chagnon*, at paras. 18 and 23; see also *Kielley v. Carson* (1842), 4 Moo. 63, 13 E.R. 225 (P.C.), at pp. 234-35, discussed in *New Brunswick Broadcasting*, at p. 346, per Lamer C.J., and at pp. 381-82, per McLachlin J. (as she then was); *Chagnon*, at para. 108, per Côté and Brown JJ., dissenting; Maingot (2016), at pp. 272 and 307). At Confederation, parliamentary privilege became part of the Constitution of Canada through the preamble of the *Constitution Act, 1867*, which states that Canada has “a Constitution similar in Principle to that of the United Kingdom” (*New Brunswick Broadcasting*, at p. 377; *Vaid*, at paras. 21 and 29(3); *Chagnon*, at paras. 18 and 23).

[144] At the federal level, unlike the provincial level, s. 18 of the *Constitution Act, 1867* authorizes Parliament to define by legislation the parliamentary privileges of the Senate and House of Commons and their members. Section 18 provides:

**18** The privileges, immunities, and powers to be held, enjoyed, and exercised by the Senate and by the House of Commons, and by the members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada, but so that any Act of the Parliament of Canada defining such privileges, immunities, and powers shall not confer any privileges, immunities, or powers exceeding those at the passing of such Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the members thereof.

[145] Parliament exercised its power under s. 18 by enacting s. 4 of the *Parliament of Canada Act*, R.S.C. 1985, c. P-1, which states that the Senate and House

of Commons and their members hold the privileges, immunities, and powers held by the U.K. House of Commons at the time of the passing of the *Constitution Act, 1867*, as well as those defined by statute, which cannot exceed those held by the Parliament at Westminster at the time the statute is enacted.

[146] Through s. 4 of the *Parliament of Canada Act*, the Senate and House of Commons now enjoy “the full extent of the privileges permitted under the Constitution” (*Vaid*, at para. 35). Thus, at the federal level, the “main body” of the parliamentary privileges are “legislated privileges”, rather than “inherent privileges”, and unlike provincial parliamentary privileges, have an express constitutional foundation in s. 18 of the *Constitution Act, 1867* (*Vaid*, at paras. 36-37; see also H. Brun, G. Tremblay and E. Brouillet, *Droit constitutionnel* (6th ed. 2014), at para. V-1.226).

[147] Section 5 of the *Parliament of Canada Act* further states that the “privileges, immunities and powers” of Parliament are “part of the general and public law of Canada” and “shall” be judicially noticed by all courts in Canada (see Maingot (2016), at pp. 272, 274 and 281-82).

(3) Parliamentary Privilege Is a Corollary to the Separation of Powers

[148] Parliamentary privilege helps Canada’s constitutional democracy maintain the fundamental separation of powers between the legislative, executive, and judicial branches of government (*Vaid*, at para. 21; *Chagnon*, at para. 21). As this Court has

noted, “[t]here are few issues as important to our constitutional equilibrium as the relationship between the legislature and the other branches of the State on which the Constitution has conferred powers, namely the executive and the courts” (*Vaid*, at para. 4). Parliamentary privilege has been called a “corollary to the separation of powers” because it “help[s] to protect each branch’s ability to perform its constitutionally-assigned functions” (*British Columbia (Attorney General) v. Provincial Court Judges’ Association of British Columbia*, 2020 SCC 20, [2020] 2 S.C.R. 506, at para. 66). The privilege does this “[b]y shielding some areas of legislative activity from external review” and by granting “the legislative branch of government the autonomy it requires to perform its constitutional functions” (*Chagnon*, at para. 1; see also *Vaid*, at para. 41).

(4) Two-Step Test for Parliamentary Privilege at the Federal Level

[149] Questions of parliamentary privilege at the federal level are subject to a two-step test. At the first step, a court asks whether the existence and scope of the claimed privilege has been authoritatively established under Canadian or British precedent, and if so, the court must accept the privilege without further inquiry into the necessity of the privilege or the merits of its exercise (*Vaid*, at paras. 37 and 39). If the proposed category has not been authoritatively established, then, at the second step, the court asks whether the privilege claimed is justified under a “necessity” test. The court must consider whether the activity is “so closely and directly connected” with the functions of the legislative assembly or its members that “outside interference would undermine the level of autonomy required to enable the assembly and its members to

do their work with dignity and efficiency” (*Vaid*, at para. 46; see also *Chagnon*, at paras. 29 and 31). The party invoking parliamentary privilege bears the burden at both steps, but once the privilege is established the “propriety” of its exercise is beyond the review of the courts (*Vaid*, at paras. 5, 29(8) and 53; *Chagnon*, at para. 32).

[150] In *Vaid*, Binnie J. identified the categories of parliamentary privilege that have been authoritatively established by precedent as including: (a) freedom of speech; (b) control by the Houses of Parliament over “debates or proceedings in Parliament”, including the day-to-day procedure in the House; (c) the power to exclude “strangers” from proceedings; (d) disciplinary authority over members; (e) disciplinary authority over non-members who interfere with the discharge of parliamentary duties; and (f) immunity of members from subpoena during parliamentary session (para. 29(10)).

(5) Parliamentary Privilege Is a Rule of Curial Jurisdiction

[151] Parliamentary privilege “is a rule of curial jurisdiction” (*Duffy v. Canada (Senate)*, 2020 ONCA 536, 151 O.R. (3d) 489, at para. 35). When a matter falls within the scope of parliamentary privilege, the exercise of the privilege cannot be reviewed by any external body, including a court (*Vaid*, at paras. 29(9) and 34; *Chagnon*, at paras. 19 and 24; *New Brunswick Broadcasting*, at p. 350, per Lamer C.J., and at pp. 382-84, per McLachlin J.). Parliamentary privilege recognizes “Parliament’s exclusive jurisdiction to deal with complaints within its privileged sphere of activity” (*Vaid*, at paras. 4, 29(9) and 30 (emphasis in original); see also *New Brunswick Broadcasting*, at pp. 383-84; Maingot (2016), at p. 277; the Hon. M. Rowe and M. Oza, “Structural

Analysis and the Canadian Constitution” (2023), 101 *Can. Bar Rev.* 205, at pp. 225-27; A. Marcotte, “Structural Analysis, Unwritten Principles and Constitutional Remedies: *Charter* Damages for the Enactment of Legislation by Parliament” (2024), 18 *J.P.P.L.* 69, at pp. 78-79).

[152] When a claim of parliamentary privilege is made, the courts have jurisdiction to determine the *existence* and *scope* of a claimed privilege, but they have no jurisdiction to adjudicate its *exercise* (*Vaid*, at paras. 40-41 and 47-48; *Chagnon*, at paras. 2 and 32; *New Brunswick Broadcasting*, at p. 350, per Lamer C.J., and at pp. 384-85, per McLachlin J.). Ascertaining the *existence* and the *scope* of parliamentary privilege falls within the exclusive domain of the judiciary, while the *exercise* of this constitutional power falls within the exclusive domain of the legislature (see Maingot (2016), at p. 304; Brun, Tremblay and Brouillet, at para. V-1.221). Thus, questions relating to the existence and scope of parliamentary privilege are justiciable, but questions as to its exercise are not justiciable (L. Sossin and G. Kennedy, *Boundaries of Judicial Review: The Law of Justiciability in Canada* (3rd ed. 2024), at § 7:7).

[153] As stated by McLachlin J. for the majority in *New Brunswick Broadcasting*, parliamentary privileges “must be held absolutely and constitutionally if they are to be effective; the legislative branch of our government must enjoy a certain autonomy which even the Crown and the courts cannot touch” (p. 379). The effect of parliamentary privilege is to confer an immunity from judicial review over the privileged matter (p. 342, per Lamer C.J.; Marcotte, at p. 79).

[154] However, immunity from judicial review does not mean that parliamentary privilege conflicts with the rule of law in the sense that parliamentary institutions and their members lack accountability. Parliamentary privilege “does not create a gap in the general public law of Canada but is an important part of it” (*Vaid*, at para. 29(3)). Although the courts may not review conduct or activity protected by parliamentary privilege, the House of Commons, Senate, and provincial and territorial legislative assemblies each have their own powers of judicature and can examine such conduct or activity (*Vaid*, at paras. 20, 29(9), 30 and 41; *New Brunswick Broadcasting*, at pp. 379-80; Maingot (2016), at pp. 20, 197, 282-85 and 299-304). As Binnie J. remarked in *Vaid*: “[t]he House, ‘with one voice, accuses, condemns, and executes’” (para. 30, citing *Stockdale v. Hansard* (1839), 9 Ad. & E. 1, 112 E.R. 1112 (Q.B.), at p. 1171). Lord Rodger of the United Kingdom Supreme Court also explained this point well in *R. v. Chaytor*, [2010] UKSC 52, [2011] All E.R. 805, at para. 105:

The expression, “the High Court of Parliament”, makes the point that Parliament has a certain power of judicature — as do the two Houses in their separate capacities. In exercising this jurisdiction the Houses apply the law and custom of Parliament (*lex et consuetudo parliamenti*).

[155] Our Court has also noted that “while legislative assemblies are not accountable to the courts for the ways in which they exercise their parliamentary privilege, they remain accountable to the electorate” (*Chagnon*, at para. 24, citing S. R. Chaplin, “*House of Commons v. Vaid: Parliamentary Privilege and the Constitutional Imperative of the Independence of Parliament*” (2009), 2 *J.P.P.L.* 153, at p. 164; see also *New Brunswick Broadcasting*, at p. 365, per Lamer C.J.).

(6) The Exercise of Recognized Categories of Parliamentary Privilege Is Not Subject to the *Charter*

[156] Parliamentary privilege is not a mere principle of interpretation, rule of evidence, or constitutional convention — rather, it is part of the Constitution of Canada. As a result, although the *Charter* applies to Parliament or a provincial or territorial legislature under s. 32(1) of the *Charter*, actions or conduct protected by parliamentary privilege are not subject to the *Charter* (*New Brunswick Broadcasting*, at pp. 382-84; *Vaid*, at para. 33; *Chagnon*, at para. 2; Hogg and Wright, at §§ 1:7 and 37:7; Brun, Tremblay and Brouillet, at paras. V-1.219, IX-7, XII-2.7 and XII-2.11; Maingot (2016), at pp. 290-91; Marcotte, at p. 79). This is because one part of the Constitution, such as the doctrine of parliamentary privilege, “cannot be abrogated or diminished by another part of the Constitution”, such as the *Charter* (*New Brunswick Broadcasting*, at p. 373, citing *Reference re Bill 30, An Act to amend the Education Act (Ont.)*, [1987] 1 S.C.R. 1148; see also *Vaid*, at para. 30; *Doucet-Boudreau v. Nova Scotia (Minister of Education)*, 2003 SCC 62, [2003] 3 S.C.R. 3, at para. 42; *Harvey v. New Brunswick (Attorney General)*, [1996] 2 S.C.R. 876, at p. 917, per McLachlin J., concurring in the result; Hogg and Wright, at § 37:7; Maingot (2016), at pp. 290-91).

[157] The seminal decision on this point is *New Brunswick Broadcasting*. This Court held that the Nova Scotia House of Assembly had an inherent parliamentary privilege to exclude the media from accessing the Assembly’s public gallery in order to film proceedings, and that the freedom of the press guaranteed under s. 2(b) of the *Charter* did not apply to the exercise of this parliamentary privilege. Speaking for the

majority, McLachlin J. accepted that the *Charter* generally applies to a legislative assembly under s. 32(1) (at pp. 370-71), but she added that the unwritten constitutional doctrine of parliamentary privilege is also part of the Constitution of Canada under s. 52(2) of the *Constitution Act, 1982*, through the preamble to the *Constitution Act, 1867*. As McLachlin J. explained:

... given the clear and stated intention of the founders of our country in the *Constitution Act, 1867* to establish a constitution similar to that of the United Kingdom, the Constitution may also include such privileges as have been historically recognized as necessary to the proper functioning of our legislative bodies. [p. 377]

[158] Justice McLachlin emphasized that recognizing the doctrine of parliamentary privilege as part of the Constitution of Canada is “not a case of importing an unexpressed concept into our constitutional regime, but of recognizing a legal power fundamental to the constitutional regime which Canada has adopted in its *Constitution Acts, 1867 to 1982*” (*New Brunswick Broadcasting*, at p. 377). The proper application of the doctrine of parliamentary privilege is thus as fundamental to the Canadian constitutional regime of the *Charter* as it is to the *Constitution Act, 1867*.

[159] Justice McLachlin also noted that once a court determines that parliamentary conduct or actions are protected by parliamentary privilege, and thus within the legislature’s exclusive jurisdiction, the privilege is “held absolutely” and is immune from intrusion by other branches of government (*New Brunswick Broadcasting*, at pp. 379, 383 and 387-88). Furthermore, the effect of recognizing the constitutional status of the right to exclude “strangers” such as the media from the

chamber was that “the *Charter* cannot cut down on that right, on the principle that one part of the Constitution cannot abrogate another part of the Constitution” (p. 390). She concluded that because the Nova Scotia House of Assembly had exercised its parliamentary privilege to exclude strangers from its deliberations, “the *Charter* does not apply to its conduct” (p. 393 (emphasis added); see also p. 390).

[160] In *Doucet-Boudreau*, this Court cited *New Brunswick Broadcasting* in support of the proposition that “if there is some constitutional limit to the remedial power . . . in s. 24(1)” of the *Charter*, “the judge ordering a remedy must respect this boundary”, because “no part of the Constitution can abrogate or diminish another part of the Constitution” (para. 42). As will be developed, and as implicitly recognized in *Doucet-Boudreau*, the authority of the courts to award damages under s. 24(1) is subject to the “constitutional limit” imposed by parliamentary privilege.

[161] This Court’s decision in *Vaid* confirmed the principle enunciated in *New Brunswick Broadcasting* that although the *Charter* applies to Parliament and the provincial and territorial legislatures and all matters within their authority, actions or conduct protected by parliamentary privilege are not subject to review under the *Charter*. The Court in *Vaid* extended this principle from the inherent parliamentary privileges of provincial legislatures at issue in *New Brunswick Broadcasting* to the legislated parliamentary privileges of Parliament. In *Vaid*, Justice Binnie said that this point “must now be taken as settled” (para. 33). Professors Hogg and Wright have explained that, after *Vaid*, “there is no difference in constitutional status between

legislated privilege and inherent privilege. Both are exempt from the Charter of Rights” (§ 1:7 (emphasis added); see also Brun, Tremblay and Brouillet, at para. XII-2.13).

[162] *Vaid* also highlighted how parliamentary privilege functions as a rule of curial jurisdiction and is shielded from *Charter* review. Justice Binnie explained that *New Brunswick Broadcasting* held that “the press freedom guaranteed by s. 2(b) of the *Charter* did not prevail over parliamentary privilege”, and affirmed that “[o]ne part of the Constitution cannot abrogate another part of the Constitution” (para. 30). He added that “[i]n matters of privilege, it would lie within the exclusive competence of the legislative assembly itself to consider compliance with human rights and civil liberties” (para. 30). He illustrated how parliamentary privilege is not subject to review under the *Charter* with the following example:

It would be intolerable, for example, if a member of the House of Commons who was overlooked by the Speaker at question period could invoke the investigatory powers of the Canadian Human Rights Commission with a complaint that the Speaker’s choice of another member of the House discriminated on some ground prohibited by the *Canadian Human Rights Act*, or to seek a ruling from the ordinary courts that the Speaker’s choice violated the member’s guarantee of free speech under the *Charter*. [Emphasis added; para. 20.]

[163] Most recently, in *Chagnon*, Karakatsanis J., for a majority of the Court, held that “courts cannot review the exercise of parliamentary privilege, even on *Canadian Charter of Rights and Freedoms* grounds” (para. 2 (emphasis added)). As she explained, “[j]udicial review of the exercise of parliamentary privilege, even for

Charter compliance, would effectively nullify the necessary immunity this doctrine is meant to afford the legislature” (para. 24 (emphasis added; citations omitted)).

[164] To sum up, parliamentary privilege is an integral part of the Constitution of Canada. Once the existence of a category of parliamentary privilege is established, conduct or activities that are themselves an exercise of that privilege are not subject to review by the courts, even when such conduct or activities are alleged to violate the *Charter*. As elaborated below, this means that such conduct or activities cannot be the basis of a *Charter* breach and, accordingly, cannot give rise to a *Charter* remedy such as damages under s. 24(1).

[165] I now turn to the two questions posed by the Attorney General of Canada.

B. *Question One: The Crown Cannot Be Liable for Damages Under Section 24(1) of the Charter For Preparing and Drafting Legislation Later Found to Infringe the Charter*

[166] The first question posed by the Attorney General of Canada asks whether the Crown in its executive capacity can be held liable in damages under s. 24(1) of the *Charter* for government officials and Ministers *preparing and drafting* a bill that is validly enacted but later declared unconstitutional. The second question asks whether the Crown in its executive capacity can be liable in damages for Parliament *enacting* a bill into law when that law is later declared unconstitutional.

[167] Before this Court, the Attorney General of Canada submits that “the answer to both questions . . . turns on a single issue, namely whether *Charter* damages can ever be an appropriate and just remedy in respect of the process leading to the enactment of primary legislation that is later declared unconstitutional” (A.F., at para. 24). This approach seeks to answer both questions by posing a third. The respondent submits that while the Attorney General’s “formulation is imperfect”, “the ultimate answer [to the question posed] is yes” (R.F., at para. 20).

[168] In my view, both questions raise distinct parliamentary privilege considerations relating, in question 1, to the legislative process of *preparing and drafting* legislation, and in question 2, to the grounds on which legislation, *once enacted*, may be reviewed. The two questions do not lend themselves to a single, blended analysis with a uniform answer and, accordingly, each should be addressed separately as originally posed. This Court is well equipped to address the two questions separately, having received extensive submissions on all the relevant considerations of parliamentary privilege and the separation of powers from both parties and no fewer than 21 interveners.

[169] As I will explain, the answer to the first question must be “no”. Parliamentary privilege, through the established categories of privilege of freedom of speech and control over parliamentary proceedings, precludes Crown liability for the legislative process. The authorities establish that parliamentary privilege extends to “members” of Parliament or a legislative assembly, and conduct by “parliamentary

officers and employees”, “officials”, and “the public”, when they are engaged in proceedings in Parliament. Whether the privilege is engaged is determined not by the nature of the relevant individual but by the conduct in which they are engaged, and in particular, whether that conduct is necessary to the core legislative functions that parliamentary privilege protects. In addition, because persons participating in the legislative process act in a legislative rather than an executive capacity, the Crown in its executive capacity cannot be liable for such conduct in an action brought under s. 23(1) of the *Crown Liability and Proceedings Act*.

[170] Before turning to these points, I briefly address three uncontroversial points regarding the framing of the Attorney General’s questions that guide the analysis that follows.

(1) Three Uncontroversial Points

(a) *The Crown “in its Executive Capacity” Refers to the State or Government*

[171] Each of the questions posed by the Attorney General in this appeal inquire as to the Crown’s liability “in its executive capacity”. There is no debate that this refers to the liability of the Canadian government *qua* executive, to be distinguished from the legislature.

[172] As Professors Hogg and Wright note, “the legal system of Canada recognizes the state as a legal person, capable of acquiring rights and liabilities under

common law or statute law, capable of suing and being sued, and bound by the decisions of courts and other properly constituted tribunals” (§ 10:1). In Canada, the state is often called “the Crown”, in recognition of the Queen or King as the formal head of state (§ 10:1). The Crown in its executive capacity is also commonly described as “the state” or “the government” (P. W. Hogg, P. J. Monahan and W. K. Wright, *Liability of the Crown* (4th ed. 2011), at p. 12-13; see also *RWDSU v. Dolphin Delivery Ltd.*, [1986] 2 S.C.R. 573, at p. 598). At the federal level, s. 23(1) of the *Crown Liability and Proceedings Act* provides that “[p]roceedings against the Crown may be taken in the name of the Attorney General of Canada”. This is the statutory basis for suing the Crown in right of Canada.

[173] In our constitutional system, however, the Crown acts at the federal and provincial and territorial levels, and in distinct executive, legislative, and judicial capacities. At the federal level, the “Crown” refers to: (a) the head of the executive authority or government of Canada (*Constitution Act, 1867*, s. 9); (b) the sovereign in the exercise of his formal legislative role in assenting to, refusing to assent to, or reserving parliamentary bills (*Constitution Act, 1867*, ss. 17, 55 and 91); and (c) the sovereign in the exercise of the judicial authority of the courts (see generally *Mikisew Cree First Nation v. Canada (Governor General in Council)*, 2018 SCC 40, [2018] 2 S.C.R. 765, at paras. 16, 18 and 33, per Karakatsanis J., at paras. 128-33, per Brown J., concurring, and at para. 148, per Rowe J., concurring; *Clyde River (Hamlet) v. Petroleum Geo-Services Inc.*, 2017 SCC 40, [2017] 1 S.C.R. 1069, at para. 28; *Canada (Auditor General) v. Canada (Minister of Energy, Mines and Resources)*, [1989] 2

S.C.R. 49, at pp. 103-4; Hogg, Monahan and Wright, at pp. 11-13; and Brun, Tremblay and Brouillet, at paras. II.84, II.89 and II.96).

[174] Although the “state” is recognized as a legal person capable of acquiring liabilities, it is also settled that Parliament, the House of Commons, the Senate, and the provincial legislative assemblies, as parts of the legislative branch of government, are not legal entities and cannot sue or be sued (Maingot (2016), at pp. 163 and 198; see also J. P. J. Maingot, *Parliamentary Privilege in Canada* (2nd ed. 1997), at p. 179). Therefore, even though this Court has said that s. 24(1) *Charter* remedies are awarded against “the state” rather than any particular branch of government (*Vancouver (City) v. Ward*, 2010 SCC 27, [2010] 2 S.C.R. 28, at para. 22), state liability involves the liability of the Crown in its executive capacity, not in its legislative capacity.

(b) *The Charter Applies to Parliament and the Government of Canada*

[175] There is also no debate that the *Charter*, including s. 24(1), applies to Parliament and the government of Canada. Section 32(1)(a) of the *Charter* states that the “*Charter* applies . . . to the Parliament and government of Canada in respect of all matters within the authority of Parliament”. As this Court has recognized, “the *Charter* applies broadly to the legislative, executive, and administrative branches of government in respect of all matters within their authority” (*Dickson v. Vuntut Gwitchin First Nation*, 2024 SCC 10, at para. 41, citing *Greater Vancouver Transportation Authority v. Canadian Federation of Students — British Columbia Component*, 2009 SCC 31, [2009] 2 S.C.R. 295, at para. 14, and *RWDSU*, at p. 598). Still, an established

exception to this principle is that conduct protected by parliamentary privilege is not subject to review under the *Charter*.

(c) *Remedies Under Section 52(1) of the Constitution Act, 1982 and Section 24(1) of the Charter Can Be Combined*

[176] Lastly, recent jurisprudence of this Court has emphasized there is “no hard-and-fast rule” against combining remedies under s. 52(1) of the *Constitution Act, 1982* (such as a declaration of invalidity) with an individual remedy under s. 24(1) of the *Charter* (such as damages) when the individual remedy is “appropriate and just” in the circumstances (*Ontario (Attorney General) v. G*, 2020 SCC 38, [2020] 3 S.C.R. 629, at para. 142; *R. v. Albashir*, 2021 SCC 48, at paras. 62-67; see also Hogg and Wright, at § 40:13).

[177] A remedy will be “appropriate and just” within the meaning of s. 24(1) when it furthers the general objectives of the *Charter* by compensating the plaintiff for any loss, vindicating rights, or deterring future breaches (*Ward*, at para. 25). This Court in *Ward* established a four-step inquiry for *Charter* damages under s. 24(1):

The first step in the inquiry is to establish that a *Charter* right has been breached. The second step is to show why damages are a just and appropriate remedy, having regard to whether they would fulfill one or more of the related functions of compensation, vindication of the right, and/or deterrence of future breaches. At the third step, the state has the opportunity to demonstrate, if it can, that countervailing factors defeat the functional considerations that support a damage award and render damages inappropriate or unjust. The final step is to assess the quantum of the damages. [para. 4]

(2) The Crown Cannot Be Liable for Preparing and Drafting Legislation

(a) *Parliamentary Privilege Precludes Crown Liability for the Legislative Process*

[178] The doctrine of parliamentary privilege entails that the Crown cannot be liable for the conduct of government officials and Ministers when carrying out core legislative work or work that is closely and necessarily related to proceedings in Parliament (Maingot (2016), at pp. 7 and 75). Preparing and drafting proposed legislation is undoubtedly core legislative work and is protected from judicial interference and supervision by the established categories of parliamentary privilege of freedom of speech and control over parliamentary proceedings. The courts have no jurisdiction to review the exercise of these parliamentary privileges, even after the legislative process has concluded, and even when it is alleged that the legislation infringed the *Charter*. And because there can be no judicial review of such privileged conduct under the *Charter*, this question must be resolved as a threshold jurisdictional issue, not as a countervailing “good governance” concern at the third step of the *Ward* framework. If parliamentary privilege applies in respect of the legislative process, the *Charter* does not apply.

(i) Freedom of Speech

[179] Government officials and Ministers involved in preparing and drafting proposed legislation enjoy the established parliamentary privilege of freedom of speech

for words or conduct connected to their legislative work. Freedom of speech, which protects robust legislative debate, is the lifeblood of Parliament’s day-to-day business. As a result, words and conduct connected to the legislative process are necessarily protected by parliamentary privilege.

[180] This Court has affirmed unequivocally that “the freedom of Speech and Debates or Proceedings in Parliament ought not to be impeached or questioned in any Court or Place out of Parliament” (*New Brunswick Broadcasting*, at p. 345, per Lamer C.J., citing the *Bill of Rights* of 1689; see also *Vaid*, at paras. 29(10) and 39; *Chagnon*, at para. 22). The free speech privilege includes an “immunity from civil proceedings with respect to any matter arising from the carrying out of the duties of a member of the House” through a “constitutional right . . . to speak freely in the House without fear of civil reprisal” (*New Brunswick Broadcasting*, at p. 385). The privilege applies not only to speech in the House of Commons and the Senate, but also to speech before their committees, none of which is “actionable in the ordinary courts, whether or not it is said in good faith” (Maingot (2016), at p. 31; see also Brun, Tremblay and Brouillet, at para. V-1.186).

[181] An established category of privilege such as freedom of speech applies to the “conduct by Parliament or its officers and employees” within its necessary scope (*Vaid*, at para. 29(11) (emphasis added)). It also protects “members and officials in the exercise of their functions” that are necessary to allow a legislature “to discharge its duties with efficiency or to assure its independence and dignity” (*Vaid*, at para. 41,

citing J. G. Bourinot, *Parliamentary Procedure and Practice in the Dominion of Canada* (4th ed. 1916), at p. 37 (emphasis added; emphasis in original deleted)). On the parliamentary privilege of freedom of speech, see generally *Ontario v. Rothmans Inc.*, 2014 ONSC 3382, 120 O.R. (3d) 467 (“*Rothmans Inc.*”), at paras. 9-20; *Lavigne v. Ontario (Attorney General)* (2008), 91 O.R. (3d) 728, at paras. 23 and 47-55; *Gagliano v. Canada (Attorney General)*, 2005 FC 576, [2005] 3 F.C.R. 555, at paras. 62-97 and 108-11, aff’d 2006 FCA 86, 268 D.L.R. (4th) 190; *Canada (Deputy Commissioner, Royal Canadian Mounted Police) v. Canada (Commissioner, Royal Canadian Mounted Police)*, 2007 FC 564, [2008] 1 F.C.R. 752, at paras. 63-65; and *Prebble v. Television of New Zealand Ltd.*, [1995] 1 A.C. 321 (P.C.), at pp. 332-34).

[182] Maingot adds that *all persons*, even members of “the public”, exercising the privilege of freedom of speech while participating in proceedings in Parliament are accountable only to Parliament regardless of their false or malicious intent or conduct ((2016), at pp. 71-72):

While taking part in such proceedings [in Parliament], officers of Parliament, Members of Parliament, and the public are immune from being called to account in the courts or elsewhere, save the Houses of Parliament, for any act done or words uttered in the course of participating, however false or malicious the act and however malicious the words might be; and any member of the public prejudicially affected is without redress.

[183] A useful illustration of the relevant principles is the decision of the Ontario Superior Court of Justice in *Rothmans Inc.*, which recognized that the privilege can

extend beyond members of Parliament, officers, and employees to the public more broadly. In *Rothmans Inc.*, the Crown sued tobacco companies for damages under Ontario's *Tobacco Damages and Health Care Costs Recovery Act, 2009*, S.O. 2009, c. 13. The Crown's statement of claim alleged that the companies repeatedly misrepresented the risks of smoking before House of Commons committees and federal legislative committees. One of the companies brought a motion to strike those claims on the basis of parliamentary privilege. The court agreed that the paragraphs should be struck because statements made before those committees were absolutely protected by the privilege over free speech. The court rejected the Crown's argument that it was premature to strike the claims at the pleadings stage on the basis that an evidentiary context was required to determine whether the speech was privileged:

... as can be seen from the authorities, the [free speech] privilege applies broadly to those who participate in parliamentary proceedings — a witness, counsel, a “stranger”, “the public”, a “person”, “those who participate”, or “others whose assistance the House considers necessary for conducting its proceedings”. . . . Indeed, art. 9 of the *Bill of Rights* does not refer to any particular class of individuals, but rather insulates parliamentary “freedom of speech”, “debates” and “proceedings” from external review. [Footnote omitted; para. 29.]

[184] The critical point is that, as I have said, whether the privilege applies is not determined by the nature of the relevant individual, but by the activities in which they are engaged and the necessity of those activities to core legislative functions. Thus, the claim of privilege in *Vaid* was rejected not because Mr. Vaid was the chauffeur to the Speaker of the House of Commons rather than a member of Parliament, but because his activities at the relevant time (driving the speaker) were found to be “remote from

the legislative functions that parliamentary privilege was originally designed to protect” (para. 4). In the context of members or government officials engaged in preparing and drafting legislation, the privilege necessarily applies to their words and conduct not simply because they are members of Parliament or government officials, but because the core legislative activities in which they are engaged (the preparation and drafting of legislation) is absolutely protected by an established category of parliamentary privilege, namely the freedom of speech.

[185] The first question posed by the Attorney General of Canada must therefore be answered in the negative. Exposing the Crown, in its executive capacity, to liability in damages for the conduct of government officials and Ministers in preparing and drafting legislation would inevitably intrude upon the parliamentary privilege of freedom of speech for words or conduct connected to Parliament’s legislative work. It does not matter that liability would be deferred until after the legislation is enacted (*Mikisew Cree*, at para. 38; see also *Marcotte*, at p. 83). The purpose of imposing liability would be to discourage a certain type of speech by requiring the government to “pay a price” for it, to use the New Brunswick Court of Appeal’s words (para. 23). This would inevitably trench on the parliamentary privilege of freedom of speech and upset the delicate constitutional equilibrium among the branches of government.

(ii) Control Over Parliamentary Proceedings

[186] A second authoritatively established category of parliamentary privilege is the House of Commons’ exclusive control over its own proceedings, often called the

privilege over “proceedings in Parliament”. Like the privilege over freedom of speech, the privilege over proceedings in Parliament was recognized in art. 9 of the *Bill of Rights* of 1689, which states that “proceedings in Parliament ought not to be impeached or questioned in any court or place out of Parliament”.

[187] The privilege over proceedings in Parliament is broad. It was recognized by this Court in *Vaid* as including “control by the Houses of Parliament over ‘debates or proceedings’”, including the “day-to-day procedure in the House” (*Vaid*, at para. 29(10); see also *Mikisew Cree*, at para. 37, per Karakatsanis J.). Maingot adds that, as a “technical parliamentary term, ‘proceedings’ are the events and steps leading up to some formal action, including a decision, taken by the House in its collective capacity” ((2016), at p. 74, citing *Erskine May’s Treatise on the Law, Privileges, Proceedings and Usage of Parliament* (21st ed. 1989), by C. J. Boulton, ed., at p. 92; see also Brun, Tremblay and Brouillet, at paras. V-1.232 and V.1-240). This privilege includes “everything said or done by a Member in the exercise of his functions as a Member in committee of either House, as well as everything said or done in either House in the transaction of parliamentary business” (Maingot (2016), at pp. 92-93). It encompasses voting, making amendments, asking questions, presenting petitions, as well as any papers or other material connected with parliamentary proceedings, such as notices of motion, reports, and drafts (Maingot (2016), at pp. 74-75 and 93-94; see also Brun, Tremblay and Brouillet, at paras. V-1.232 and V.1-240).

[188] The privilege also extends to matters taking place outside the houses of Parliament and the provincial or territorial legislatures. The words and conduct of Members who are “occupied in something closely and necessarily related to a proceeding in Parliament” are “accorded absolute privilege” (Maingot (2016), at p. 7). This Court has recognized that in matters “so closely and directly connected with proceedings in Parliament[,] intervention by the courts would be inconsistent with Parliament’s sovereignty as a legislative and deliberative assembly” (*Vaid*, at para. 44 (emphasis deleted), citing U.K., Joint Committee on Parliamentary Privilege, vol. 1, *Report of Proceedings of the Committee* (1999), at para. 247; see also *Canada (Board of Internal Economy) v. Boulerice*, 2019 FCA 33, [2019] 3 F.C.R. 145, at para. 104). It cannot reasonably be suggested that preparing and drafting legislation is not “closely and necessarily related” to proceedings in Parliament.

[189] As with the free speech privilege, the spectre of the Crown’s liability for the words or conduct of government officials and Ministers in preparing and drafting legislation would unavoidably trench on the established privilege over the proceedings of Parliament. Quite apart from the evidentiary difficulties that may arise in seeking to admit such evidence at trial, the courts are, more fundamentally, without jurisdiction to adjudicate the exercise of this privilege, whether under the *Charter* or otherwise.

- (iii) Parliamentary Privilege Is a Threshold Jurisdictional Issue Under the *Ward* Framework

[190] It is worth addressing where parliamentary privilege fits in the four-part *Ward* framework for *Charter* damages under s. 24(1). Is it a threshold jurisdictional question, as urged by the Attorney General of Canada? Or is it a “good governance” consideration to be considered at the third step of *Ward*, as urged by Mr. Power? In my view, parliamentary privilege raises a threshold jurisdictional question.

[191] The reason is straightforward. If the existence of a recognized category of parliamentary privilege is proved, there can be no judicial review of the exercise of the privilege, even on *Charter* grounds. Words or conduct protected by parliamentary privilege is simply not subject to the *Charter*. There is no sense in which privileged words or conduct can result in a breach of a *Charter* right to satisfy the first step of *Ward*.

[192] This conclusion is a direct consequence of the constitutional nature of parliamentary privilege and its status as a rule of curial jurisdiction. The privilege cannot be the subject of a judicial balancing as to whether countervailing good governance concerns at step three of *Ward* “defeat the functional considerations that support a damage award and render damages inappropriate or unjust” (para. 4). Instead, the existence of the privilege means that the courts lack jurisdiction to undertake any further inquiry.

(b) *The Crown Cannot Be Liable for Participating in the Lawmaking Process*

[193] The relationship between parliamentary privilege and the legislative process leads to a related conclusion: the Crown in its executive capacity cannot be held liable for the work of Ministers and other government officials participating in the legislative process because, in doing so, they act in a legislative rather than an executive capacity. Such conduct is not Crown conduct that can be attributed to the executive for which the Crown can be liable in an action brought under s. 23(1) of the *Crown Liability and Proceedings Act*. This provision itself reflects the separation of powers.

[194] This Court confirmed these principles in *Mikisew Cree* in rejecting the view that the Crown has a duty to consult Aboriginal peoples under s. 35(1) of the *Constitution Act, 1982* during the legislative process. A key issue was whether the conduct of the executive during the legislative process is “Crown conduct” that could trigger a duty to consult under s. 35(1). This turned partly on whether the Federal Court has jurisdiction over executive actors during the legislative process under s. 17(1) of the *Federal Courts Act*, R.S.C. 1985, c. F-7, which provides that the “Federal Court has concurrent original jurisdiction in all cases in which relief is claimed against the Crown”, defined in s. 2(1) of the Act as “Her Majesty in right of Canada”.

[195] Speaking for the majority on this point, Karakatsanis J. held that “the law-making process does not constitute ‘Crown conduct’ that triggers the duty to consult” (*Mikisew Cree*, at para. 2). She ruled that the term the “Crown” or “Her Majesty in right of Canada” “does not extend to executive actors when they are exercising ‘legislative power’” (para. 16 (citation omitted)). As a result, she concluded, the Federal Court has

no jurisdiction under s. 17(1) of the *Federal Courts Act* to consider claims involving the exercise of legislative power in the law-making process.

[196] In separate reasons, Brown J. agreed that s. 17 of the *Federal Courts Act* provides a “jurisdictional bar” to the Federal Court entertaining claims involving the exercise of legislative power in the legislative process, because such claims do not involve Crown conduct. As he explained:

This conclusion is . . . compelled by Part IV of the *Constitution Act, 1867* — entitled “Legislative Power”. Part IV sets out, *inter alia*, the powers of both houses of Parliament — the House of Commons and the Senate — in respect of whose exercise Parliament is sovereign, subject only to the limits of its legislative authority as set out in the *Constitution Act, 1867*. The development, introduction and consideration of bills in the House of Commons are all necessary exercises of legislative power in the law-making process. While Cabinet ministers are members of the executive, they participate in this process — for example, by presenting a government bill — not in an executive capacity, but in a legislative capacity. [Emphasis added.]

(*Mikisew Cree*, at para. 113)

[197] The statutory bar against the Federal Court entertaining claims involving exercises of legislative power during the legislative process reflects the separation of powers. Although courts of inherent jurisdiction do not face such a statutory jurisdictional limitation, the underlying separation of powers rationale of this provision remains relevant. Speaking for a plurality of the Court on this point, Brown J. noted that “the entire law-making process — from initial policy development to and including royal assent — is an exercise of legislative power which is immune from judicial interference” (*Mikisew Cree*, at para. 117). In support of this proposition, he cited this

Court's decision in *Reference re Canada Assistance Plan (B.C.)*, [1991] 2 S.C.R. 525, at p. 559, where Sopinka J. stated that “[t]he formulation and introduction of a bill are part of the legislative process with which the courts will not meddle”. Justice Karakatsanis cited the same passage in her reasons in *Mikisew Cree*, in support of her view that “[t]he development of legislation by ministers is part of the law-making process, and this process is generally protected from judicial oversight” (para. 34). She also cited *Reference re Resolution to amend the Constitution*, [1981] 1 S.C.R. 753, to the effect that “[c]ourts come into the picture when legislation is enacted and not before” (p. 785). Importantly, Justice Karakatsanis added that the same separation of powers concerns would arise *even if* the duty to consult doctrine were to be enforced *only after* the legislation has been enacted:

Applying the duty to consult doctrine during the law-making process would lead to significant judicial incursion into the workings of the legislature, even if such a duty were only enforced post-enactment. . . . Directly transposing such *executive* requirements into the *legislative* context would be an inappropriate constraint on legislatures’ ability to control their own processes. [Emphasis in original; para. 38.]

[198] I conclude that the Crown, in its executive capacity, cannot be held liable in an action brought under s. 23(1) of the *Crown Liability and Proceedings Act* for the conduct of government officials and Ministers preparing and drafting legislation because such conduct is legislative rather than executive conduct.

### (3) Conclusion

[199] The first question posed by the Attorney General of Canada should be answered in the negative. The Crown cannot be held liable in damages under s. 24(1) of the *Charter* for alleged harms stemming from the legislative process of preparing or drafting legislation.

C. *Question Two: The Crown Cannot Be Liable for Damages Under Section 24(1) of the Charter for Enacting Legislation, but Can Be Liable Under Section 24(1) for Harm Caused by Enacted Legislation That Is “Clearly Unconstitutional”*

[200] The Attorney General of Canada’s second question asks whether the Crown, in its executive capacity, can be held liable for damages under s. 24(1) of the *Charter* for enacting a law that is later found unconstitutional under s. 52(1) of the *Constitution Act, 1982*. If this question is interpreted, like the first question, as relating to conduct during the legislative process of *enacting* a bill into law, then I would answer it in the negative. The Crown cannot be liable for words or conduct during the legislative process in preparing, drafting, or enacting legislation.

[201] If, however, the second question is interpreted as relating to whether an *enactment* that violates the *Charter* can give ever rise to *Charter* damages under s. 24(1), after a bill has become law and the legislative process is complete, then I would answer with a qualified “yes”. I would reject the Attorney General of Canada’s call to overrule the limited immunity rule in *Mackin* and replace it with an absolute immunity. Instead, I would modify *Mackin* to clarify that the Crown can be liable in damages for the breach of *Charter* rights caused by legislation only when the legislation is shown to have been “clearly unconstitutional” at the time it was enacted. “Bad faith” and

“abuse of power” are inappropriate thresholds for Crown liability in relation to the enactment of primary legislation. They would inevitably trench on parliamentary privilege and would threaten the separation of powers by requiring the courts to consider questions that are not justiciable. Nevertheless, some of the same facts that would be considered in evaluating whether the legislation is “clearly unconstitutional”, such as whether legislation has an unconstitutional purpose, could be said to relate to “bad faith” or an “abuse of power”. The difference is, when considering primary legislation, “clearly unconstitutional” is a justiciable standard that does not trench on parliamentary privilege, whereas “bad faith” and “abuse of power” are not justiciable standards and would trench on the privilege.

(1) The Mackin Limited Immunity Standard

[202] In *Mackin*, this Court had to decide whether provincial legislation abolishing the system of supernumerary judges and replacing it with a *per diem* system contravened the constitutional guarantee of judicial independence in s. 11(d) of the *Charter* and the preamble to the *Constitution Act, 1867*, and if so, whether the Court should award damages under s. 24(1) of the *Charter* to the judges who challenged the legislation. Justice Gonthier, for a majority of the Court, approached the issue of whether *Charter* damages are available for the “enactment or application” of unconstitutional legislation by drawing on general principles of public law. He formulated a rule that would allow for damages only if there is “conduct that is clearly wrong, in bad faith or an abuse of power”:

According to a general rule of public law, absent conduct that is clearly wrong, in bad faith or an abuse of power, the courts will not award damages for the harm suffered as a result of the mere enactment or application of a law that is subsequently declared to be unconstitutional (*Welbridge Holdings Ltd. v. Greater Winnipeg*, [1971] S.C.R. 957; *Central Canada Potash Co. v. Government of Saskatchewan*, [1979] 1 S.C.R. 42). In other words “[i]nvalidity of governmental action, without more, clearly should not be a basis for liability for harm caused by the action” (K. C. Davis, *Administrative Law Treatise* (1958), vol. 3, at p. 487). In the legal sense, therefore, both public officials and legislative bodies enjoy limited immunity against actions in civil liability based on the fact that a legislative instrument is invalid. [Emphasis in original; para. 78.]

[203] Justice Gonthier held that the legislation at issue in *Mackin* violated the guarantee of judicial independence, but rejected the claim for *Charter* damages. Applying the rule he had formulated allowing for *Charter* damages when legislation is “clearly wrong, in bad faith or an abuse of power”, Gonthier J. saw no evidence that the provincial government knew about the unconstitutionality of the legislation or that it had acted negligently, in bad faith, or abused its powers in adopting the legislation (para. 82).

(2) This Court Has Interpreted *Mackin* Inconsistently

[204] This Court’s subsequent decisions have interpreted *Mackin* inconsistently. At times, this Court has recognized that *Mackin* allows for damages or other remedies under s. 24(1) of the *Charter* for the enactment of unconstitutional primary legislation (see *R. v. Demers*, 2004 SCC 46, [2004] 2 S.C.R. 489, at para. 62; *Canada (Attorney General) v. Hislop*, 2007 SCC 10, [2007] 1 S.C.R. 429, at para. 102; *Conseil scolaire*

*francophone de la Colombie-Britannique v. British Columbia*, 2020 SCC 13, [2020] 1 S.C.R. 678, at paras. 166-69).

[205] On another occasion, this Court has cited *Mackin* for the opposite proposition, stating that “well-established principles of public law rule out the possibility of awarding damages when legislation is declared unconstitutional . . . on the grounds of . . . non-compliance with the *Canadian Charter*” (*Quebec (Commission des droits de la personne et des droits de la jeunesse) v. Communauté urbaine de Montréal*, 2004 SCC 30, [2004] 1 S.C.R. 789, at para. 19).

[206] Most often, however, this Court has cited *Mackin* as holding that damages under s. 24(1) of the *Charter* are available for the enforcement of a law later declared unconstitutional only if the state’s conduct under the law was clearly wrong, in bad faith, or an abuse of power (see *Ward*, at paras. 39 and 43; *Henry v. British Columbia (Attorney General)*, 2015 SCC 24, [2015] 2 S.C.R. 214, at para. 124, per McLachlin C.J. and Karakatsanis J., concurring in the result; *Ernst v. Alberta Energy Regulator*, 2017 SCC 1, [2017] 1 S.C.R. 3, at para. 174, per McLachlin C.J. and Moldaver, Côté and Brown JJ., dissenting; *Kosoian v. Société de transport de Montréal*, 2019 SCC 59, [2019] 4 S.C.R. 335, at para. 71; *Albashir*, at para. 40).

[207] Despite this Court’s inconsistent interpretation of *Mackin*, the decision cannot reasonably be interpreted as limited to post-enactment Crown conduct under a law. The reasons of the New Brunswick Court of Appeal leave no doubt that the case involved a claim for damages for the New Brunswick government’s alleged bad faith

in enacting an unconstitutional law (see *Rice v. New Brunswick* (1999), 235 N.B.R. (2d) 1, at paras. 54-55 and 59, per Ryan J.A. for the majority, and at paras. 73-74, per Drapeau J.A., concurring). In this Court’s decision in *Mackin*, Justice Gonthier applied the standard of “clearly wrong, in bad faith or an abuse of power” to the government itself in adopting the legislation, and not simply to government conduct taken under the legislation (para. 82).

(3) “Bad Faith” and “Abuse of Power” Are Inappropriate Standards for Awarding *Charter* Damages for Unconstitutional Primary Legislation

[208] The Attorney General of Canada, as a party to this appeal, expressly asks this Court to overrule or limit the application of *Mackin* on this point. This Court can therefore entertain whether to do so (see *R. v. McGregor*, 2023 SCC 4, at para. 23). Several interveners also ask this Court to revisit *Mackin*, including the Attorneys General of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Ontario, Prince Edward Island, Quebec, and Saskatchewan, as well as the Speaker of the House of Commons and the Speaker of the Senate.

[209] I recognize that this Court should be very slow to accede to requests to overturn its prior decisions. The doctrine of precedent or *stare decisis* (“we stand by the things that have been decided”) is fundamental to the certainty and predictability on which our system of law depends (R. J. Sharpe, *Good Judgment: Making Judicial Decisions* (2018), at pp. 146-47). It is not enough to overturn precedent that a judge of this Court, or a different panel of this Court, happens to think that the earlier decision

was wrongly decided (*Plourde v. Wal-Mart Canada Corp.*, 2009 SCC 54, [2009] 3 S.C.R. 465, at para. 13; Sharpe, at p. 163). This Court’s practice is “against departing from its precedents unless there are compelling reasons to do so” (*R. v. Henry*, 2005 SCC 76, [2005] 3 S.C.R. 609, at para. 44). Such reasons can include where the prior decision overlooked binding authority or a relevant statute (a decision rendered *per incuriam*), has proven unworkable, or if its rationale has been eroded by significant societal or legal change (*R. v. Kirkpatrick*, 2022 SCC 33, at para. 202, per Côté, Brown and Rowe JJ., concurring in the result).

[210] In my view, there are compelling reasons to revisit *Mackin* to provide appropriate clarification. None of the authorities cited in *Mackin* support awarding *Charter* damages against the Crown for harms caused by unconstitutional primary legislation. The test enunciated in *Mackin* also conflicts with the doctrine of parliamentary privilege, as well as the separation of powers and principles of justiciability. None of these points was argued in *Mackin*, and this Court did not consider them in its reasons. The limited immunity rule adopted in *Mackin* would, in my view, have been materially different had the Court considered these matters.

(a) *None of the Authorities Cited in Mackin Supports Awarding Charter Damages for Harm Arising From Unconstitutional Legislation*

[211] In *Mackin*, Justice Gonthier cited two pre-*Charter* cases, *Welbridge Holdings Ltd. v. Greater Winnipeg*, [1971] S.C.R. 957, and *Central Canada Potash Co. v. Government of Saskatchewan*, [1979] 1 S.C.R. 42, to ground the possibility of

awarding *Charter* damages for unconstitutional legislation that is clearly wrong, in bad faith, or an abuse of power. With respect, neither case supports awarding *Charter* damages for injury caused by unconstitutional legislation. None of the principles or cases cited in *Mackin* address civil liability for enacting primary legislation (see Marcotte, at p. 86).

[212] In *Welbridge*, this Court dismissed a claim for damages in negligence against a municipality for harm arising from a zoning by-law subsequently declared *ultra vires*. Justice Laskin, as he then was, stated that “[i]t would be incredible to say in such circumstances that [the municipality] owed a duty of care giving rise to liability in damages for its breach” (p. 969). As he noted: “Invalidity is not the test of fault and it should not be the test of liability” (p. 969 (citation omitted)). *Welbridge* dealt with potential civil liability flowing from a zoning by-law. The decision provides no basis for awarding *Charter* damages for unconstitutional primary legislation.

[213] In *Central Canada Potash*, this Court dismissed a tort action against a government official alleging intimidation for threatening enforcement action under regulations later found to be *ultra vires* the province. Justice Martland held that the government was entitled to enforce the law unless it was found to be *ultra vires*. He said that “it would be unfortunate, in a federal state such as Canada, if it were to be held that a government official, charged with the enforcement of legislation, could be held to be guilty of intimidation because of his enforcement of the statute whenever a statute whose provisions he is under a duty to enforce is subsequently held to be *ultra*

vires” (p. 90). The decision equally provides no basis for awarding *Charter* damages for unconstitutional primary legislation.

[214] In *Mackin*, Gonthier J. also cited, at para. 78, René Dussault and Louis Borgeat’s leading treatise, *Administrative Law: A Treatise* (2nd ed. 1990), vol. 5, at p. 177, which states that “[i]n our parliamentary system of government, Parliament or a legislature of a province cannot be held liable for anything it does in exercising its legislative powers.” This text, on its face, plainly described “an absolute, not a qualified, immunity” (Marcotte, at p. 86). It does not support the rule in *Mackin* of limited immunity for the harms caused by unconstitutional primary legislation.

[215] At the same time, I acknowledge that *Mackin* is not a case about parliamentary privilege. As noted above, parliamentary privilege was not argued by the parties or addressed by the Court. Justice Gonthier’s reasons in *Mackin* simply did not address the impact of the rule he enunciated on parliamentary privilege. He drew on “the general rule of public law” that there is no state liability absent conduct that is “clearly wrong, in bad faith or an abuse of power”, or, in French, “[un] comportement clairement fautif, de mauvaise foi ou d’abus de pouvoir”. These are standards for the liability of public officials that had never previously been applied to primary legislation. This focus on the conduct of government officials taken under a law is also apparent in Gonthier J.’s discussion of *Guimond v. Quebec (Attorney General)*, [1996] 3 S.C.R. 347, to the effect that if “the government and its representatives . . . act in good faith and without abusing their power under prevailing law and only subsequently

are their acts found to be unconstitutional, they will not be liable” (*Mackin*, at para. 79 (emphasis added)).

[216] All these factors suggest that what is called for in the present circumstances is to clarify the scope of *Mackin* rather than to completely overrule it.

(b) *Bad Faith and Abuse of Power Are Inappropriate Thresholds for Charter Damages for Unconstitutional Primary Legislation*

[217] The bad faith and abuse of power thresholds in *Mackin* are inappropriate thresholds in respect of damages under s. 24(1) of the *Charter* for unconstitutional primary legislation because they conflict with the doctrine of parliamentary privilege and principles of justiciability, and strain the separation of powers. The parties did not raise these matters in *Mackin*, nor did this Court consider them in its reasons. This has been criticized as being a “significant oversight” given the importance of these matters to this Court’s jurisprudence, both before and after *Mackin* (Marcotte, at p. 87).

[218] Asking courts to adjudicate whether legislation has *indicia* of “bad faith” or an “abuse of power”, as part of an assessment under s. 24(1) of the *Charter*, would inevitably draw courts into judging the legislative process. It would also require courts to evaluate the substance of legislation based on criteria other than constitutionality, which are not justiciable and are therefore outside our proper role. In my view, the only appropriate threshold for awarding damages under s. 24(1) of the *Charter* for the harms

caused by unconstitutional primary legislation is when the legislation is “clearly unconstitutional”.

- (i) “Bad Faith” and “Abuse of Power” as Thresholds for *Charter* Damages for Unconstitutional Primary Legislation Conflict With Established Categories of Parliamentary Privilege

[219] Bad faith and abuse of power as thresholds for awarding *Charter* damages for unconstitutional legislation would draw the courts into evaluating the legislative process and would inevitably trench on the parliamentary privilege over freedom of speech and control by the Houses of Parliament over “debates or proceedings”.

[220] At one level, it is of course impossible to evaluate the motives of a collective body such as the House of Commons or the Senate. As Binnie J. once wrote, “[t]he motives of a legislative body composed of numerous persons are ‘unknowable’ except by what it enacts” (*Consortium Developments (Clearwater) Ltd. v. Sarnia (City)*, [1998] 3 S.C.R. 3, at para. 45). A court cannot know the motives of Parliament or of a provincial or territorial legislature; it can only examine the content of the legislation they enact.

[221] The doctrine of parliamentary privilege also prevents courts from passing judgment on the process of enacting legislation. Scrutinizing legislation for evidence of bad faith or abuse of power, even once the law has already been enacted, would inevitably pull the courts back into judging the legislative process which, as I explained under question one, is beyond the jurisdiction of the courts. The courts cannot put

Parliament or a provincial or territorial legislature “on trial”. As the authorities establish, words, conduct, procedures, or anything that legitimately falls within the process of enacting legislation would be “necessarily incidental” or “closely and necessarily related” to proceedings in Parliament (Maingot (2016), at pp. 7 and 76). They are captured by the well-established categories of privilege over freedom of speech and debates and proceedings in Parliament. Matters within these established categories attract *absolute* immunity. As noted by Maingot, “[w]hen part of parliamentary business, . . . whatever is said in the Senate or the House of Commons or in one of the committees is not actionable in the ordinary courts, whether or not it is said in good faith” ((2016), at p. 31 (emphasis added)). Similarly, in an authority cited approvingly by this Court in *Vaid*, at para. 29(10), *Prebble*, Lord Browne-Wilkinson stated categorically (at p. 337):

... their Lordships are on the view that parties to litigation, by whomsoever commenced, cannot bring into question anything said or done in the House by suggesting (whether by direct evidence, cross-examination, inference or submission) that the actions or words were inspired by improper motives or were untrue or misleading.

(See also *Duffy*, at para. 64; *Janssen-Ortho Inc. v. Amgen Canada Inc.* (2005), 256 D.L.R. (4th) 407 (Ont. C.A.), at para. 78; *Club Pro Adult Entertainment v. Ontario* (2006), 150 C.R.R. (2d) 1 (Ont. S.C.J.), at paras. 1-7 and 119, rev’d in part on other grounds 2008 ONCA 158, 42 B.L.R. (4th) 47; *Rothmans Inc.*, at para. 31).

[222] Once the focus moves from the legislative process to the content of primary legislation, different but equally insurmountable problems arise. Judging the content of

legislation on a basis other than constitutionality, such as whether the legislation is in “good faith” or involves an “abuse of power”, raises non-justiciable questions and strains the separation of powers, which I address next.

(ii) “Bad Faith” and “Abuse of Power” as Standards for Awarding Charter Damages for Unconstitutional Primary Legislation Are Not Justiciable Questions and Strain the Separation of Powers

[223] Justiciability refers to “a set of judge-made rules, norms and principles delineating the scope of judicial intervention in social, political and economic life” (L. M. Sossin, *Boundaries of Judicial Review: The Law of Justiciability in Canada* (2nd ed. 2012), at p. 7, cited in *Highwood Congregation of Jehovah’s Witnesses (Judicial Committee) v. Wall*, 2018 SCC 26, [2018] 1 S.C.R. 750, at para. 33; see also *Bruker v. Marcovitz*, 2007 SCC 54, [2007] 3 S.C.R. 607, at para. 41). It is “first and foremost, a normative inquiry into the appropriateness as a matter of constitutional judicial policy of the courts deciding a given issue or, instead, deferring to other decision-making institutions” (*Canada (Auditor General)*, at pp. 90-91).

[224] A court may decline to answer a question on the ground of justiciability when doing so would take it beyond its proper constitutional role, or if the court cannot provide an answer within its area of expertise, such as its expertise in interpreting legislation or determining its constitutionality (*Reference re Canada Assistance Plan (B.C.)*, at p. 545; see also *La Rose v. Canada*, 2023 FCA 241, 488 D.L.R. (4th) 340, at paras. 24-36; *Turner v. Canada*, [1992] 3 F.C. 458 (C.A.), at pp. 460-62; Marcotte, at pp. 83-84). Writing before his appointment to the bench, Justice Cromwell explained

that whether a question is justiciable “may be determined according to both institutional and constitutional standards. It includes both the question of the adequacy of judicial machinery for the task as well as the legitimacy of using it” (T. A. Cromwell, *Locus Standi: A Commentary on the Law of Standing in Canada* (1986), at p. 192 (emphasis added)).

[225] I obviously accept that the question of whether the conduct of government officials in implementing a law or policy is in bad faith or involves an abuse of power is a justiciable question. Courts routinely undertake such inquiries (see *Roncarelli v. Duplessis*, [1959] S.C.R. 121, at p. 141; *Finney v. Barreau du Québec*, 2004 SCC 36, [2004] 2 S.C.R. 17, at para. 39; *Hinse v. Canada (Attorney General)*, 2015 SCC 35, [2015] 2 S.C.R. 621, at paras. 48-53). The question of whether legislation is constitutional is also justiciable.

[226] Courts also routinely examine the purpose of legislation in evaluating whether it infringes the *Charter*. As noted by Professors Hogg and Wright, “[i]f the purpose of a law is to abridge a Charter right, then the law will be unconstitutional” (§ 36:13 (emphasis in original)). The leading authority on this point is *R. v. Big M Drug Mart Ltd.*, [1985] 1 S.C.R. 295, at p. 334, where Dickson J., as he then was, held that the Sunday observance legislation infringed the freedom of religion guarantee of the *Charter* because it had the unconstitutional purpose of compelling observance with the Christian Sabbath.

[227] The difficulty arises, however, after legislation has been judged to be unconstitutional. At this point, asking the further questions of whether the legislation is in “bad faith” or constitutes an “abuse of power” inevitably requires the court to pass judgment on the content of the legislation on grounds other than its constitutionality, which strays into evaluating the wisdom or policy of the law and is not the proper role of the courts (see *Reference re Anti-Inflation Act*, [1976] 2 S.C.R. 373, at pp. 424-25; *Re B.C. Motor Vehicle Act*, [1985] 2 S.C.R. 486, at pp. 496-99; *R. v. Malmo-Levine*, 2003 SCC 74, [2003] 3 S.C.R. 571, at para. 5; *R. v. Clay*, 2003 SCC 75, [2003] 3 S.C.R. 735, at para. 4; Hogg and Wright, at § 12:8). Such matters are not justiciable. As Justice Lorne Sossin and Gerard Kennedy explain, “[w]here the judgment of the legislature or executive branch is called into question, it falls to the electorate and the democratic process to resolve such disputes”, not the courts (§ 6:8).

[228] Once legislation has been found to be unconstitutional, there is simply no legal yardstick to measure whether the legislation was in “good faith” or involved an “abuse of power”. Countenancing judicial assessment of such matters brings to mind the dictum of Professor Bora Laskin, before his appointment to the bench, that “[l]aw at this point dissolves into politics” (“Case and Comment” (1955), 33 *Can. Bar Rev.* 215, at p. 219).

- (iii) Hansard Remains Available to Aid Statutory Interpretation When Determining the Constitutionality of Primary Legislation

[229] Removing “bad faith” and “abuse of power” as criteria for awarding *Charter* damages under s. 24(1) does not mean that Hansard evidence is unavailable to aid statutory interpretation when determining the constitutionality of legislation, such as in determining whether legislation has the unconstitutional purpose of infringing a *Charter* right (see, for example, *R. v. Sharma*, 2022 SCC 39, at paras. 88-91 and 98-99; *Canada (Attorney General) v. Whaling*, 2014 SCC 20, [2014] 1 S.C.R. 392, at paras. 66-69), or in determining whether legislation is constitutional on federalism grounds (see, for example, *Reference re Genetic Non-Discrimination Act*, 2020 SCC 17, [2020] 2 S.C.R. 283, at paras. 40-45). Using Hansard for this purpose does not seek to impugn speech or proceedings before Parliament, but rather seeks to give effect, whenever possible, to what was said or done there.

[230] Although this Court now generally permits the cautious use of Hansard in statutory interpretation, it has warned that “the court [should be] mindful of the limited reliability and weight of [such] evidence” (*Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27, at para. 35; see also *Sharma*, at paras. 88-89). Marcotte helpfully notes that “[t]his practice is not in tension with parliamentary privilege because it assists in interpreting Parliament’s actions rather than frustrating its functions as a legislative and deliberative body” (pp. 80-81). He cites in support Lord Browne-Wilkinson’s speech in the House of Lords in *Pepper (Inspector of Taxes) v. Hart*, [1993] A.C. 593, at p. 638, that “[f]ar from questioning the independence of Parliament and its debates, the courts would”, to the extent possible, “be giving effect to what is said and done there”.

[231] The appropriate use of Hansard as proof of historical context or purpose in statutory interpretation must therefore be distinguished from its inappropriate use to “prove” that legislation is in bad faith. The former does not impugn the freedom of speech or the integrity of parliamentary proceedings; the latter does (see Marcotte, at p. 81).

(iv) Conclusion

[232] Courts cannot adjudge whether parliamentary conduct or speech in the legislative process or the content of legislation are in “bad faith” or involve an “abuse of power”. Such inquiries would infringe parliamentary privilege, threaten the separation of powers, and invite consideration of non-justiciable matters.

[233] This leaves the question of whether the “clearly wrong” threshold in *Mackin* is an appropriate threshold for *Charter* damages under s. 24(1). In my view, the “clearly wrong” threshold is justiciable and can apply without diminishing parliamentary privilege, but should be modified to the standard of “clearly unconstitutional”. I address this issue next.

(4) “Clearly Unconstitutional” Is the Only Appropriate Threshold for Awarding *Charter* Damages for Unconstitutional Primary Legislation

[234] Although “bad faith” and “abuse of power” are inappropriate standards for awarding damages under s. 24(1) of the *Charter* for unconstitutional primary

legislation, a rule of absolute immunity is also inappropriate. Absolute immunity overshoots what is required to protect parliamentary privilege and the separation of powers. Both these constitutional imperatives can be respected by a test that focuses not on legislative *inputs*, which inevitably involves judging the legislative process, but on legislative *outputs*, namely whether the enactment itself clearly violated established constitutional norms at the time it was enacted. In my view, therefore, the central insight of *Mackin* remains good law: the state enjoys a limited, not absolute, immunity from liability in damages when unconstitutional legislation harms an individual. Such individuals may sue the Crown in right of Canada by taking proceedings in the name of the Attorney General of Canada for harms caused by clearly unconstitutional legislation.

[235] I will first discuss why an absolute state immunity from damages is untenable and then address the “clearly unconstitutional” standard.

(a) *Absolute State Immunity Is Inconsistent With the Broad Remedial Discretion of the Courts under Section 24(1) of the Charter*

[236] Section 24(1) of the *Charter* gives the courts broad, remedial discretion to fashion meaningful remedies that they consider appropriate and just in the circumstances. In *Mills*, McIntyre J. observed that “[i]t is difficult to imagine language which could give the court a wider and less fettered discretion” (*Mills v. The Queen*, [1986] 1 S.C.R. 863, at pp. 965-66; see also *Ward*, at para. 17; *R. v. 974649 Ontario Inc.*, 2001 SCC 81, [2001] 3 S.C.R. 575, at para. 18 (“*Dunedin Construction*”).

[237] Even so, the discretion under s. 24(1) of the *Charter* is not unfettered (*Ward*, at para. 19). As this Court has highlighted, “an appropriate and just remedy . . . is one that meaningfully vindicates the rights and freedoms of the claimants” and “employ[s] means that are legitimate within the framework of our constitutional democracy” (*Doucet-Boudreau*, at paras. 55-56 (emphasis added)). Courts must apply s. 24(1) to facilitate access to appropriate remedies, while respecting the existing jurisdictional scheme of the courts and not intruding on legislative powers “more than necessary to achieve the aims of the *Charter*” (*Dunedin Construction*, at para. 23).

[238] The Attorney General of Canada urges an absolute state immunity from damages under s. 24(1) of the *Charter*, largely based on parliamentary privilege. Yet doing so would subordinate the broad remedial power of the courts under s. 24(1) to a blanket assertion of privilege. An absolute immunity is unnecessary because it would overshoot what is required to protect parliamentary privilege. As Warren Newman explains, parliamentary privilege is not “a substantive end in itself”, and “must operate within — and never trump — the constitutional framework from which [parliamentary institutions] have emerged, and upon which they depend for their lawful authority and powers” (p. 609).

[239] Both the constitutional doctrine of parliamentary privilege and an individual’s right to seek *Charter* damages under s. 24(1) can be protected by a test that focuses not on *legislative inputs*, that is, on speech or conduct in the legislative process, but rather on *legislative outputs*, as reflected in the text of the legislation. The former

inevitably trenches on parliamentary privilege by inviting judicial scrutiny of speech and conduct in Parliament; the latter does not. Although courts often consider speech or conduct in the legislative process (such as speech recorded in Hansard) when evaluating the constitutionality of legislation, in such cases the courts are applying the justiciable standard of constitutionality, rather than the non-justiciable standard of whether the legislation is in bad faith or constitutes an abuse of power.

[240] Our country's history highlights that laws themselves, rather than just conduct under laws, can cause significant harm to targeted individuals. For example, the so-called "Chinese head tax" imposed by *An Act to restrict and regulate Chinese immigration into Canada*, S.C. 1885, c. 71, s. 4, required every person of Chinese origin entering Canada to pay a fee or "head tax" solely because of their Chinese heritage. It is an example of legislated discrimination, rather than simply discriminatory state conduct under legislation. If absolute immunity for legislative enactments were upheld, a court would be barred from considering whether it could ever be just and appropriate to provide damages in similar circumstances today.

[241] Another example highlights the dangers of a rule of absolute immunity. Consider hypothetical legislation mandating a person found guilty of shoplifting to be automatically subject to corporal punishment. This legislation would be manifestly unconstitutional, yet the absolute immunity rule sought by the Attorney General of Canada would categorically prevent the courts from awarding *Charter* damages to affected individuals, even if no other "appropriate and just" remedy were available.

Faced with such a clear and serious *Charter* violation, the courts cannot be so restricted. Some may say that such an extreme hypothetical is unhelpful as it is unlikely to arise. I disagree. When the government seeks a rule giving it absolute immunity, as it does in this appeal, it is not only appropriate to test the rule with an extreme case, it is essential.

[242] Unlike absolute immunity, a qualified or limited immunity preserves the courts' power under s. 24(1) to craft remedies that meaningfully vindicate *Charter* rights and freedoms, while ensuring that effective government is not jeopardized by overbroad state liability that trenches on parliamentary privilege. In the context of legislative enactments rather than state conduct under legislation, the “clearly wrong” or “clearly unconstitutional” threshold best advances both aims.

(b) *The “Clearly Wrong” or “Clearly Unconstitutional” Standard*

[243] It remains to consider the content of the “clearly wrong” standard in *Mackin*. In my view, the Crown may be liable in damages for harms caused by unconstitutional primary legislation when the impugned legislation was “clearly wrong”, in the sense that its unconstitutionality was readily or obviously demonstrable at the time of enactment and could not be subject to any serious debate.

[244] At the outset, I recall this Court’s instruction in *Ward* that “[d]ifferent situations may call for different thresholds” of liability under s. 24(1) of the *Charter* (para. 43). For example, in *Guimond*, in the context of governmental action, this Court asked whether there was evidence of “wrongful conduct, bad faith, negligence or

collateral purpose” (para. 17). In cases involving damages for malicious prosecution, intentional misconduct or “malice” may be the proper threshold, while in instances of negligent police investigation, “negligence” may be apt (see *Ward*, at para. 43).

[245] The Attorney General of Alberta argues that absent “indistinguishable binding precedent” on the constitutionality of an enactment, *Charter* damages for unconstitutional primary legislation will never be appropriate (I.F., at para. 22). The Attorney General of Ontario similarly says there must be “binding authority that directly determines the constitutional issue”, and allows for liability only if the defending government “does not have a credible legal argument for distinguishing that authority” (I.F., at paras. 3 and 19). These thresholds are overly restrictive. As the Court of Appeal for Ontario explained in *Francis v. Ontario*, 2021 ONCA 197, 154 O.R. (3d) 498, at para. 74, a government “cannot turn a blind eye to overwhelming evidence of the unconstitutionality of its actions just because a court has yet to pronounce on that which is obvious”. Professor Kent Roach similarly observes that “[g]overnments should not aggressively fly into Charter danger zones simply on the basis that there is no decided case that indicates that what they proposed to do is unconstitutional. That type of behavior is corrosive to the rule of law” (*Constitutional Remedies in Canada* (2nd ed. (loose-leaf)), at § 11:20). I agree.

[246] In my view, the appropriate standard for harms caused by an unconstitutional enactment is this: to overcome the good governance concerns at step three of the *Ward* framework, a claimant must show that the legislation was clearly

unconstitutional in the sense that the unconstitutionality was readily or obviously demonstrable at the time the legislation was enacted and could not be subject to any serious debate.

[247] Such a standard focuses on legislative outputs rather than legislative inputs. It allows claimants to advance *Charter* damages claims without having to “struggle in discovery or be faced with claims of Cabinet or solicitor-client privilege in trying to discover what was in the subjective minds of Ministers and other key players when they enacted a law or refused to amend a law in the face of mounting *Charter* warnings” (Roach, at § 11:11). And it focuses on how the impugned legislation must be significantly wide of the constitutional mark before damages will be an appropriate and just remedy under s. 24(1) of the *Charter*.

[248] I hasten to add that the “clearly unconstitutional” standard allows courts to consider whether legislation has an unconstitutional purpose as a factor in a damages assessment. As this Court recognized in *Big M Drug Mart*, legislation that has the purpose of infringing a *Charter* will be unconstitutional. Although I agree with Professors Hogg and Wright that “Canadian legislative bodies rarely enact laws that have the purpose of abridging a *Charter* right” (at § 36:14), this possibility cannot be completely discounted. In cases where a legislature enacts legislation with the purpose of infringing a *Charter* right, courts can consider this fact in evaluating whether the legislation is “clearly unconstitutional”, and thus, in deciding whether damages are “appropriate and just” under s. 24(1) of the *Charter*. Assessing whether legislation has

an unconstitutional purpose might well involve reviewing some of the same facts and referring to *Hansard* as would be involved in assessing whether legislation is in “bad faith” or involves an “abuse of power”. Those facts would, however, be used to measure the legislation against the justiciable standard of whether the legislation has a constitutional purpose, rather than against the non-justiciable standards of whether the legislation is in “bad faith” or involves an “abuse of power”.

[249] I am sensitive to the concerns of those who say the mere possibility of damages for unconstitutional legislation will chill the lawmaking function of Parliament and the provincial and territorial legislatures. They suggest it will cause lawmakers to be timid in discharging their responsibilities and lead to inaction on contentious issues for fear that laws will not pass constitutional muster. In my view, these concerns highlight why “clearly unconstitutional” is the proper threshold. As Professor Marilyn L. Pilkington has explained, “since a primary purpose of imposing liability in damages is to deter unconstitutional acts, it makes sense to limit liability to those acts which are clearly unconstitutional” (“Damages as a Remedy for Infringement of the Canadian Charter of Rights and Freedoms” (1984), 62 *Can. Bar Rev.* 517, at p. 558 (emphasis added)).

[250] On the other hand, there will be those who say that the standard of “clearly unconstitutional” is too high. It will, they say, be too difficult for claimants to demonstrate that a law was clearly unconstitutional, and thus successful claims for *Charter* damages will be rare. In my view, “clearly unconstitutional” is an

appropriately high but not insurmountable bar for claimants to meet. If an enactment was clearly unconstitutional at the time of enactment, this should be readily or obviously demonstrable.

#### D. *Conclusion*

[251] The Crown enjoys an absolute immunity from damages under s. 24(1) of the *Charter* when preparing and drafting primary legislation later found to be unconstitutional. At the same time, the Crown has only a limited immunity from damages under s. 24(1) for harms flowing from “clearly unconstitutional” enactments. “Clearly unconstitutional” is a nuanced standard that appropriately protects parliamentary privilege as a rule of curial jurisdiction, while allowing recovery for harms caused by clearly unconstitutional legislation. It protects the autonomy of Parliament and the limited immunity necessary for legislators to carry out their work, while employing a purposive approach to s. 24(1) remedies to vindicate *Charter* rights.

#### IV. Disposition

[252] I would answer the two questions of law posed by the Attorney General of Canada as follows:

1. Question: Can the Crown, in its executive capacity, be held liable in damages for government officials and Ministers preparing and drafting

a proposed bill later enacted by Parliament, and declared invalid by a court under s. 52(1) of the *Constitution Act, 1982*?

Answer: No.

2. Question: Can the Crown, in its executive capacity, be held liable in damages for Parliament enacting a bill into law, which legislation was later declared invalid by a court under s. 52(1) of the *Constitution Act, 1982*?

Answer: Yes.

[253] I would allow the appeal in part. I would grant costs to the respondent.

The reasons of Côté and Rowe JJ. were delivered by

ROWE J. —

[254] In the words of Cicero, “*Hanc retinete, quaeso, Quirites, quam vobis tanquam hereditatem, majores vestry reliquerunt*”. In translation: “Preserve, I beseech you, these liberties that your ancestors have left you as an inheritance”.

[255] Parliamentary privilege flows from pragmatism and historical practice, serving to protect freedoms that are necessary for the exercise of legislative authority (*New Brunswick Broadcasting Co. v. Nova Scotia (Speaker of the House of Assembly)*, [1993] 1 S.C.R. 319, at pp. 378-90; M. Rowe and M. Oza, “Structural Analysis and the

Canadian Constitution” (2023), 101 *Can. Bar Rev.* 205). Though it dates from the earliest days of Canada’s constitutional inheritance, parliamentary privilege is no less integral today than are other components of Canada’s Constitution.

[256] The protection of this privilege is essential for the public interest. This necessity is firmly established in this Court’s jurisprudence. In *New Brunswick Broadcasting*, at p. 389, Justice McLachlin (as she then was) stated that it is “fundamental to the working of government” for the judicial branch not to “overstep its bounds” and to “show proper deference for the legitimate sphere of activity of the other [branches]”. This fundamental verity, however, requires more than acknowledgment: parliamentary privilege, and the constitutional scheme of which it is an integral component, must be preserved or else, perhaps unwittingly, we will undo the coherence, completeness, and integrity of that constitutional scheme, one on which this country has relied as it was formed, as it has grown, and as it has matured.

[257] In this appeal, the Court is to determine: first, whether the Crown in its executive capacity can be liable for damages under s. 24(1) of the *Canadian Charter of Rights and Freedoms* for government officials and Ministers preparing and drafting legislation that is subsequently declared invalid pursuant to s. 52(1) of the *Constitution Act, 1982*; and, second, whether the Crown in its executive capacity can be liable under s. 24(1) for Parliament enacting legislation later declared invalid pursuant to s. 52(1). Because the preparation, drafting, and enactment of legislation necessarily implicates parliamentary privilege, this Court must decide whether this privilege is compatible

with such damages under s. 24(1). For the reasons that follow, I would hold that parliamentary privilege is fundamentally at odds with awarding damages against the Crown in the manner sought. As a consequence, I would allow the Crown's appeal.

[258] My conclusion follows from a simple premise: The *Charter* must, as a matter of constitutional law, be given effect in a manner that is compatible with parliamentary privilege. Because parliamentary privilege enjoys constitutional status it is not “subject to” the *Charter*, as are ordinary laws. As this Court said in *Harvey v. New Brunswick (Attorney General)*, [1996] 2 S.C.R. 876, it is “a well accepted principle that one part of the Constitution cannot be used to invalidate a provision in another part” (para. 31). Both parliamentary privilege and the *Charter* constitute components of the Constitution of Canada. Neither one subordinates the other.

[259] Unwritten components of Canada's Constitution, including parliamentary privilege, continue to fulfill a necessary role in Canada's constitutional order. This case is about two elements of parliamentary privilege: freedom of speech in Parliament, and the exclusive control the legislature has over its proceedings. Without these privileges, the legislature would not be able to freely do its work. The respondent calls on us to detract from these privileges, unmindful (or indifferent) of the effect this will have on the legislative function. But the unimpeded functioning of Parliament is not an anachronism; rather, it is foundational to liberal democracy.

I. Framework of Analysis

[260] Before considering the nature and role of parliamentary privilege, it is useful to situate it among other written and unwritten components of Canada's Constitution. After doing so, I explain the constitutional nature and origins of parliamentary privilege, and the function that it plays in Canada's contemporary constitutional order, including how it supports the parliamentary autonomy necessary for the legislature to carry out its work, structures the constitutional dialogue between Parliament and the courts, and undergirds the separation of powers between the judicial and legislative branches. Parliamentary privilege, including the privileges related to free speech and proceedings in Parliament, has received considerable judicial attention; this jurisprudence instructs us as to the absolute nature of parliamentary privilege and the broad manner in which it is construed.

[261] Parliamentary privilege is rooted in the earliest chapters of Canada's constitutional history, and reflects an inherited legacy of struggle between the Crown and Parliament in the United Kingdom, one that reaches back to Parliament's origins. The ancient lineage of this component of our constitutional order does not diminish its role or significance in the present day — the opposite is true. The passage of the *Constitution Act, 1982* and the *Charter* modified Canada's constitutional structure in certain respects, most notably by qualifying the principle of Parliamentary supremacy that Canada had inherited from the U.K. But it did not displace other components of our constitutional order, including parliamentary privilege. As such, the present appeal requires this Court to give meaning to two components of Canada's Constitution — parliamentary privilege, and s. 24(1) of the *Charter* — in a compatible way.

[262] I conclude by explaining how absolute immunity in respect of the preparation, drafting, and enactment of legislation flows necessarily from the need for the Crown to be able to act freely in its legislative capacity to develop and adopt legislation. By this means the *Charter* and parliamentary privilege work together, neither subordinating the other. This absolute immunity has an end point. It is when legislation has been enacted. Laws and their implementation are always open to challenge before the courts. Parliamentary privilege does not insulate laws and their implementation from judicial scrutiny; rather it does so for the process of developing and adopting legislation. Judges can no more oversee the consideration of legislation than can members of Parliament oversee the preparation of our judgments. The Crown's appeal should be allowed, and the questions posed to this Court answered in the negative.

## II. The Structural Foundations of Parliamentary Privilege

[263] The Canadian Constitution consists of written and unwritten components. They set out how sovereign authority is constituted, who can exercise that authority, for what purposes, by which means, and with what limitations. The written constitution is defined in s. 52(2) of the *Constitution Act, 1982* to include:

- (a) the *Canada Act 1982*, including this Act;
- (b) the Acts and orders referred to in the schedule; and
- (c) any amendment to any Act or order referred to in paragraph (a) or (b).

Section 52(2) refers to the “Constitution” as the instruments that are constitutional in nature. It does not refer to all of the constitutional arrangements by which Canada is governed.

[264] Canada’s constitutional arrangements (aside from Aboriginal and treaty rights) consist of four components:

- (1) *Constitution Acts* of 1867 and 1982;
- (2) constitutional conventions;
- (3) Crown prerogative; and
- (4) parliamentary privilege.

[265] In addition, there are underlying (unwritten) principles that contribute to giving effect to Canada’s constitutional arrangements. These principles are not themselves components of the Constitution. Rather, they assist in: (a) interpreting the Constitution, e.g., in the *Reference re Remuneration of Judges of the Provincial Court of Prince Edward Island*, [1997] 3 S.C.R. 3 (“*P.E.I. Judges Reference*”), where the principles of the rule of law and the independence of the judiciary assisted in interpreting s. 96 of the *Constitution Act, 1867*; and (b) arriving at answers to questions not otherwise provided for in the Constitution, the leading example being the *Reference re Secession of Quebec*, [1998] 2 S.C.R. 217 (“*Secession Reference*”), in which the

Court had regard to the principles of democracy, federalism and the protection of minorities in order to describe the conditions under which a province could secede from Confederation. These underlying/unwritten principles do not have a substantive policy content. Rather, in their interpretative role (*P.E.I. Judges Reference*) and their “gap-filling” role (*Secession Reference*) they are ascertained from the relationship between the institutions of the state and, having been so ascertained, they are used to give further definition to those relationships. This method of reasoning, though the Court did not use this term, is structural analysis. As was confirmed in *Toronto (City) v. Ontario (Attorney General)*, 2021 SCC 34, [2021] 2 S.C.R. 845, these underlying/unwritten principles cannot be the basis to challenge the validity of legislation. This is because, while being descriptive of the Constitution, they are not themselves components of the Constitution.<sup>2</sup>

[266] Norms expressed in the underlying/unwritten principles of constitutionalism and the rule of law do not constitute a basis to override parliamentary privilege, any more than they can constitute a basis to invalidate legislation; instead, such principles are to be understood in light of constitutional structures, including those governing the preparation, drafting, and enactment of legislation. Parliamentary privilege is foremost amongst these structures.

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<sup>2</sup> For a more complete description of the relationship between the unwritten *components* of the Constitution and underlying/unwritten *principles*, see M. Rowe and N. Déplanche, “Canada’s Unwritten Constitutional Order: Conventions and Structural Analysis” (2020), 98 *Can. Bar Rev.* 430, and Rowe and Oza.

[267] Returning to the unwritten components of the Constitution, conventions, Crown prerogative and parliamentary privilege are no less a part of the “Constitution” than are the two *Constitution Acts*. This was recognized in *New Brunswick Broadcasting*, as well as in the *Secession Reference*. While “parliamentary sovereignty” and the “separation of powers” (plus “constitutionalism” and the “rule of law”) are underlying/unwritten principles that inform interpretation of the constituent components of the Constitution, “parliamentary privilege” is different in that it is itself part of the Constitution. This distinction is fundamental.

[268] Parliamentary privilege was inherited from the U.K. The framing of the *Constitution Act, 1867*, and the third resolution of the Quebec Conference of 1864, which laid out the framework for the *Constitution Act, 1867* specifically, made clear that a “key objective of Confederation was to give effect to the Westminster system” (Rowe and Oza, at p. 210). This resolution spoke to the linkages in the eyes of the framers between “the promotion of the best interests of the people of these Provinces” and their “desire to follow the model of the British Constitution, so far as our circumstances will permit” (Quebec Resolutions, clause 3).

[269] The *Constitution Act, 1867* established that this privilege, which was and remains essential to the operation of the largely unwritten constitution of the U.K., would also be part of Canada’s Constitution; the preamble states that Canada will have “a Constitution similar in Principle to that of the United Kingdom”. Thereby, parliamentary privilege, along with constitutional conventions and Crown prerogative,

became unwritten components of the Canadian Constitution. In addition to what was set out in the preamble, parliamentary privilege was also specifically dealt with in s. 18 of the *Constitution Act, 1867*, which provides that “[t]he privileges, immunities, and powers to be held, enjoyed, and exercised by the Senate and by the House of Commons, and by the members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada.” Thus, in this “belt-and-suspenders” approach (the preamble, plus s. 18), parliamentary privilege was from the outset a component of Canada’s Constitution and continues to be so today.

[270] This Court’s reasons in *Secession Reference* affirm the importance of the unwritten components of the Constitution:

The “Constitution of Canada” . . . includes the constitutional texts enumerated in s. 52(2) of the *Constitution Act, 1982*. Although these texts have a primary place in determining constitutional rules, they are not exhaustive. The Constitution also “embraces unwritten, as well as written rules” . . . . [T]he Constitution of Canada includes

the global system of rules and principles which govern the exercise of constitutional authority in the whole and in every part of the Canadian state.

These supporting principles and rules, which include constitutional conventions and the workings of Parliament, are a necessary part of our Constitution because problems or situations may arise which are not expressly dealt with by the text of the Constitution. In order to endure over time, a constitution must contain a comprehensive set of rules and principles which are capable of providing an exhaustive legal framework for our system of government. Such principles and rules emerge from an understanding of the constitutional text itself, the historical context, and previous judicial interpretations of constitutional meaning. [para. 32]

That our Constitution “embraces unwritten, as well as written rules” (*P.E.I. Judges Reference*, at para. 92) reflects this Court’s understanding of an architecture of the institutions of state and of their relationship to citizens based on certain underlying principles (para. 93; *Toronto (City)*, at para. 49, per Wagner C.J. and Brown J.). These rules have “full legal force” and may give rise to substantive legal obligations (*Secession Reference*, at para. 54, quoting *Reference re Resolution to Amend the Constitution*, [1981] 1 S.C.R. 753, at p. 845; *Toronto (City)*, at para. 49, per Wagner C.J. and Brown J.).

[271] Unwritten components of our Constitution — including parliamentary privilege — have continued to be given faithful effect (see, e.g., *Alford v. Canada (Attorney General)*, 2024 ONCA 306, at para. 46 (CanLII), describing the “independence of Parliament from executive and judicial interference” as “one of the basic principles of Canadian democracy”). This is because, as I explain below, they continue to play a crucial role in Canada’s constitutional order.

### III. What Is Parliamentary Privilege?

[272] Chief among the functions of parliamentary privilege is that it ensures that Parliament and provincial legislatures are able to carry out their work effectively. I return to this point in the section that follows, but first I examine here the scope and content of parliamentary privilege, including the privileges associated with free speech and proceedings, as well as the consideration of these privileges in the courts of this country and the U.K. Because the appeal at bar requires this Court to consider the

impact of the proposed view of liability under s. 24(1) on the privileges associated with Parliament, I focus in these reasons on the judicial and academic treatment of the privileges associated with the federal legislature, rather than those attaching to the provincial legislatures.

[273] As described in *Erskine May's Treatise on The Law, Privileges, Proceedings and Usage of Parliament* (25th ed. 2019), at p. 239:

Parliamentary privilege is the sum of certain rights enjoyed by each House collectively as a constituent part of the High Court of Parliament and by Members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals.

[274] As noted above, legislatures in Canada were modelled on the British Parliament, and like it, they enjoy certain privileges. In the U.K., parliamentary privilege “developed through the struggle of the House of Commons for independence from the other branches of government”, i.e., the Crown and the other courts (*Chagnon v. Syndicat de la fonction publique et parapublique du Québec*, 2018 SCC 39, [2018] 2 S.C.R. 687, at para. 22).

[275] The struggle has deep historical roots in the hard-won independence of Parliament. Initially, “the Crown and the courts showed no hesitation to intrude into the sphere of the Houses of Parliament. . . . For example, in 1629, Charles I had Sir John Eliot and two other members charged and imprisoned for sedition for words

spoken in debate in the House” (*New Brunswick Broadcasting*, at p. 344, per Lamer C.J.; see also Rowe and Oza, at p. 225).

[276] But the inaction in response to violations of Parliament’s privileges was not to last; by 1641, Parliament was resolved. The King, determined to crush dissent in the Commons, ordered the arrest of five members and of one of the Lords. The Lords refused to order the arrests. On January 4, 1642, the King went to the Commons and demanded that the House produce the fugitive members:

... [the King] did what none of his predecessors had ever dared do: he went to the House of Commons with three or four hundred armed men. One who was present that day described the scene:

Then the Kinge stepped upp to his place and stood upon the stepp, but sate not down in the [Speaker’s] chaire. And, after hee had looked a greate while, hee told us, hee would not breake our priviledges, but treason had noe priviledge; hee came for those five gentlemen, for hee expected obedience yeasterday, and not an answeare. Then hee calld [two of the members], by name, but noe answeare was made. Then hee asked the Speaker if they were heere, or where they were.

Uppon that the Speaker fell on his knees, and desired his excuse, for hee was a servant to the House, and had neither eyes, nor tongue, to see or say anything but what they commanded him. Then the King told him, hee thought his owne eyes were as good as his, and then said his birds were flowen . . . . [First text in brackets in original.]

(J. Trueman, *Britain: The Growth of Freedom* (1960), at pp. 250-51)

This violation of parliamentary privilege triggered the English Civil War.

[277] Though the English Civil War and the events that preceded it are far behind us, parliamentary privilege, and conventions such as those that deal with the operation

of Cabinet, continue to represent foundational rules that “deal with practical problems” (M. Rowe and M. Collins, “The Constitution of Canada” (2017-18), 49 *Ottawa L. Rev.* 93, at p. 98).

[278] In *Canada (House of Commons) v. Vaid*, 2005 SCC 30, [2005] 1 S.C.R. 667, this Court considered the nature and role of parliamentary privilege in detail, in the context of a human rights commission complaint by an employee of the House of Commons who alleged that he had been dismissed on the basis of race, colour, and national or ethnic origin. The Speaker of the House of Commons challenged the jurisdiction of the Canadian Human Rights Commission, based on the view that the Speaker’s power to hire, manage, and dismiss employees fell under the scope of parliamentary privilege and, thus, outside of the Commission’s jurisdiction. Although the Court rejected the Speaker’s privilege claim, because the Speaker was unable to establish that a privilege related to “management of employees” covered the case in question, Justice Binnie clarified that “[t]he purpose of privilege is to recognize Parliament’s *exclusive* jurisdiction to deal with complaints within its privileged sphere of activity” (para. 4 (emphasis in original)). “Parliamentary privilege, therefore, is one of the ways in which the fundamental constitutional separation of powers is respected” (para. 21). As such, Justice Binnie held that the court below was in error to focus on the grounds on which the asserted privileged was exercised, rather than whether the privilege itself had been established. I emphasize this distinction made by Justice Binnie. I am in full agreement.

[279] Although the substance of the asserted privilege in *Vaid* differs greatly from the free speech and control proceedings privileges at issue in this case, both of which are widely recognized and the existence of which is not contested by the respondent, Justice Binnie’s reasons notably summarized “a number of propositions that are now accepted both by the courts and by the parliamentary experts”, several of which are of particular relevance for the present appeal (at para. 29):

2. Parliamentary privilege in the Canadian context is the sum of the privileges, immunities and powers enjoyed by the Senate, the House of Commons and provincial legislative assemblies, and by each member individually, without which they could not discharge their functions . . . .

3. Parliamentary privilege does not create a gap in the general public law of Canada but is an important part of it, inherited from the Parliament at Westminster by virtue of the preamble to the *Constitution Act, 1867* and in the case of the Canadian Parliament, through s. 18 of the same Act . . . .

. . .

5. The historical foundation of every privilege of Parliament is necessity. If a sphere of the legislative body’s activity could be left to be dealt with under the ordinary law of the land without interfering with the assembly’s ability to fulfill its constitutional functions, then immunity would be unnecessary and the claimed privilege would not exist . . . .

. . .

7. “Necessity” in this context is to be read broadly. The time-honoured test, derived from the law and custom of Parliament at Westminster, is what “the dignity and efficiency of the House” require . . . . [T]he references to “dignity” and “efficiency” are also linked to autonomy. A legislative assembly without control over its own procedure would, said Lord Ellenborough C.J. almost two centuries ago, “sink into utter contempt and inefficiency” . . . . “Inefficiency” would result from the delay and uncertainty would inevitably accompany external intervention. Autonomy is therefore not conferred on Parliamentarians merely as a sign of respect but because such autonomy from outsiders is necessary to enable Parliament and its members to get their job done.

8. Proof of necessity may rest in part in “shewing that it has been long exercised and acquiesced in” (*Stockdale v. Hansard*, at p. 1189). . . .

9. Proof of necessity is required only to establish the existence and scope of a category of privilege. Once the category (or sphere of activity) is established, it is for Parliament, not the courts, to determine whether in a particular case the exercise of the privilege is necessary or appropriate. In other words, within categories of privilege, Parliament is the judge of the occasion and manner of its exercise and such exercise is not reviewable by the courts: “Each specific instance of the exercise of a privilege need not be shown to be necessary” (*New Brunswick Broadcasting*, at p. 343 . . .).

. . .

10. “Categories” include freedom of speech . . . ; control by the Houses of Parliament over “debates or proceedings in Parliament” (as guaranteed by the Bill of Rights of 1689) including day-to-day procedure in the House . . . ; [and] immunity of members from subpoenas during a parliamentary session . . . . Such general categories have historically been considered to be justified by the exigencies of parliamentary work. [Emphasis deleted.]

[280] The application of these established propositions led Justice Binnie to conclude that a two-step process applies when courts are confronted with a privilege claim. First, the court must assess whether the existence and scope of the claimed privilege have been authoritatively established (*Vaid*, at para. 39). If the privilege is so established, then the court’s inquiry stops, “without further inquiry into the necessity of the privilege or the merits of its exercise in the particular case” (*Duffy v. Canada (Senate)*, 2020 ONCA 536, 151 O.R. (3d) 489, at para. 33, citing *Vaid*). The second step, which is not relevant in this appeal given the established nature of the privileges in question, requires the court to assess whether the privilege “is so closely and directly connected with the fulfilment by the assembly or its members of their functions as a legislative and deliberative body . . . that outside interference would undermine the level of autonomy required to enable the assembly and its members to do their work

with dignity and efficiency” (*Vaid*, at para. 46; see also *Duffy*, at para. 33). I emphasize the implications of parliamentary privilege for the boundaries of judicial scrutiny of the asserted privilege in this appeal.

A. *The Constitutional Function of Parliamentary Privilege*

[281] Despite the constitutional nature of parliamentary privilege, one might be tempted to see it as a historical artifact that can safely be diminished to accommodate s. 24(1) damages, as urged on us by the respondent. To the contrary, courts have long recognized the critical constitutional function of parliamentary privilege. In this regard, I would note the constitutional functions relating to parliamentary autonomy, structuring the constitutional dialogue, and undergirding the separation of powers.

(1) Parliamentary Autonomy

[282] As I observed in *Chagnon*, at para. 65:

Parliamentary privilege is “one of the ways in which the fundamental constitutional separation of powers is respected” (*Canada (House of Commons) v. Vaid*, 2005 SCC 30, [2005] 1 S.C.R. 667, at para. 21).

[283] Parliamentary privilege ensures that the legislature is safeguarded from interference by the other two branches of the state, the executive and the judiciary. It “protects the operation of the legislature from outside interference, where such

interference would impede the fulfillment of [Parliament's] constitutional role” (*Chagnon*, at para. 65).

[284] As this Court held in *Vaid*, intervention by the executive or by the courts in the working of legislatures “would inevitably create delays, disruption, uncertainties and costs which would hold up the nation’s business and on that account would be unacceptable” (para. 20). Protection from such interventions is reflected in the test for parliamentary privilege, which asks whether the privilege asserted is necessary for the legislature to do its work. “Necessity” in this context is to be read broadly (para. 29). The time-honoured test, derived from the law and custom of Parliament at Westminster, is what “the dignity and efficiency of the House” require (para. 29(7)):

If a matter falls within this necessary sphere of matters without which the dignity and efficiency of the House cannot be upheld, courts will not inquire into questions concerning such privilege. All such questions will instead fall to the exclusive jurisdiction of the legislative body.

(*New Brunswick Broadcasting*, at p. 383)

It is for this reason that “[t]he idea of necessity is thus linked to the autonomy required by legislative assemblies and their members to do their job” (*Vaid*, at para. 29(4)). But, the court’s role ends when it describes the “four corners” of parliamentary privilege. Having described the “box”, courts have always understood that it is not their role to take the cover off the box and reach inside it.

[285] Canadian courts have also considered the degree of autonomy required for Parliament to do its work. This approach is illustrated in *Janssen-Ortho Inc. v. Amgen Canada Inc.* (2005), 256 D.L.R. (4th) 407 (Ont. C.A.), which concerned a question in the House of Commons based on allegedly libellous broadcasts. In that case, the court dealt with what was properly “the work of a legislator”, “potential interference in internal matters of the House”, as well as the potential for “delay, disruption, and uncertainty” in upholding the decision of the motions judge to strike the claim for defamation arising from statements in the House (para. 78).

(2) Structuring the Constitutional Dialogue

[286] Parliamentary privilege also structures the dialogue between the courts and the legislature. By delineating the scope of what is open to review, this privilege ensures that legislatures are able to respond to decisions in which courts exercise their role to give meaning to the Constitution, and where necessary, invalidate legislation. As Justice R. J. Sharpe explained in *Good Judgment: Making Judicial Decisions* (2018):

... judicial decisions striking down laws under the *Charter* rarely end the debate. More often than not, Parliament or the legislature is free to enact another law that has the same objective but that pays proper heed to the fundamental right or freedom at issue. [p. 245]

[287] On the dialogue metaphor, Justice Sharpe then wrote:

What the dialogue metaphor describes is “less like a conversation and more like a complex division of labour where each branch has its own distinct, though complementary, role to play in a joint enterprise.” I suggest that the dialogue is the sort of conversation one can imagine between an architect and an engineer on the design and construction of a building. They both have their own distinctive role and expertise, but they must work together, and the building will not be built without a dialogue between the two of them.

(p. 248, quoting A. Kavanagh, “The Lure and the Limits of Dialogue” (2016), 66 *U.T.L.J.* 83, at p. 120.)

[288] The dialogical nature of constitutional development in Canada is reflected in the “second look” cases in which this Court has wrestled with what weight to afford Parliament’s attempt to reformulate legislation in response to a decision under s. 52(1). One might compare the perspective of Justices McLachlin (as she then was) and Iacobucci in *R. v. Mills*, [1999] 3 S.C.R. 668, at para. 58, wherein they expressed the view that the “[c]ourts do not hold a monopoly on the protection and promotion of rights and freedoms” with how Chief Justice McLachlin expressed the view subsequently in *Sauvé v. Canada (Chief Electoral Officer)*, 2002 SCC 68, [2002] 3 S.C.R. 519, at para. 17: “The healthy and important promotion of a dialogue between the legislature and the courts should not be debased to a rule of ‘if at first you don’t succeed, try, try again’.” In *Canada (Attorney General) v. JTI-Macdonald Corp.*, 2007 SCC 30, [2007] 2 S.C.R. 610, she further held (at para. 11) that “[t]he mere fact that the legislation represents Parliament’s response to a decision of this Court does not militate for or against deference”. Consistent in Chief Justice McLachlin’s consideration of the “second look” cases is the principle that Parliament should not be

discouraged from “trying again” to reformulate legislation so that it is consistent with the *Charter*.

(3) Undergirding the Separation of Powers

[289] Respect for the separation of powers precludes judicial scrutiny of the legislative process. The separation of powers underpins the Westminster system (Rowe and Oza, at p. 226; see also M. Rowe, C. Puskas and A. Cruise, “The Separation of Powers in Canada” (2024), 1 *S.C.L.R.* (3d) 323). Parliamentary privilege accords with the operation of the separation of powers: it “grants the legislative branch of government the autonomy it requires to perform its constitutional functions”, and, “[b]y shielding some areas of legislative activity from external review, [it] helps preserve the separation of powers” (*Chagnon*, at para. 1). Parliamentary privilege is “one of the ways in which the fundamental constitutional separation of powers is respected” (*Vaid*, at para. 21; *Chagnon*, at para. 65).

[290] The principle of separation of powers, as highlighted in the U.K. in *R. (on the application of SC and others) v. Secretary of State for Work and Pensions*, [2021] UKSC 26, [2022] 3 All E.R. 95, at para. 165, is characterized as follows:

. . . so far as relating to the courts and Parliament, [it] requires each of them to abstain from interference with the functions of the other, and to treat each other’s proceedings and decisions with respect. It follows that it is no part of the function of the courts under our constitution to exercise a supervisory jurisdiction over the internal procedures of Parliament.

[291] The doctrine of justiciability, “a set of largely judge-made rules, norms and principles delineating the scope of judicial intervention in social, political and economic life”, is noteworthy insofar as it reflects the recognition on the part of the courts of the need to respect the boundaries of judicial power where they run up against the operation of the legislatures (L. M. Sossin and G. Kennedy, *Boundaries of Judicial Review: The Law of Justiciability in Canada* (3rd ed. 2024), at § 1:2). The doctrine recognizes that not every subject is suitable for judicial determination, and imposes limits on the reach of judicial oversight:

... the legislative branch, so long as it observes the constitutional norms prescribed by the *Constitution Act* may exercise its legislative power in any manner it chooses. The courts may review legislation in relation to constitutional limitations on legislative power, but may not review it to test its intrinsic merit. The courts will not concern themselves with the wisdom of legislation or the possibility of abuse of legislative power.

(B. L. Strayer, *The Canadian Constitution and the Courts: The Function and Scope of Judicial Review* (3rd ed. 1988), at pp. 219-20)

[292] The separation of powers has been repeatedly affirmed as a constitutional principle (*P.E.I. Judges Reference*, at para. 138; *Wells v. Newfoundland*, [1999] 3 S.C.R. 199, at para. 52; *Doucet-Boudreau v. Nova Scotia (Minister of Education)*, 2003 SCC 62, [2003] 3 S.C.R. 3, at para. 107; *Cooper v. Canada (Human Rights Commission)*, [1996] 3 S.C.R. 854, at paras. 3 and 10, all cited by Côté J. in *References re Greenhouse Gas Pollution Pricing Act*, 2021 SCC 11, [2021] 1 S.C.R. 175, at para. 279).

[293] In my reasons in *Mikisew Cree First Nation v. Canada (Governor General in Council)*, 2018 SCC 40, [2018] 2 S.C.R. 765, I wrote about the risk of the courts being drawn into a “supervisory role” over the legislative process:

As surely as night follows day, if such a duty were to be imposed, disagreements would arise as to the foregoing questions and many others. How would such disagreements be resolved? Where a constitutionally mandated duty exists, affected parties would inevitably turn to the courts. Thus, courts would be drawn into a supervisory role as to the operation of a duty to consult in the preparation of legislation (as well as, in all likelihood, other matters, notably budgets, requiring approval by the legislature). I agree with Justice Brown’s discussion on the impact of imposing a duty to consult on the separation of powers. [para. 169]

The same concern holds true with respect to subordinating parliamentary privilege in order to impose s. 24(1) damages for the preparation, drafting, and enactment of legislation.

B. *Parliamentary Privilege Is Absolute in Nature and Has Been Broadly Construed*

[294] Throughout these reasons, I refer to “parliamentary privilege” to refer to these “certain rights” with which the House of Commons and the Senate are endowed. However it is helpful to specify the privileges that have been invoked by the Attorney General of Canada: the House’s exclusive control over its proceedings, often referred to as the privilege bearing on “proceedings in Parliament”, and the privilege related to freedom of speech (A.F., at para. 58). As such, I explain here the meaning and application of these privileges, which have been extensively examined by courts in Canada and in the U.K. This judicial consideration has shown that parliamentary

privilege is absolute in nature, and broadly construed in light of the function it plays in Canada's constitutional arrangements.

(1) Free Speech and Proceedings

[295] The parliamentary privileges related to free speech and control of proceedings are both well established — there is no serious debate today that each “has been long exercised and acquiesced in” (*Stockdale v. Hansard* (1839), 9 Ad. & E. 1, 112 E.R. 1112 (Q.B.), at p. 1189). They are rooted in art. 9 of the *Bill of Rights* of 1689 (Eng.), 1 Will. & Mar. Sess. 2, c. 2, which established that “[t]he freedom of speech and debates, or proceedings in Parliament, ought not to be impeached or questioned in any court or place out of Parliament” (J. P. J. Maingot, *Parliamentary Privilege in Canada* (2nd ed. 1997), at p. 77). As noted by Sir William Blackstone in his *Commentaries on the Laws of England* (17th ed. 1830), Book I, at pp. 162-63, “whatever matter arises concerning either house of parliament ought to be examined, discussed, and adjudged in that house to which it relates, and not elsewhere”.

[296] Canada's Parliament has claimed these privileges for itself, as provided by s. 18 of the *Constitution Act, 1867* (see H. Brun, G. Tremblay and E. Brouillet, *Droit constitutionnel* (6th ed. 2014), at paras. V-1.217 and V-1.226). Parliament's decision to claim the full extent of the privileges enjoyed by the Parliament in London removes any doubt that these privileges apply in the present appeal:

4 The Senate and the House of Commons, respectively, and the members thereof hold, enjoy and exercise

(a) such and the like privileges, immunities and powers as, at the time of the passing of the *Constitution Act, 1867*, were held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom and by the members thereof, in so far as is consistent with that Act; and

(b) such privileges, immunities and powers as are defined by Act of the Parliament of Canada, not exceeding those, at the time of the passing of the Act, held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom and by the members thereof.

(*Parliament of Canada Act*, R.S.C. 1985, c. P-1, s. 4)

That Parliament opted to claim the full extent of these privileges is unsurprising. As Justice McLachlin (as she then was) noted, in *New Brunswick Broadcasting*, at p. 385 “[t]he need for the right of freedom of speech is so obvious as to require no comment.” And yet, as shown by this case, the need for freedom of speech in Parliament *does* require not just “comment”, but firm, resounding, and unequivocal confirmation. Confident legislative assemblies are cradles of popular liberty; timorous ones are instrumentalities of control by the well-situated.

[297] In cases where the extent of parliamentary privileges has been raised, courts have consistently interpreted them broadly. In *New Brunswick Broadcasting*, Justice McLachlin (as she then was) held that “[i]t has also long been accepted that these privileges must be held absolutely and constitutionally if they are to be effective; the legislative branch of our government must enjoy a certain autonomy which even the Crown and the courts cannot touch” (p. 379 (emphasis added)).

[298] In *Duffy*, at paras. 66-68 and 112-13, the Court of Appeal for Ontario considered a claim by a member of the Senate alleging that representatives of the Prime Minister’s Office and individual senators improperly interfered with a Senate investigation into his expenses. The Senate moved to dismiss the action for want of jurisdiction, arguing that the impugned conduct fell within its established parliamentary privileges related to discipline and internal affairs, Parliamentary proceedings, and freedom of speech. In concluding that the action was properly dismissed, Jamal J.A. (as he then was), found that Senator Duffy’s allegations about political interference in the Senate’s internal investigation and the decision to suspend him fell within the established privilege over proceedings in Parliament and that as a consequence “the courts ha[d] no jurisdiction to evaluate their propriety, fairness, or legality” (para. 61).

[299] The privilege of freedom of speech also applied, Jamal J.A. wrote, because

[w]hile taking part in [proceedings in Parliament], officers of Parliament, Members of Parliament, and the public are immune from being called to account in the courts or elsewhere, save the Houses of Parliament, for any act done or words uttered in the course of participating, however false or malicious the act and however malicious the words might be; and any member of the public prejudicially affected is without redress. [Text in brackets in original.]

(para. 65, quoting J. P. J. Maingot, *Parliamentary Immunity in Canada* (2016), at pp. 71-72.)

I adopt this statement by Jamal J.A. It identifies with clarity the need for immunity by Parliament from interference by courts in the proceedings of Parliament, even where

those proceedings are alleged to be tainted by falsehood or malice. It also underscores the reason why, as noted by Maingot, the freedom of speech privilege,

though of a personal nature, is not so much intended to protect the Members against prosecutions for their own individual advantage, but to support the rights of the people by enabling their representatives to execute the functions of their office without fear of either civil or criminal prosecutions. [p. 26]

The functional explanation provided by Maingot illustrates the fallacy in the respondent's suggestion that s. 24(1) liability against the Crown (rather than individual parliamentarians) does not raise parliamentary privilege concerns. In either case, it is the ability of parliamentarians to carry out their work effectively that is at issue.

[300] In *Ontario v. Rothmans Inc.*, 2014 ONSC 3382, 120 O.R. (3d) 467, the court considered a claim by a defendant tobacco company that statements about the risks of smoking before House of Commons committees could not be relied upon to support allegations of misrepresentation and conspiracy. At issue was whether the parliamentary privilege related to freedom of speech extended to members of the public appearing before Parliamentary committees. In concluding that the parliamentary privilege did so apply, the court noted that “while questions may arise about the precise scope of the privilege from time to time, it is clear from the authorities that, at minimum, statements made by a person in the course of participating in a parliamentary proceeding cannot be used against that person in a civil action” (para. 20). The “absolute” nature of the protection shields statements made by a person during the course of parliamentary proceedings from being used against them in a civil action

(para. 14, quoting *Janssen-Ortho Inc. v. Amgen Canada Inc.*, 2004 CanLII 8595 (Ont. S.C.J.), at para. 31).

[301] Canadian and Commonwealth courts have elsewhere determined that the following elements are under the umbrella of “proceedings in Parliament”:

- (a) Formal action by the House (see *Vaid*, at para. 29(10); *Duffy*, at para. 59; *Club Pro Adult Entertainment Inc. v. Ontario* (2006), 150 C.R.R. (2d) 1 (Ont. S.C.J.), at para. 119, rev’d in part on other grounds 2008 ONCA 158, 42 B.L.R. (4th) 47);
- (b) Formal interventions by members (including introducing legislation, voting, debates) (see *Duffy*, at paras. 59-61; *Canada (Board of Internal Economy) v. Boulerice*, 2019 FCA 33, [2019] 3 F.C.R. 145, at paras. 104-11; *Prebble v. Television New Zealand Ltd.*, [1994] 3 All E.R. 407 (P.C.), at p. 413);
- (c) Testimony of witnesses (see *Gagliano v. Canada (Attorney General)*, 2005 FC 576, [2005] 3 F.C.R. 555, at paras. 62-97; *Canada (Deputy Commissioner, Royal Canadian Mounted Police) v. Canada (Commissioner, Royal Canadian Mounted Police)*, 2007 FC 564, [2008] 1 F.C.R. 752, at para. 65); and

- (d) Incidental documents or actions which include those related to the consideration of draft legislation (see *Vaid*, at para. 44; *Guergis v. Novak*, 2022 ONSC 3829, at paras. 75-77 (CanLII)).

[302] Also captured in this definition of proceedings are matters taking place outside of Parliament provided that they are “so closely and directly connected with proceedings in Parliament that intervention by the courts would be inconsistent with Parliament’s sovereignty as a legislative and deliberative assembly” (*Vaid*, at para. 44 (emphasis deleted), quoting U.K., Joint Committee on Parliamentary Privilege, vol. 1, *Report and Proceedings of the Committee* (1999), at para. 247).

[303] This brief canvass of judicial consideration of the free speech and proceedings privileges shows that courts have recognized that the broad shelter afforded by the operation of parliamentary privilege is agnostic towards the content of what is protected. It matters not *what* was said or *what* the impugned conduct involved — what matters is whether the conduct in question relates to “the assembly’s ability to fulfill its constitutional functions” (*Vaid*, at para. 29(5)). The wide berth afforded to Parliament’s control over its own proceedings and speech is reflected in the broad manner in which they have been construed by Canadian courts, and the deference towards their operation shown by the courts.

(2) The Scope of the Parliamentary Privileges

[304] The privileges related to free speech and proceedings in Parliament are well established, and constitutional in nature. However, the question remains — how far do these privileges extend? And do they reach the actions of ministers and officials who would ordinarily be considered to be part of the executive branch as they prepare and draft legislation?

[305] This Court’s jurisprudence provides an answer: parliamentary privilege attaches to the entire process through which legislation is developed and adopted, and protects ministers and officials when they carry out legislative duties.

[306] In *Vaid*, Justice Binnie confirmed that parliamentary privilege extends to “control by the Houses of Parliament over ‘debates or proceedings in Parliament’”, including “day-to-day procedure in the House” (para. 29(10)). *Mikisew Cree* further clarifies that parliamentary privilege also extends to the law-making process more broadly (para. 37, per Karakatsanis J., paras. 122-26, per Brown J., and paras. 165(g) and 171, per Rowe J.).

[307] *Mikisew Cree* affirmed that “[t]he process of law-making does not only take place in Parliament. Rather, it begins with the development of legislation” — and notably, for the purposes of the present appeal insofar as it considers liability attaching to the process of developing legislation, Justice Karakatsanis confirmed that “[w]hen ministers develop legislation, they act in a parliamentary capacity” (para. 2). So, despite an inevitable overlap between executive and legislative functions inherent in the work of Ministers in developing legislation, because they are engaged in the “law-making

process” when they develop legislation, the “process is generally protected from judicial oversight” (paras. 33-34).

[308] Though the Court in *Mikisew Cree* was divided on the reasoning, seven of the nine members of the Court either wrote or concurred in reasons affirming that the preparation and drafting of legislation implicates the separation of powers and is protected from judicial review by parliamentary privilege. In her reasons, which were joined in by Chief Justice Wagner and Justice Gascon, Justice Karakatsanis held that:

Two constitutional principles — the separation of powers and parliamentary sovereignty — dictate that it is rarely appropriate for courts to scrutinize the law-making process. The process of law-making does not only take place in Parliament. Rather, it begins with the development of legislation. When ministers develop legislation, they act in a parliamentary capacity. As such, courts should exercise restraint when dealing with this process. Extending the duty to consult doctrine to the legislative process would oblige the judiciary to step beyond the core of its institutional role and threaten the respectful balance between the three pillars of our democracy. It would also transpose a consultation framework and judicial remedies developed in the context of executive action into the distinct realm of the legislature. Thus, the duty to consult doctrine is ill-suited to the law-making process; the law-making process does not constitute “Crown conduct” that triggers the duty to consult. [para. 2]

[309] Justice Brown, concurring in the result, underscored that ministers of the Crown engaged in the preparation and drafting of legislation are acting pursuant to the power conferred on them by Part IV of the *Constitution Act, 1867*. He noted that the entirety of the law-making process, including policy decisions leading to the development of a legislative proposal to be considered by Cabinet, is an exercise of legislative power which is immune from judicial interference:

I agree with the majority of the Court of Appeal that the entire law-making process — from initial policy development to and including royal assent — is an exercise of legislative power which is immune from judicial interference. As this Court explained in *Ontario v. Criminal Lawyers' Association of Ontario*, 2013 SCC 43, [2013] 3 S.C.R. 3, at para. 28, the making of “policy choices” is a legislative function, while the implementation and administration of those choices is an executive function. This precludes judicial imposition of a duty to consult in the course of the law-making process.

...

. . . Ministers of the Crown play an essential role in, and are an integral part of, the legislative process . . . . The fact that “except in certain rare cases, the executive frequently and *de facto* controls the legislature” (*Wells*, at para. 54) does not, however, mean that ministers’ dual membership in the executive and legislative branches of the Canadian state renders their corresponding executive and legislative roles indistinguishable for the purposes of judicial review. . . .

As a matter of applying this Court’s jurisprudence, then, the legislative process begins with a bill’s formative stages, even where the bill is developed by ministers of the Crown. [paras. 117 and 119-20]

[310] I adopted the reasons of Justice Brown (Justices Moldaver and Côté in turn concurred in my reasons). I further explained the consequences for the separation of powers of imposing a duty to consult on the process of preparing legislation for consideration by the legislature. I outlined the “many steps involved” in this process, and explained the steps at which Ministers and their officials are engaged (para. 160).

[311] Parliamentary privilege thus extends to the range of Parliamentary actors who are involved in the legislative process. Parliament has the right to “exercise unfettered freedom in the formulation, tabling, amendment, and passage of legislation”

(*Galati v. Canada (Governor General)*, 2015 FC 91, [2015] 4 F.C.R. 3, at para. 34). In applying parliamentary privilege, the court must have regard to:

- (a) the breadth of the process of legislative development; and
- (b) the stages at which parliamentarians and their staff, individual ministers, the Cabinet, members of the civil service, witnesses before Parliament, and the Governor General (or Lieutenant Governors, in the case of the provinces), interact to develop and pass legislation (*Mikisew Cree*, at paras. 160-64, per Rowe J., concurring (describing the steps that lead to the preparation, drafting, and enactment of legislation)).

[312] Because of the interlocking nature of the process of legislative development which involves many participants at each step, the definition of proceedings in Parliament necessarily captures “everything said or done by a member in the exercise of his functions as a member of a committee of either House, as well as everything said or done in either House with the transaction of parliamentary business” (Maingot (1997), at p. 81; see also Brun, Tremblay and Brouillet, at paras. V-1.186, V-1.232 and V-1.240).

(3) The Judiciary and Parliamentary Privilege

[313] The absolute nature of the immunities related to free speech and proceedings in Parliament has been maintained by this Court and courts in the United Kingdom. See, e.g., *Stockdale v. Hansard*, at p. 1191, per Patteson J.: “Beyond all dispute, it is necessary that the proceedings of each House of Parliament should be entirely free and unshackled; that whatever is done or said in either House should not be liable to examination elsewhere . . . .” While the existence and limits of parliamentary privilege are justiciable, their operation is not (Brun, Tremblay and Brouillet, at para. V-1.221). Once a court finds that a privilege exists and describes its extent, the court’s role ends. It is for the legislature itself to determine whether the exercise of the privilege was proper; such matters are not reviewable by the courts.

[314] Where parliamentary privilege applies, the subject matter falls within the authority of the legislative assembly. Courts lack jurisdiction over the privileged matter (*Vaid*, at para. 4; *Chagnon*, at para. 19).

[315] As aptly stated by Jamal J.A. in his reasons for the Court of Appeal for Ontario in *Duffy*:

Parliamentary privilege is a rule of curial jurisdiction. The effect of a matter falling within the scope of parliamentary privilege is that its exercise cannot be reviewed by any external body, including a court: *Vaid*, at paras. 29(9), 34; *Chagnon*, at paras. 19, 24; *New Brunswick Broadcasting*, at pp. 350, 382-84 S.C.R.; and *Boulerice*, at para. 54. Parliamentary privilege recognizes “Parliament’s *exclusive* jurisdiction to deal with complaints within its privileged sphere of activity”: *Vaid*, at paras. 4, 29(9) and 30 (emphasis in original); *New Brunswick Broadcasting*, at pp. 383-84 S.C.R.; and *Boulerice*, at para. 55. The principles of parliamentary privilege are “a means of distinguishing areas of judicial and legislative body jurisdiction”: *New Brunswick Broadcasting*, at pp. 383-84 S.C.R. Parliamentary

privilege thus provides an immunity from judicial review: *New Brunswick Broadcasting*, at p. 342 S.C.R. [Emphasis in original; para. 35.]

[316] That said, while courts properly consider the *extent* of parliamentary privilege, once a matter is found to come within that privilege, courts do not review the manner in which the privilege is exercised (*Fielding v. Thomas*, [1896] A.C. 600 (P.C.); *Brun, Tremblay and Brouillet*, at paras. V-1.219, IX.7, XII-2.7 and XII-2.11). Or, as this Court put it in *Reference re Resolution to Amend the Constitution*, at p. 785: “Courts come into the picture when legislation is enacted and not before (unless references are made to them for their opinion on a bill or a proposed enactment).” Thus, for example, legislative decision making is not subject to any duty of fairness. Legislatures “are subject to constitutional requirements for valid law-making [e.g. division of powers], but within their constitutional boundaries, they can do as they see fit” (*Wells*, at para. 59).

[317] The wide berth given to parliamentary privilege has been reflected in the manner in which this Court has approached apparent conflicts between parliamentary privilege and other components of the Constitution. The Court’s reasons in *Harvey*, at para. 70, are instructive; in that case, this Court considered a claim by an appellant who challenged his removal from the New Brunswick Legislative Assembly after being found guilty of committing an illegal act. In deciding that the removal was proper, this Court considered how to balance the appellant’s claim under s. 3 of the *Charter* with the legislature’s claim to parliamentary privilege, and concluded that a balance must be struck “by interpreting the democratic guarantees of s. 3 in a purposive way”. The Court

concluded that “[t]he purpose of the democratic guarantees in the *Charter* must be taken to be the preservation of democratic values inherent in the existing Canadian Constitution, including the fundamental constitutional right of Parliament and the legislatures to regulate their own proceedings” (para. 70). The Court affirmed that the constitutional nature of parliamentary privilege requires courts to interpret *Charter* provisions in a manner compatible with the scope of privilege.

[318] Constitutional norms govern our basic institutions, both their operation and interrelation. Where courts are required to ascertain the scope or effect of unwritten norms, on occasion they turn their minds to structural analysis (A. Marcotte, “Structural Analysis, Unwritten Principles and Constitutional Remedies: *Charter* Damages for the Enactment of Legislation by Parliament” (2024), 18 *J.P.P.L.* 69; Rowe and Oza, at p. 225). *Harvey* thus further clarifies that the solution, when a conflict emerges between parliamentary privilege and another component of the Constitution, is not to read down the protections afforded by parliamentary privilege — the solution is to read the relevant constitutional components in a compatible way.

[319] It is not open to the courts to intrude upon the *bona fides* of parliamentary debates and proceedings. The courts have long recognized the defining significance of Parliament’s work and the need for parliamentarians to debate and develop legislation freely. As the Speaker of the Senate submitted, these privileges are “vital to the separation of powers as they enable parliamentarians — both individually and collectively — to freely express themselves and to act on matters of importance to

Canadians, including controversial public policy issues, without fear of interference from the Crown or the courts” (I.F., at para. 21). In *Roman Corp. Ltd. v. Hudson’s Bay Oil & Gas Co. Ltd.*, [1971] 2 O.R. 418 (H.C.J.), at p. 139, aff’d [1972] 1 O.R. 444 (C.A.), the High Court of Justice for Ontario held that “[t]he Court has no power to inquire into what statements were made in Parliament, why they were made, who made them, [and] what was the motive for making them or anything about them” (p. 423). This approach is consistent in the jurisprudence.

C. *The Charter and Parliamentary Privilege*

[320] It is critical to be clear that the *Charter* did not negate the “fundamental constitutional tenets upon which British parliamentary democracy rested” (*New Brunswick Broadcasting*, at p. 377) and did not displace parliamentary privilege. It is helpful here to consider Canada’s constitutional development in a comparative manner. Our constitutional structure, as explained above, draws heavily on the constitutional structure and norms of the U.K. as they stood in 1867. That constitutional model, in turn, has been characterized as “one of immanent constitutionalism that emerges gradually by means of a process of accretion”, a process of “organic growth” that can be attributed to “factors peculiar to Britain and to its history” including, *inter alia*, “a cautious common-sense-oriented pragmatism that primes adaptation and abhors radical change and rupture” (M. Rosenfeld, “Constitutional Identity”, in M. Rosenfeld and A. Sajó, eds., *The Oxford Handbook of Comparative Constitutional Law* (2012), 756, at p. 764). This process of “organic growth” can be contrasted with the kind of

constitution making that occurs in the context of a “clean break” — wherein a revolutionary change in governance structure marks a fresh start in constitutional development (see V. C. Jackson and M. Tushnet, *Comparative Constitutional Law* (1999), at p. 333).

[321] So, to put the point in slightly more colloquial terms: the year 1982 in Canada was not like the year 1789 in France: the passage of the *Charter* did not mark a “clean break” with existing constitutional structures that came before the passage of the *Constitution Act, 1982*. Canada held true to its inherited tradition of incremental constitutional growth. Arrangements that were in place at the time of Confederation and that were not modified by constitutional documents remain largely in place and operative. The passage of the *Charter* must be understood within the broader context of Canada’s constitutional development; the *Charter* did not take aim at or displace the majority of the unwritten elements that comprise Canada’s Constitution, including parliamentary privilege. Instead, as this Court has previously established, the *Charter* must be read in a way that is compatible with other elements of Canada’s Constitution, including parliamentary privilege.

[322] Many consider the *Charter* to be the paramount constitutional instrument. This is incorrect. All parts of the Constitution must be read together, and no one can be subordinated to the others. Justice McLachlin (as she then was) explained this in *Harvey*:

The power of Parliament and the legislatures to regulate their procedures both inside and outside the legislative chamber arises from the *Constitution Act, 1867*. The preamble to the *Constitution Act, 1867* affirms a parliamentary system of government, incorporating into the Canadian Constitution the right of Parliament and the legislatures to regulate their own affairs. The preamble also incorporates the notion of the separation of powers, inherent in British parliamentary democracy, which precludes the courts from trenching on the internal affairs of the other branches of government. As I wrote in *New Brunswick Broadcasting*, *supra*, at p. 389:

Our democratic government consists of several branches: the Crown, as represented by the Governor General and the provincial counterparts of that office; the legislative body; the executive; and the courts. It is fundamental to the working of government as a whole that all these parts play their proper role. It is equally fundamental that no one of them overstep its bounds, that each show proper deference for the legitimate sphere of activity of the other.

Because parliamentary privilege enjoys constitutional status it is not “subject to” the Charter, as are ordinary laws. Both parliamentary privilege and the Charter constitute essential parts of the Constitution of Canada. Neither prevails over the other. While parliamentary privilege and immunity from improper judicial interference in parliamentary processes must be maintained, so must the fundamental democratic guarantees of the *Charter*. Where apparent conflicts between different constitutional principles arise, the proper approach is not to resolve the conflict by subordinating one principle to the other, but rather to attempt to reconcile them. [Emphasis added; paras. 68-69.]

[323] In other words, one part of the Constitution cannot abrogate another part of the Constitution (*Reference re Bill 30, An Act to Amend the Education Act (Ont.)*, [1987] 1 S.C.R. 1148; *New Brunswick Broadcasting*, at pp. 373 and 390).

[324] The Chief Justice and Justice Karakatsanis, at para. 94 of their reasons, state that “the *Charter* effected a ‘revolutionary transformation of the Canadian polity’” (quoting L. E. Weinrib, “Canada’s *Charter of Rights*: Paradigm Lost?” (2002), 6 *Rev. Const. Stud.* 119, at p. 120). With respect, I must disagree. The *Charter*, as I have

explained above, did not present a clean break with foundational elements of Canada’s constitutional order.

[325] That said, the *Charter* was accompanied by a “revolutionary transformation” of sorts; not a revolution that, as my colleagues suggest, displaced longstanding elements of our constitutional order, but rather a revolution in the nature and extent of demands by litigants for courts to use their authority to advance goals that those litigants had not achieved through the electoral process. I do not read the reasons of Justice Dickson (as he then was) in *Amax Potash Ltd. v. Government of Saskatchewan*, [1977] 2 S.C.R. 576, at p. 590, which my colleagues cite in support of their view, as heralding a “revolutionary transformation” of the Canadian polity. Rather, Justice Dickson’s measured words in *Amax Potash* speak for themselves: “. . . it is not for the Courts to pass upon the policy or wisdom of legislative will” or “question the wisdom of enactments which, by the terms of the Canadian Constitution are within the competence of the Legislatures” (p. 590). I agree, and for that reason I eschew the invitation for the judiciary to “overstep its bounds” by subordinating parliamentary privilege to the *Charter* (*New Brunswick Broadcasting*, at p. 389). Temperance and moderation in the face of such invitations remain fundamental to “the appreciation by the judiciary of its own position in the constitutional scheme” (*Vaid*, at para. 24, quoting *Canada (Auditor General) v. Canada (Minister of Energy, Mines and Resources)*, [1989] 2 S.C.R. 49, at p. 91, per Dickson C.J.; see also M. Rowe, “The Virtue of Judicial Restraint, or Who Guards the Guardians?” (2022), 55 *U.B.C. L. Rev.* 311).

IV. Crown-in-Parliament Versus Crown in its Executive Capacity

[326] Having established the constitutional nature and functions of parliamentary privilege, I now turn to the theory of liability endorsed by the courts below and the respondent in this appeal, and the incoherence of the suggestion that the Crown in its executive capacity can be held liable for the preparation, drafting, and enactment of legislation. Canada’s Constitution, unlike that of our American neighbours, was not crafted by those leading colonial rebellions. Instead, it incorporates the Westminster system of government, which was varied for the circumstances of this country, notably a federal structure rather than a unitary state. Subsequent developments in our Constitution have built on this. A consequence of this is the distinctive roles of the “Crown” in both executive and legislative capacities. It is helpful to clarify and distinguish “the Crown” in these two functions.

[327] In the contemporary constitutional order, the Crown acts in multiple distinct capacities, federal and provincial, as well as executive and legislative. (For the sake of simplicity, I leave aside consideration of the Crown in its judicial capacity, other than to note *en passant* that the inherent authority of Superior Court judges is an offshoot of the Crown in its judicial capacity.) This Court has emphasized that the Crown in its executive capacity and the Crown in its legislative capacity are distinct. In *Clyde River (Hamlet) v. Petroleum Geo-Services Inc.*, 2017 SCC 40, [2017] 1 S.C.R. 1069, at para. 28, this Court held that:

In one sense, the “Crown” refers to the personification in Her Majesty of the Canadian state in exercising the prerogatives and privileges reserved to it. The Crown also, however, denotes the sovereign in the exercise of her formal legislative role (in assenting, refusing assent to, or reserving legislative or parliamentary bills), and as the head of executive authority (*McAteer v. Canada (Attorney General)*, 2014 ONCA 578, 121 O.R. (3d) 1, at para. 51; P. W. Hogg, P. J. Monahan and W. K. Wright, *Liability of the Crown* (4th ed. 2011), at pp. 11-12; but see *Carrier Sekani*, at para. 44). For this reason, the term “Crown” is commonly used to symbolize and denote executive power.

[328] The *Constitution Act, 1867* establishes that “[p]lenary executive power is affirmed . . . to continue to repose in Her Majesty” (W. J. Newman, “The Crown, the Queen, and the Structure of the Constitution”, in D. M. Jackson and C. McCreery, eds., *A Resilient Crown: Canada’s Monarchy at the Platinum Jubilee* (2022), 13, at p. 17). The Crown in its executive capacity, thus, consists of the King (through the Governor General) exercising the “Executive Government and Authority of and over Canada”, as continued in the *Constitution Act, 1867* (s. 9). Today, as from before Confederation, those executive powers are, by constitutional convention, exercised by the Prime Minister, Cabinet, and public authorities in furtherance of statutory delegation of authority.

[329] The Crown-in-Parliament consists of the monarch (Governor General) acting in their legislative capacity. As Justice Brown explained in *Mikisew Cree*, the Crown-in-Parliament “embraces ‘three determinative acts that are part of Parliament’s core functions as a legislative body: royal recommendation, royal consent and royal assent’” (para. 130 (emphasis deleted), quoting C. Robert, “The Role of the Crown-in-Parliament: A Matter of Form and Substance”, in M. Bédard and P. Lagassé, eds., *The*

*Crown and Parliament* (2015), 95, at p. 96). The involvement of the Crown is essential to the operation of Parliament; as the opening words of s. 91 of the *Constitution Act, 1867* state: “It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make Laws for the Peace, Order, and good Government of Canada . . . .” Thus, Parliament consists of the House of Commons, the Senate and the Crown-in-Parliament.

[330] The respondent urges this Court to disregard the distinction between the Crown in its executive and legislative capacities, because, he suggests, “the executive and legislative branches are closely entangled in Canada” (R.F., at para. 73). This indicates a profound lack of understanding (or indifference to) Canada’s constitutional order. It also flies in the face of precedent. In *Minister of Energy, Mines and Resources*, this Court stated that while “the executive through its control of a House of Commons majority may in practice dictate the position the House of Commons takes . . . [this] is not . . . constitutionally cognizable by the judiciary” (p. 103). That the Crown is engaged at various stages of the legislative process is foundational to our constitutional order, but is dismissed by the respondent as “irrelevant” (R.F., at para. 72).

[331] In *Mikisew Cree*, this Court distinguished the role of the “Crown-in-Parliament” from the Crown in its executive capacity, and firmly rejected the notion of “Crown control of the process of legislative enactment” (para. 129). It found that the process by which laws are made is not in fact “Crown conduct” — which is to say, that the Crown in its executive capacity (the context in which “the Crown” is ordinarily

used) does not control the legislative process (paras. 33-34, per Karakatsanis J., paras. 101-2, 113, 117, 120 and 133, per Brown J., and paras. 148 and 160, per Rowe J.). This is true notwithstanding the fact that individual parliamentarians who are also members of the executive — i.e. parliamentarians who serve as ministers and the Prime Minister — are involved in, and in fact are integral to, the legislative process.

[332] The Crown, thus, is at the heart of both the executive and legislative branches of government, but plays different roles in each. While our constitutional order envisages some overlap as to the Crown in its various capacities, this Court has been clear that the law does not recognize executive control of the legislative branch. This is consistent with the scope of parliamentary privilege and its application across the various steps in the legislative process.

[333] As this Court’s examination of the legislative process in *Mikisew Cree* shows, the preparation of legislation is a complex process involving multiple actors across government: “This is why the separation of powers operates the way it does. The courts are ill-equipped to deal with the procedural complexities of the legislative process” (para. 164, per Rowe J.). The distinctive roles played by the Crown reflects the separation of powers between the different branches of government, and the balance between them:

Our democratic government consists of several branches: the Crown, as represented by the Governor General and the provincial counterparts of that office; the legislative body; the executive; and the courts. It is fundamental to the working of government as a whole that all these parts play their proper role. It is equally fundamental that no one of them

overstep its bounds, that each show proper deference for the legitimate sphere of activity of the other.

(*New Brunswick Broadcasting*, at p. 389, per McLachlin J.)

This is part of the explanation as to why absolute immunity is needed for the preparation, drafting, and enactment of legislation, but not (of course) for determination of the validity of legislation once it is enacted or the legality of acts taken pursuant to the legislation.

V. Application to the Present Appeal

A. *The Framing of the Issues*

[334] The questions posed by the Attorney General of Canada to the New Brunswick Court of Queen’s Bench read as follows:

1. Can the Crown, in its executive capacity, be held liable in damages for government officials and Ministers preparing and drafting a proposed Bill that was later enacted by Parliament, and subsequently declared invalid by a court pursuant to s. 52(1) of the *Constitution Act, 1982*? and
2. Can the Crown, in its executive capacity, be held liable in damages for Parliament enacting a Bill into law, which legislation was later declared invalid by a court pursuant to s. 52(1) of the *Constitution Act, 1982*?

(2021 NBQB 107, at para. 3 (CanLII))

[335] The courts below concluded that the two questions could be “blended into a single question. . . . Do the Crown and its officials enjoy absolute immunity when

exercising a legislative function?” (2022 NBCA 14, 471 D.L.R. (4th) 68, at para. 16). The respondent frames his arguments by reference to the liability of “the state” (see, e.g., R.F., at para. 1) and argues that the distinction between the Crown in its legislative or executive capacity is “irrelevant in the *Charter* context” (para. 72).

[336] The majority adopts this framing, noting that “a minister’s legislative and executive powers can overlap and are sometimes difficult to disentangle in the law-making process” (para. 20). But, as I noted above, a plurality of the Court in *Mikisew Cree* established that the work of ministers and their officials in preparing legislation begins with policy development and implicates parliamentary privilege. The work of these actors does “not become ‘executive’ as opposed to ‘legislative’ simply because they were carried out by, or with the assistance of, public servants. . . . Their actions, rather, are directed to informing potential changes to legislative policy and are squarely legislative in nature” (para. 121, per Brown J.).

[337] I therefore disagree that the two questions can be blended. This formulation elides the distinction between the Crown in its various capacities, and muddies the analytical waters. As suggested by the framing of the questions referred by the Attorney General of Canada, the Crown manifests itself in multiple distinct capacities. Furthermore, I cannot agree that the fact that Ministers carry out both parliamentary and executive duties can justify sweeping ministerial conduct that is unquestionably legislative in nature into the scope of liability against “the state” (that is, the Crown in

its executive capacity). This amounts to a collateral attack on the legislative nature of the work of Ministers and their officials in developing legislation.

B. *The Respondent's Argument Runs Contrary to Constitutional Structure and Subordinates Unwritten Components of the Constitution*

[338] This Court is called on to consider how parliamentary privilege operates where someone seeks s. 24(1) damages for the preparation, drafting, and enactment of legislation. The respondent suggests that *Mackin v. New Brunswick (Minister of Finance)*, 2002 SCC 13, [2002] 1 S.C.R. 405, resolves this question — but the Court in *Mackin* did not turn its attention to how damages under s. 24(1) can be reconciled with giving effect to parliamentary privilege. My colleagues note that *Mackin* has been applied in the context of executive actions taken pursuant to statute (majority reasons, at paras. 68 et seq.). But they do not point to any examples of *Mackin* being applied as the basis for damages under s. 24(1) for the preparation, drafting, and enactment of legislation — and they cannot, because *Mackin* has never been applied in this way. In light of the constitutional nature of parliamentary privilege, and the fact that s. 24(1) is to be given effect in a manner that is compatible with parliamentary privilege, this Court cannot rely on a passing reference in *Mackin* as the basis, first, to depart from a substantial body of jurisprudence on parliamentary privilege and, second, to abandon the fundamental principle that components of the Constitution do not negate one another.

(1) *Mackin Does Not Resolve the Questions Before the Court Today*

[339] *Mackin* concerned a challenge to a New Brunswick bill that abolished the system of supernumerary judges in that province. This Court’s consideration of the matter focused on the constitutionality of the impugned bill; while the applicants sought damages under s. 24(1), this question was dispensed with, under the heading “other questions”, in seven paragraphs. The respondent and my colleagues in the majority rely on a single statement in this brief aside in Justice Gonthier’s reasons:

... while legislative bodies enjoy immunity from damages for the “mere enactment or application of a law that is subsequently declared to be unconstitutional” (para. 78 (emphasis added)), such immunity will give way to liability when the law was “clearly wrong, in bad faith or an abuse of power” (para. 79 (emphasis added)).

(majority reasons, at para. 61)

This selective reading of Justice Gonthier’s “drive by” analysis on the question of s. 24(1) damages cannot be the basis to decide the present appeal and the fundamental questions it raises about whether one component of Canada’s Constitution can subordinate another. To begin with, the statement was, in Justice Gonthier’s own view, representative only of the “general rule of public law” (para. 78). Additionally, the two cases cited by Justice Gonthier do not deal with the question of *parliamentary privilege* (see *Welbridge Holdings Ltd. v. Greater Winnipeg*, [1971] S.C.R. 957; *Central Canada Potash Co. v. Government of Saskatchewan*, [1979] 1 S.C.R. 42).

[340] Moreover, the brief consideration of the availability of damages focused on “governmental action” (*Mackin*, at para. 78), i.e. actions of the executive pursuant to statutory authority and to the exercise of this authority “in good faith” (para. 79).

Justice Gonthier did not turn his mind to the question of whether liability could arise from the preparation and drafting of legislation and its consideration by Parliament. It is inconceivable that so careful and learned a jurist would determine so profound a question as that before us without considering parliamentary privilege. *Mackin*'s conclusion cannot be the basis for deciding that s. 24(1) damages can apply against the Crown in its executive capacity for the preparation, drafting, and enactment of legislation. Parliamentary privilege was never mentioned, much less discussed. It beggars reason to suggest that the Court intended to overturn its precedents affirming the centrality of parliamentary privilege to Canada's constitutional order without in any way adverting to this issue. To the contrary, I would note that he cited with approval R. Dussault and L. Borgeat's *Administrative Law: A Treatise* (2nd ed. 1990), vol. 5, at p. 177, which notes:

In our parliamentary system of government, Parliament or a legislature of a province cannot be held liable for anything it does in exercising its legislative powers. The law is the source of duty, as much for citizens as for the Administration, and while a wrong and damaging failure to respect the law may for anyone raise a liability, it is hard to imagine that either Parliament or a legislature can as the lawmaker be held accountable for harm caused to an individual following the enactment of legislation.

While the adoption of the *Charter* means that “a plaintiff is no longer restricted to an action in damages based on the general law of civil liability”, Justice Gonthier noted that “the reasons that inform the general principle of public law are also relevant in a *Charter* context” (*Mackin*, at para. 79).

[341] This truncated consideration of the question of damages led Justice Gonthier to his real conclusion: an action for damages cannot normally be combined with an action seeking a declaration of invalidity based on s. 52(1) (see para. 80, citing *Schachter v. Canada*, [1992] 2 S.C.R. 679). Later cases applying *Mackin* are consistent with the conclusion that *Mackin* did not obliquely overturn a cornerstone of Canada's constitutional structure. In *Vancouver (City) v. Ward*, 2010 SCC 27, [2010] 2 S.C.R. 28, Chief Justice McLachlin confirmed that *Mackin* applies to “state action under valid statutes subsequently declared invalid” (para. 43). Such “state action” relates to what happens after legislation is adopted. Parliamentary privilege relates to matters that precede that point.

[342] To the extent, if any, that Justice Gonthier's brief reference to damages for the “mere enactment” of a law represents a holding of this Court, it should be treated as weak precedent at most. We need not speculate too much to be able to get to the root of Justice Gonthier's holding in *Mackin*. The methodology for answering that question is well settled. For all decisions, it is essential to identify the *ratio decidendi* and *obiter dicta* to understand whether and how the precedent applies. The Latin term *ratio decidendi* means “the reason for deciding” and *obiter dictum* means “something said in passing” (*Black's Law Dictionary* (11th ed. 2019), at pp. 569 and 1514; see also M. Rowe and L. Katz, “A Practical Guide to *Stare Decisis*” (2020), 41 *Windsor Rev. Legal Soc. Issues* 1).

[343] At this Court more than others, decisions can often be perceived as having a *ratio decidendi* broader than what decides the matter at hand, as cases that are accepted for leave at this stage reflect a consideration of broader legal questions and speak to the formulation of the law beyond what is required by the facts of the case (Rowe and Katz, at p. 9). However, in *R. v. Henry*, 2005 SCC 76, [2005] 3 S.C.R. 609, at para. 56, Justice Binnie explained that “the notion of ‘binding effect’” as a matter of law was disavowed by this Court in *P.E.I. Judges Reference*. He went on to explain (at para. 57):

The issue in each case . . . is what did the case decide? Beyond the *ratio decidendi* . . . [,] [a]ll *obiter* do not have, and are not intended to have, the same weight. The weight decreases as one moves from the dispositive *ratio decidendi* to a wider circle of analysis which is obviously intended for guidance and which should be accepted as authoritative. Beyond that, there will be commentary, examples or exposition that are intended to be helpful and may be found to be persuasive, but are certainly not “binding” . . . . The objective of the exercise is to promote certainty in the law, not to stifle its growth and creativity. The notion that each phrase in a judgment of this Court should be treated as if enacted in a statute is not supported by the cases and is inconsistent with the basic fundamental principle that the common law develops by experience.

[344] In this appeal, the respondent’s (and the majority’s) characterization of the holding in *Mackin* and which elements of Justice Gonthier’s reasoning bind this Court go far beyond the conventional rationale for deciding what a case stands for. Though Justice Sharpe wrote that drawing the line between the *ratio* and *obiter dicta* is “a matter of argument and judgment” (pp. 149-50), it is my view that, to the extent a statement in a decision reflects the Court’s considered view of an area of law, it provides guidance that should be treated as binding (Rowe and Katz, at p. 10). But

Justice Gonthier’s examination of the question of damages for the preparation, drafting, and enactment of legislation was not, with all respect, “considered” — it was, instead, a footnote to a decision that was focused entirely elsewhere.

[345] My colleagues point to *Conseil scolaire francophone de la Colombie-Britannique v. British Columbia*, 2020 SCC 13, [2020] 1 S.C.R. 678, to suggest that this Court was unanimous in concluding that *Mackin* applies to the work of the legislature (para. 71). But, *Conseil scolaire* (a s. 23 case) did not deal with the question of whether and how *Mackin*’s standard can be reconciled with parliamentary privilege. In our joint reasons, Justice Brown and I argued that the rationale underlying *Mackin* — that “duly enacted laws should be enforced until declared invalid” — should be extended to the policy-making context in order to avoid an approach that focused on the vehicle of state action to the detriment of the broader good governance concerns that were at play (*Conseil scolaire*, at para. 284, quoting *Ward*, at para. 39). But the present appeal addresses a different set of actors (i.e., parliamentarians and others involved in the legislative process) and a different set of governance concerns (Parliament’s ability to carry out its work effectively). “[S]tate action taken pursuant to a law” is not at issue here (*Henry v. British Columbia (Attorney General)*, 2015 SCC 24, [2015] 2 S.C.R. 214, at para. 42). The “government”, the “state” and Parliament are not interchangeable for the purposes of s. 24(1) damages, and the democratic and separation of powers concerns that attach to each are not fungible.

[346] For the foregoing reasons, the matter being considered in this appeal must be seen as novel for the Court's consideration, not as an issue settled in *Mackin*.

(2) The Respondent's Argument Is Inconsistent With This Court's Jurisprudence

[347] To remain faithful to this Court's jurisprudence, this Court's role must be limited to establishing the existence of the privileges in question, rather than inquiring into their operation. The respondent asks this Court to go further, suggesting that the operation of parliamentary privilege is a mere evidentiary question, or one that can somehow be reconciled at a later stage when these proceedings — or the appeals inevitably spawned by it — return to this Court. This is a mistaken and dangerous view. In considering the respondent's submissions on this point, I cannot help but hear an echo of King Charles I's infamous challenge in 1642 — we are told that the respondent would not break Parliament's privileges, but that infidelity to the *Charter* has no privilege.

[348] To the contrary, parliamentary privilege stands without exception. As the Commons held this to be true in 1642, so it is true today: the privilege of Parliament is absolute or it is no privilege at all. What would arise if the respondent succeeds is a licence whereby the courts supervise the preparation and consideration of legislation to ensure consistency with an ill-defined standard of conduct or a retrospective assessment of what Parliament *should* have understood about the constitutionality of the impugned legislation. It is not sufficient to hold, as did the court below, that the legislative branch

simply “may have to pay a price” if they exercise their constitutional functions “in circumstances that are clearly wrong” (C.A. reasons, at para. 23). The undermining of privilege in this case is of a grave nature. More grave still: where damages are to be awarded based on the misconduct of legislators, then surely other remedies will follow. Section 24(1) of the *Charter* does not, after all, limit the forms of relief available. Injunctive relief cannot, therefore, be ruled out in giving effect to the view of the respondent. The effect would be to place supervision of the agenda and proceedings of Parliament in the control of judges. This would be profoundly undemocratic.

C. *The Crown in its Executive Capacity Cannot Be Liable for the Preparation, Drafting, or Enactment of Legislation*

[349] The respondent’s submissions display a disdain for Canada’s constitutional structure; this is evidenced, *inter alia*, by the logical incoherence of making the Crown in its executive capacity liable for the operation of Parliament. The Crown in its executive capacity is not part of the legislative process. Rather it is the Crown-in-Parliament which is so; legislation is approved by the Commons and the Senate, followed by royal assent. Seeking damages from the Crown in its executive capacity for the preparation, drafting, and enactment of legislation is conceptually incoherent. It betrays a profound misunderstanding of the constitutional arrangements to which the claim relates.

[350] It is entirely unclear how a suit as envisaged by the respondent would practically proceed. If the Attorney General were named the defendant, would this

officer of the executive be responsible for coordinating the legal defence of ministers acting in their legislative capacities? Of parliamentarians considering and voting on the legislation, or of parliamentarians who introduce a private member's bill that later becomes law? Of the speakers of the chambers in presiding over the legislation's passage? Who is to testify? Who can be subject to disclosure of documents? Who will be called on to explain alleged misconduct? These questions are not hypotheticals — they are the inevitable result of the respondent's theory of liability.

[351] The Attorney General of Canada is not the legal representative of Parliament. The theory of liability suggested in the decisions below thus overlooks a crucial fact: the Attorney General of Canada does not (and in fact, cannot) represent Parliament in legal proceedings. In previous cases where claims have been brought against one of the chambers of Parliament the Attorney General has represented the executive branch as an intervener (as in *Vaid*) or separate respondent (as in *Duffy*), rather than the chamber in question. The chambers are “of course, independent of the executive branch of government (and [are], accordingly, separately represented)” (I.F., Speaker of the Senate, at para. 13).

[352] As the Speaker of the House of Commons put it, “confidence in the executive branch is tested in the House: by convention, upon the loss of support of a majority of Members, the government is expected to resign or seek the dissolution of Parliament in order for a general election to be held” (I.F., at para. 10). The Speaker also notes that “there is no tenable theory by which the executive could be liable for

*Charter* damages for decisions taken during the law-making process. The Crown *qua* executive is not vicariously liable or otherwise liable for the actions or statements of Members of Parliament in the Senate or House of Commons” (para. 61). I agree.

[353] Properly characterized, the respondent is effectively seeking damages from the Crown-in-Parliament by imposing liability on the Crown in its executive capacity, a structural sleight of hand that the respondent does not and cannot explain. To do so, the respondent asks us to subordinate parliamentary privilege. These arguments are not sound in law. To the contrary, they depart fundamentally and incoherently from Canada’s settled constitutional arrangements.

D. *Absolute Immunity Is Necessary: Violating Parliamentary Privilege Will “Break the Egg”*

[354] I pause here to address what may seem a tempting compromise between the positions staked out by the appellant and respondent: why not enable litigants to subordinate parliamentary privilege only insofar as is necessary to establish well-founded claims for relief under s. 24(1)? The answer is that it cannot be done. Parliamentary privilege is like an eggshell; one cannot break it just a little.

[355] The problem with the theory of liability advanced by the respondent is that, in order for the Crown in its executive capacity to be held liable for the preparation, drafting, and enactment of legislation — even if that liability is limited to instances of bad faith, abuse of power, or clearly wrong conduct — courts will need to inquire into

the motivations and knowledge of those engaged in the legislative process. “Investigation by the courts into the propriety of conduct related to preparing, introducing and considering legislation would inevitably lead the courts to examine parliamentary proceedings or speech uttered in those proceedings” (I.F., Speaker of the Senate, at para. 5).

(1) Regarding Reliance on Hansard

[356] I note further that a fundamental distinction exists between reliance on parliamentary proceedings in the construction of statutes to assess their constitutionality and use of proceedings to ground liability in regard to the process of adopting a statute. As the Speaker of the Senate notes, “a declaration under s. 52 of the *Constitution Act, 1982* does not amount to an impeachment or questioning of debates or proceedings in Parliament. It is a determination about a law’s compliance with the Constitution — a role that clearly falls to and is within the jurisdiction of courts of competent jurisdictions — and not that of the legislators who developed, introduced, debated and adopted the law” (I.F., at para. 45 (emphasis deleted)).

[357] Though parliamentary debates can be of use to establish facts, and to assess the purpose of an enactment, this does not engage courts in questioning the propriety of proceedings in Parliament. It is suggested that as we rely on Hansard to assist in determining Parliamentary purpose, so too can we rely on Hansard here to determine whether Parliament was operating in bad faith (R.F., at paras. 100-102). But Hansard

can be relied on, at best, cautiously. As Justice Rennie held in *Mohr v. National Hockey League*, 2022 FCA 145, [2021] 4 F.C.R. 465:

I accept that legislative history may be used . . . as it may inform the purpose of the legislation (*Alberta (Attorney General) v. British Columbia (Attorney General)*, 2021 FCA 84, [2021] 2 F.C.R. 426, 41 C.E.L.R. (4th) 157, at paragraph 127). But even here, care must be taken not to confuse the evolution of the legislation, which is law, with what individual politicians or regulators think or hope the legislation says. There is a substantive difference between committee proceedings that shed light on the evolution and legislative history of a law on the one hand and on the other hand the testimony of academics and public servants which may be aspirational, disputable or of arguable relevance. [para. 63]

Statements of purpose in the legislative record may be rhetorical and imprecise, or poor indicators of purpose; what is to be identified is Parliament’s purpose, not the purposes of its individual members (*R. v. Sharma*, 2022 SCC 39, at para. 89; *R. v. Safarzadeh-Markhali*, 2016 SCC 14, [2016] 1 S.C.R. 180, at para. 36; R. Sullivan, *The Construction of Statutes* (7th ed. 2022), at p. 293). Statements by individual parliamentarians are therefore indicative only of the views of that legislator; they cannot establish Parliamentary intent in an institutional sense. The longstanding caution of courts in accepting this sort of evidence should bear on the respondent’s arguments here — and should give courts pause before attributing the words or actions of a given parliamentarian to a finding that the *Mackin* threshold has been met.

[358] Statements of purpose in this context also differ in kind from the statements that would be used to ascribe intent for the purposes of the *Mackin* test; in the former sense, they should be understood as interpretative aids to help courts give effect to

Parliament's purpose, not undermine it. See *Pepper v. Hart*, [1993] A.C. 593 (H.L.), at p. 646.

(2) The Mackin Standard Is Inapposite in the Legislative Context

[359] Neither the respondent nor my colleagues in the majority specify how the *Mackin* standard is to be applied in the context of the specifics of the legislative process. My colleagues in the majority, at paras. 105-11, conclude that “bad faith or abuse of power in the law-making process” is better defined on a case-by-case basis bearing in mind that “whether it is possible to attribute the bad faith or abuse of power of an individual or group to the institution itself [(the legislature)] will depend on the facts of a given case”. No doubt, this inquiry into “bad faith or abuse of power” can manifest itself in any variety of ways, many that cannot now be contemplated. Legislatures will have to ask themselves whether a court, sitting in judgment of their actions with the benefit of hindsight, will deem theirs to be “an improper purpose” (para. 107), and which of the “flexible” formulations of “bad faith and abuse of power” proffered by my colleagues in the majority will ultimately be applied when the day of judgment on the actions of legislators arrives (para. 108).

[360] In seeking to distinguish *Mikisew Cree*, my colleagues in the majority suggest that “post-enactment damages do not ‘unduly interfer[e]’ with Parliament, including its control over its own procedures . . . . Such damages do not compel the legislature to regulate its own internal affairs in a certain way” (para. 73). But the

imposition of liability as proposed by the respondent does invade the legislature's right to manage its own proceedings, as I explain above.

[361] Furthermore, the suggestion that parliamentary privilege is only implicated if the proposed liability “unduly interferes” with the operation of the privilege finds no support in the jurisprudence. Instead, *Vaid*'s two step test for questions of parliamentary privilege governs. The privileges claimed here are authoritatively established (para. 29). The courts thus have no jurisdiction to adjudicate the exercise of the privileges in question (paras. 40-41 and 47-48; *Chagnon*, at paras. 2 and 32; *New Brunswick Broadcasting*, at pp. 350 and 384-85).

[362] The fact that ministers and officials are implicated in the scope of liability sought by the respondent does not change that fact, as “[p]ublic servants making policy recommendations prior to the formulation and introduction of a bill are not ‘executing’ existing legislative policy or direction” (*Mikisew Cree*, at para. 121). There is no basis to derogate from our conclusion, in *Mikisew Cree*, that these actors exercise legislative rather than executive authority when they develop legislation. The scope of the privileges at issue is not in question; they protect Parliament's ability to fulfill its constitutional role, as they always have done. I cannot endorse the truncated view of parliamentary privilege advanced by my colleagues, which would seem to guarantee Parliament's ability to control its own proceedings only as long as those proceedings do not implicate Parliament's very *raison d'être*, that being the enactment of legislation.

[363] Justice Jamal suggests a standard that turns on whether “the unconstitutionality was readily or obviously demonstrable at the time of enactment and could not have been subject to any serious debate” (para. 127), but I fear that this standard will also undermine parliamentary privilege.

[364] My colleague notes that he is sensitive to the risk of chilling the lawmaking function (para. 249). But the “clearly unconstitutional” standard is fraught with risk in this regard as well. Whether the unconstitutionality of a given enactment was “readily or obviously demonstrable at the time the legislation was enacted” (para. 246) will necessarily depend on the eye of the beholder, and what is known to the court sitting in judgment of the legislature’s actions *ex post facto*. The potential for self-censorship, and the risk that this hindsight analysis will “preclud[e] unfettered and vigorous debate about the merits and wisdom of legislation” (I.F., Speaker of the House of Commons, at para. 63) is inescapable.

(3) Section 24(1) Liability Will Upset the Dialogical Balance and Create Unforeseen Consequences

[365] Enabling s. 24(1) damages, as called for by the respondent, would upset the dialogical balance between legislatures and the courts. Courts will be thrust into a position of overseeing the work of Parliament and the provincial legislatures, and inquiring into the motives and knowledge of parliamentarians and others involved in the legislative process. The same concern that arose in *Mikisew Cree*, i.e. that judicial

scrutiny of the legislative process would “undermine [Parliament’s] ability to act as the voice of the electorate” would come to fruition (para. 36, per Karakatsanis J.).

[366] Extending s. 24(1) damages to the preparation, drafting, and enactment of legislation would hamper the dialogue between courts and legislatures, by depriving Parliament of its ability to meaningfully respond to decisions in which the judiciary has determined the validity of laws or the legality of actions taken pursuant to those laws. While this Court has stated that the legislatures should not “try, try again” to overcome binding precedent from this Court, the respondent would seemingly do away with the ability of Parliament and the legislatures to “try” in the first case. The risk that an adverse decision under s. 52(1) invalidating a piece of legislation, or some portion of it, will suffice to meet the threshold for conduct under *Mackin* will be too high. Legislatures will need to insulate themselves against the risk. Some will ask whether proceeding under s. 33 is an option.

[367] The Speaker of the House of Commons warns that Members of Parliament will self-censor if liability is possible, “precluding unfettered and vigorous debate about the merits and wisdom of legislation. Similarly, Members worried about *Charter* damages would not be able to ‘proceed fearlessly’ and thus fail to act as a meaningful check on executive power” (I.F., at para. 63). Those proceedings and speech often deal with highly sensitive topics, on which members of the House and Senate are required to give their full and frank assessment in order for Parliament to be able to carry out its work: “Controversial issues, such as how legislative initiatives impact marginalized

groups or Charter rights, are often raised and sometimes form the basis for bills and amendments that senators put forward” (I.F., Speaker of the Senate, at para. 11).

[368] Further, given the number of parliamentary actors and the vagaries of the legislative process, the “conduct” surrounding any given legislation cannot be meaningfully ascribed to any one set of Parliamentarians. “As such, it is unclear whose alleged actions would be at issue in any claim seeking *Charter* damages for the drafting and enactment of any one statute” (I.F., Speaker of the House of Commons, at para. 65). And that is to say nothing of legislation introduced in minority governments, private members’ bills, amendments, committee reports etc., all of which implicate “[c]ountless parliamentary actors” (para. 66).

[369] The New Brunswick Court of Appeal said that “[c]laims attacking the *bona fides* of parliamentary action will be extremely rare, and those that are made will likely be subjected to motions to strike or for summary judgment to determine whether the allegations meeting the [*Mackin*] threshold can be proven” (para. 24). It is unclear what basis the New Brunswick Court of Appeal had for its speculation that future claims will be rare if this Court sanctions s. 24(1) damages for the preparation, drafting, and enactment of legislation. With this Court’s imprimatur, I expect that claims for such damages will proliferate.

[370] The effort to subordinate parliamentary privilege to s. 24(1) in this case parallels the effort to subordinate parliamentary privilege to s. 35(1) in *Mikisew Cree*. In that case, I addressed (at paras. 161-71) the serious but difficult to ascertain

consequences of doing this. (I would also rely on what Justice Brown set out in his reasons, which I adopted at para. 148.) At para. 165(h) I considered the impacts of the imposition of a duty to consult on the legislative process:

The relationship among the institutions of the executive and between them and Parliament are complex. What would be the impact on the operation of Cabinet, on the role of the Prime Minister or Premier as the head of Cabinet, and on the responsibility of the ministry to the legislature? Would there not be significant and likely unforeseeable consequences for the conventions, practices and procedures by which Cabinet operates and its relationship to the legislature?

If parliamentary privilege can be subordinated to one provision of the *Constitution Act, 1982*, then why not to other provisions? And, if damages can be awarded, then why not other forms of relief, notably interim injunctions? In this case, as in *Mikisew Cree*, courts are called on to start down the pathway of supervising the operation of legislative institutions. This has profound significance.

[371] In *Chagnon*, at para. 74, I similarly observed that violating parliamentary privilege could have unforeseen consequences, a caution which bears with equal force on the present appeal:

Parliamentary privilege, derived from centuries of conflict and diverse experience, should be circumscribed with great caution and after careful reflection. It is difficult sometimes to see the connections between what is necessary for the autonomy and proper functioning of the legislature and the extent of parliamentary privilege. The legislature is not like a department or a regulatory agency; it is the central pillar of representative democracy. Profound deference should be shown as to how it chooses to operate.

(4) The Respondent Asks the Court To Overturn Settled Precedent

[372] The respondent ignores an unbroken line of settled precedent. So, too, does the New Brunswick Court of Appeal, in suggesting that “the legislative branch and those within it are free to make policy choices and adopt laws, although they may have to pay a price if they do so in circumstances that are clearly wrong, or where bad faith or abuse of power is proven” (para. 23). This necessarily requires an inquiry into the state of mind and motivations of legislators. This is a frontal attack on parliamentary privilege. The logical implication is clear: parliamentary privilege is subordinate to the *Charter*. I do not agree.

[373] The New Brunswick Court of Appeal misread *Mackin* and failed to understand the clarification provided by *Ward*. I do not seek to overturn *Mackin* or *Ward*. I simply read them accurately.

[374] While not stated as such, the majority overrules *Vaid* and *New Brunswick Broadcasting*, at least as to s. 24(1). The legal *cordon sanitaire* around the internal operations of legislatures having been breached for one provision of the written Constitution, will it be breached for others? One cannot be certain, other than to anticipate that further efforts to do so will follow. We will then see whether this is the start of a progressive erosion. Even if confined to s. 24(1), one can expect any variety of efforts by counsel to utilize this as a means for courts to exercise oversight over legislative processes, e.g., by seeking injunctive relief to halt legislative proceedings where irreparable harm is alleged.

(5) Absolute Immunity Is Required

[375] To many, it seems difficult to reconcile the rule of law with the concept of absolute immunity. My colleague Justice Côté wrote in *Ontario (Attorney General) v. Clark*, 2021 SCC 18, [2021] 1 S.C.R. 607, that “*Roncarelli v. Duplessis*, [1959] S.C.R. 121,] is emblematic of a conception of the rule of law that is incompatible with absolute immunities. As this conception of the rule of law took hold in the second half of the 20th century, judges and legislators began to view absolute immunities with suspicion and to gradually erode them” (para. 63).

[376] In this view, absolute immunities are anachronistic, especially after the *Constitution Act, 1982*. But absolute immunities are not anachronistic where they are still required for certain institutions to function. This is exemplified by the fact that the judiciary enjoys an absolute immunity in the exercise of its adjudicative function. This too, is deeply rooted in history (*Morier v. Rivard*, [1985] 2 S.C.R. 716, at pp. 738-39, citing *Halsbury’s Laws of England* (4th ed. 1973), vol. 1, at pp. 197 et seq., Nos. 206 and 210; and H. Brun and G. Tremblay, *Droit constitutionnel* (1982), at p. 514). In *Ernst v. Alberta Energy Regulator*, 2017 SCC 1, [2017] 1 S.C.R. 3, Chief Justice McLachlin and Justices Moldaver and Brown, dissenting, but not on this point, determined that:

We acknowledge that our common law recognizes absolute immunity from personal liability for judges in the exercise of their adjudicative function. This is necessary to maintain judicial independence and impartiality (*Sirros v. Moore*, [1975] 1 Q.B. 118 (C.A.); *Gonzalez v. British Columbia (Ministry of Attorney General)*, 2009 BCSC 639, 95

B.C.L.R. (4th) 185; *Taylor v. Canada (Attorney General)*, [2000] 3 F.C. 298 (C.A.), leave to appeal refused, [2000] 2 S.C.R. xiv). Such immunity is not inconsistent with the *Charter*, as judicial immunity itself is a fundamental constitutional principle (*Taylor*, at para. 57). Similarly, we anticipate that compelling good governance concerns rendering *Charter* damages inappropriate or unjust will exist where the state actor has breached a *Charter* right while performing an adjudicative function. [para. 171]

[377] It is therefore clear that the recognition of absolute immunities — in specific contexts, attached to particular actors, is not inconsistent with the *Charter* after all.

[378] Seen another way, if a Parliamentary committee were to summon a judge to testify before the committee as to the deliberations leading to the rendering by the judge of a decision, the summons would be resisted as such questioning would be impermissible as part of the absolute immunity of judges relating to the exercise of the adjudicative function.

[379] The mirror image of this is that by virtue of parliamentary privilege, legislators have absolute immunity from being called to account before a court for their deliberations as legislators. Is there not a constitutional symmetry, in that legislators cannot require judges to justify how we make our decisions, nor can we require them to justify how they make their decisions? Or is the rule simply that judges are immune from such questioning of their *bona fides*, but parliamentarians are to be subject to such questioning? Would not this rule be somewhat self-serving?

## VI. Remedies

[380] The jurisprudence is clear that remedies under s. 24(1) are available following the enactment of legislation, in relation to executive action pursuant to legislation. As the Attorney General of Canada points out, Mr. Power is not without recourse to a remedy, nor would others be. The respondent might have sought relief specific to his circumstances in addition to a declaration of invalidity. An example of this is given by Justice Roussel in *P.H. v. Canada (Attorney General)*, 2020 FC 393, [2020] 2 F.C.R. 461, at paras. 96-98:

I have concluded that this Court has the jurisdiction to grant the declaratory and injunctive relief sought by the parties, namely because the *ITO* test is met and P.H. has established that he has standing. This Court has sufficient evidence to support a declaration of invalidity because the constitutional question is essentially a matter of law. Moreover, based on the principles underlying judicial comity, this Court considered the reasoning in *Chu* to conduct its own legal analysis.

I conclude that the Transitional Provisions have the effect of increasing punishment, thus violating both paragraphs 11(h) and 11(i) of the Charter. In the absence of any evidence to justify the violation, I also conclude that these provisions cannot be saved under section 1 of the Charter. Consequently, section 10 of the [*Limiting Pardons for Serious Crimes Act*, S.C. 2010, c. 5] and section 161 of the [*Safe Streets and Communities Act*, S.C. 2012, c. 1] are declared to be constitutionally invalid and of no force or effect pursuant to subsection 52(1) of the *Constitution Act, 1982*.

Finally, to remedy P.H.'s individual situation, I will issue injunctive relief to require the Parole Board of Canada to consider his application for a record suspension in accordance with the provisions of the [*Criminal Records Act*, R.S.C. 1985, c. C-47] as they read at the time he committed the offence in June 2009.

[381] Mr. Power could have applied for judicial review on *Charter* grounds of the decision to deny his application for a criminal record suspension. That remedy accords fully with Canada’s constitutional arrangements. It would in no way detract from parliamentary privilege.

VII. Conclusion

[382] This Court has a responsibility to preserve the “inheritance” of Canada’s constitutional order. But, the respondent calls on us to discard this and to subordinate parliamentary privilege to s. 24(1) of the *Charter*. To do so would be to depart from precedent and to do so unwisely.

[383] I would allow the Attorney General of Canada’s appeal, and answer the questions posed as follows:

(a) Question 1: No.

(b) Question 2: No.

*Appeal dismissed with costs, KASIRER and JAMAL JJ. dissenting in part and CÔTÉ and ROWE JJ. dissenting.*

*Solicitors for the appellant: Department of Justice Canada — Prairie Region, Winnipeg; Department of Justice Canada — Atlantic Region, Halifax.*

*Solicitors for the respondent: Trudel Johnston & Lespérance, Montréal.*

*Solicitor for the intervener the Attorney General of Ontario: Ministry of the Attorney General, Civil Law Division — Constitutional Law Branch, Toronto.*

*Solicitor for the intervener the Attorney General of Quebec: Ministère de la Justice du Québec, Direction du droit constitutionnel et autochtone, Québec.*

*Solicitor for the intervener the Attorney General of Nova Scotia: Attorney General of Nova Scotia — Legal Services Division — Department of Justice, Halifax.*

*Solicitor for the intervener the Attorney General of New Brunswick: Attorney General of New Brunswick — Legal Services — Constitutional Group, Fredericton.*

*Solicitor for the intervener the Attorney General of Manitoba: Attorney General of Manitoba, Legal Services Branch — Constitutional Law Section, Winnipeg.*

*Solicitor for the intervener the Attorney General of British Columbia: Ministry of Attorney General, Vancouver.*

*Solicitor for the intervener the Attorney General of Prince Edward Island: Attorney General of Prince Edward Island, Department of Justice & Public Safety, Charlottetown.*

*Solicitor for the intervener the Attorney General of Saskatchewan:  
Saskatchewan Ministry of Justice and Attorney General — Constitutional Law Branch,  
Regina.*

*Solicitor for the intervener the Attorney General of Alberta: Alberta  
Justice — Constitutional and Aboriginal Law, Edmonton.*

*Solicitor for the intervener the Attorney General of Newfoundland and  
Labrador: Department of Justice & Public Safety, Government of Newfoundland and  
Labrador, St. John's.*

*Solicitors for the interveners the Fisher River Cree Nation, the Sioux  
Valley Dakota Nation, the Manto Sipi Cree Nation, and the Lake Manitoba First  
Nation: Sotos, Toronto; Cochrane Saxberg, Winnipeg.*

*Solicitors for the intervener Quebec Native Women Inc.: Dionne Schulze,  
Montréal.*

*Solicitors for the intervener the Speaker of the Senate: Senate of Canada,  
Ottawa; Cochrane Saxberg, Vancouver.*

*Solicitors for the intervener the David Asper Centre for Constitutional  
Rights: Olthuis Van Ert, Ottawa; Megan Stephens Law, Toronto.*

*Solicitors for the intervener the Canadian Civil Liberties Association:  
Paliare Roland Rosenberg Rothstein, Toronto.*

*Solicitors for the intervener the Canadian Constitution Foundation: Baker  
& McKenzie, Toronto.*

*Solicitors for the intervener the Queen's Prison Law Clinic: Koskie  
Minsky, Toronto.*

*Solicitors for the intervener the John Howard Society of Canada:  
McCarthy Tétrault, Vancouver.*

*Solicitors for the intervener the British Columbia Civil Liberties  
Association: Osler, Hoskin & Harcourt, Vancouver.*

*Solicitors for the intervener the West Coast Prison Justice Society: Norton  
Rose Fulbright Canada, Ottawa.*

*Solicitors for the intervener the Speaker of the House of Commons:  
Gowling WLG (Canada), Ottawa.*

1983 CarswellAlta 167  
Supreme Court of Canada

Please see in particular para. 74

Canadian National Transportation Ltd. v. Canada (Attorney General)

1983 CarswellAlta 320, 1983 CarswellAlta 167, [1983] 2 S.C.R. 206, [1984] 1  
W.W.R. 193, 10 W.C.B. 357, 28 Alta. L.R. (2d) 97, 38 C.R. (3d) 97, 3 D.L.R.  
(4th) 16, 49 A.R. 39, 49 N.R. 241, 76 C.P.R. (2d) 1, 7 C.C.C. (3d) 449, J.E. 83-975

**ATTORNEY GENERAL OF CANADA v. CANADIAN NATIONAL  
TRANSPORTATION LTD. et al.; ATTORNEY GENERAL OF CANADA v. CANADIAN  
PACIFIC TRANSPORT CO. et al. and ATTORNEY GENERAL for ONTARIO et al.**

Laskin C.J.C., Ritchie, Dickson, Beetz, Estey, McIntyre, and Lamer JJ.

Heard: September 23, 24, 1982

Judgment: October 13, 1983

Docket: 16998

Counsel: *J. J. Robinette, Q.C.*, and *D. H. Christie, Q.C.*, for appellant.  
*N. D. Mullins, Q.C.*, and *M. M. Szel*, for respondents Canadian Pacific and Paulley.  
*E. C. Chiasson, R. W. Lusk* and *P. G. Foy*, for respondents Canadian National Transportation  
Limited and Canadian National Railway Co.  
*W. Henkel, Q.C.*, and *N. D. Steed*, for intervenant Attorney General of Alberta.  
*J. Cavarzan, Q.C.*, for intervenant Attorney General of Ontario.  
*H. Brun, L. Pilette* and *J.-F. Dionne*, for intervenant Attorney General of Quebec.  
*J. H. Evans* and *C. Pardons*, for intervenant Attorney General of New Brunswick.  
*E. R. A. Edwards* and *J. J. Arvay*, for intervenant Attorney General of British Columbia.  
*J. MacPherson*, for intervenant Attorney General of Saskatchewan.

Subject: Intellectual Property; Public; Corporate and Commercial; Criminal; Property

#### Headnote

**Statutes --- Interpretation — Extrinsic aids — Legislative history**

**Trade and Commerce --- Combines and competition legislation — Constitutional issues**

**Trade and Commerce --- Combines and competition legislation — Investigation and  
prosecution — Institution of proceedings**

Constitutional law — Enumeration in s. 92 — Administration of justice — Federal power over  
"criminal procedure" superceding provincial power over "administration of justice" — Federal  
Attorney General having authority to prosecute federal offences whether enacted under criminal  
law power or other head of power such as trade and commerce.

Trade and commerce — Combines legislation — Constitutionality — Federal power over "criminal procedure" superceding provincial power over "administration of justice" — Federal Attorney General having authority to prosecute offences under Combines Investigation Act whether enacted under federal criminal law power or federal trade and commerce power.

The accused were charged with conspiracy to lessen competition in interprovincial transportation of general merchandise, contrary to the federal Combines Investigation Act. When the prosecutions were conducted by the Attorney General of Canada, the accused sought an order prohibiting the provincial court from proceeding. The application was initially dismissed, then granted on appeal on the basis the offence was enacted under the federal criminal law power pursuant to [s. 91\(27\) of the Constitution Act, 1982](#), with the province having exclusive authority to prosecute by virtue of s. 92(14). The federal Attorney General appealed.

**Held:**

Appeal allowed.

**Per Laskin, C.J.C. (Ritchie, Estey, McIntyre, JJ. concurring):**

[Section 92\(14\) of the Constitution Act, 1982](#), granting the provinces jurisdiction over the administration of justice, does not give the provinces exclusive power to prosecute offences created under the federal criminal law power. The federal criminal law power specifically includes procedure, which includes authority over prosecutions. This supercedes the provinces' general authority over administration of justice. It was a matter of convenience that the provinces continued to prosecute criminal offences after Confederation, confirmed by the [Criminal Code](#), but this did not cast any doubt on federal authority to invest and regulate provincial prosecutorial power to enforce the federal criminal law, or detract from its authority under the criminal law power. As such, the federal Attorney General has authority to prosecute offences under the Combines Investigation Act, whether the legislation rests on the criminal law power, as distinct from a [Criminal Code](#) offence, or on the trade and commerce power.

**Per Dickson, J. (concurring in result) (Beetz and Lamer, JJ. concurring):**

Section 92(14) gives the provinces jurisdiction to administer the criminal justice system, including authority to prefer indictments and supervise the conduct of criminal proceedings. Insofar as [s. 2 of the Criminal Code](#) gives the Attorney General of Canada authority to conduct prosecutions of offences resting solely on the federal criminal law power under s. 91(27), it is ultra vires. However, where the legislation being enforced depends on some other federal head of power, the federal Attorney General may prefer indictments and conduct proceedings. As the Combines Investigation Act is legislation pursuant to the federal trade and commerce power as well as the criminal law power, the federal Attorney General may prosecute its offences.

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*Tennant v. Union Bank of Can.*, [1894] A.C. 31, 5 Cart. B.N.A. 244 (P.C.) — *considered*

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Combines Investigation Act, R.S.C. 1970, c. C-23, ss. 14(1), 15(2), 29, 32(1) [re-en. 1974-75-76, c. 76, s. 14], 34(1)(c) [re-en. 1974-75-76, c. 76, s. 16].

Constitution Act, 1867, ss. 91(2), (27), 92(14), 121, 129, 135.

Criminal Code, 1892 (Can.), c. 29, ss. 3(b), 520.

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Criminal Code, 1953-54 (Can.), c. 51, s. 2(2) "Attorney General".

Criminal Code, R.S.C. 1970, c. C-34, s. 2 "Attorney General".

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[Appeal from order prohibiting prosecution by Attorney General of Canada under Combines Investigation Act](#), 18 Alta. L.R. (2d) 223, [1982] 2 W.W.R. 673, 27 C.R. (3d) 138, 66 C.C.C. (2d) 241, 63 C.P.R. (2d) 113, 135 D.L.R. (3d) 89, 35 A.R. 132 (C.A.).

### ***Laskin C.J.C. (Ritchie, Estey and McIntyre JJ. concurring):***

1 The issue in this appeal engages the constitutional power of the provincial legislatures to control through their own officers the prosecution in the provincial courts of offences validly created by legislation of the Parliament of Canada. Although the constitutional questions posed in this appeal have a narrower compass by being limited to the preferring of indictments and the conduct of prosecutions under the [Combines Investigation Act](#), R.S.C. 1970, c. C-23, as amended, it became obvious during the course of the argument in this court that the constitutional issues require a broader and principled canvass of the scope of provincial power under s. 92(14) of the former British North America Act, now the [Constitution Act, 1867](#), and its relation to the federal power under s. 91(27).

2 Section 92(14) gives powers to the provincial legislatures in relation to:

14. The Administration of Justice in the Province, including [the Constitution](#), Maintenance, and Organization of Provincial Courts, both of Civil and of Criminal Jurisdiction, and including Procedure in Civil Matters in those Courts.

Section 91(27) is among the federal powers that are confided to the exclusive legislative authority of Parliament "notwithstanding anything in [this Act](#)" and embraces the following:

27. The Criminal Law, except the Constitution of Courts of Criminal Jurisdiction, but including the Procedure in Criminal Matters.

It will be seen in what is said later in these reasons that it is logically, and in practical terms as well, impossible to fasten on s. 92(14) and s. 91(27) without also considering whether s. 92(14), if it has the scope contended for by the provincial legislatures, also extends to other grants of federal power under s. 91, including s. 91(2), being legislative authority in relation to the regulation of trade and commerce, which is implicitly included in the constitutional questions posed in this appeal.

## I

3 Confining myself for the time being to the particular questions raised in this appeal, they read as follows:

1. Does the constitutional validity of [s. 32\(1\)\(c\)](#) [re-en. 1974-75-76, c. 76, s. 14] of the *Combines Investigation Act*, R.S.C. 1970, c. C-23, depend upon s. 91(27) of the *British North America Act*?
2. If so, is it within the competence of the Parliament of Canada to enact legislation as in [s. 2](#) of the *Criminal Code*, [R.S.C. 1970, c. C-34] and s. 15(2) of the *Combines Investigation Act*, to authorize the Attorney General of Canada or his agents to prefer indictments and conduct proceedings in respect of alleged violations of the aforementioned provision?

They require fleshing out to show how they arose and I turn to the relevant facts.

## II

4 An officer under the federal [Combines Investigation Act](#) swore an information against the respondents, charging them and other corporations and individuals with unlawful conspiracy to prevent or lessen unduly competition in the interprovincial transportation of general merchandise in shipments weighing up to and including 10,000 pounds from points in Alberta to points in British Columbia, Saskatchewan and Manitoba to points in Alberta. The charge alleged a violation of [s. 32\(1\)\(c\) of the Combines Investigation Act](#) which is in the following terms.

2. (1) Every one who conspires, combines, agrees or arranges with another person ...  
  
(c) to prevent, or lessen, unduly, competition in the production, manufacture, purchase, barter, sale, storage, rental, transportation or supply of a product, or in the price of insurance upon persons or property, ...

is guilty of an indictable offence and is liable to imprisonment for five years or a fine of one million dollars or to both.

5 The conduct of the proceedings was put in the hands of counsel authorized by the Attorney General of Canada. Prohibition was thereupon sought by various of those charged with the offence to restrain the Alberta Provincial Court, before which the information was brought, from proceeding thereon so long as the prosecution was to be conducted by counsel for the federal Attorney General [reported at [1981] 2 W.W.R. 701, 57 C.C.C. (2d) 119, 54 C.P.R. (2d) 189, 119 D.L.R. (3d) 547, 32 A.R. 422, reversed 18 Alta. L.R. (2d) 223, [1982] 2 W.W.R. 673, 27 C.R. (3d) 138, 66 C.C.C. (2d) 241, 63 C.P.R. (2d) 113, 135 D.L.R. (3d) 89, 35 A.R. 132 (C.A.)]. Medhurst J. of the Alberta Court of Queen's Bench dismissed the application brought by the respondents herein, Canadian Pacific Transport Company Limited and Kenneth G. Paulley and by Canadian National Transportation Limited. He held that s. 15(2) of the Combines Investigation Act expressly, if valid, authorized the intended prosecution by or under the federal Attorney General and noted also that s. 27(2) of the Interpretation Act, R.S.C. 1970, c. I-23, made provisions of the Criminal Code of Canada applicable equally to all federal statutes unless otherwise provided.

6 Section 15(2) of the Combines Investigation Act reads as follows:

(2) The Attorney General of Canada may institute and conduct any prosecution or other proceedings under this Act, and for such purposes he may exercise all the powers and functions conferred by the Criminal Code on the attorney general of a province.

The definition of s. 2 of "Attorney General" in the Criminal Code embraces the Attorney General or Solicitor General of a province and as well federal prosecuting authorities in the following specification:

2. In this Act ...

"Attorney General" means the Attorney General or Solicitor General of a province in which proceedings to which this Act applies are taken and, with respect to

(a) the Northwest Territories and the Yukon Territory, and

(b) proceedings instituted at the instance of the Government of Canada and conducted by or on behalf of that Government in respect of a violation of or conspiracy to violate any Act of the Parliament of Canada or a regulation made thereunder other than this Act,

means the Attorney General of Canada and, except for the purposes of subsections 505(4) and 507(3), includes the lawful deputy of the said Attorney General, Solicitor General and Attorney General of Canada;

It was the federal Parliament's decision to give general prosecuting authority under the [Criminal Code](#) to the provincial Attorneys General or Solicitors General and to limit federal prosecutors to the prosecution of proceedings instituted at the suit of the government of Canada in respect of a violation or conspiracy to violate any federal Act or regulation thereunder other than the [Criminal Code](#).

7 Medhurst J. considered, inter alia, the judgments of the Ontario Court of Appeal in *R. v. Pelletier* (1974), 4 O.R. (2d) 677, 28 C.R.N.S. 129, 18 C.C.C. (2d) 516, leave to appeal to S.C.C. refused 4 O.R. (2d) 677n, and of the Alberta Court of Appeal and the Supreme Court of Canada in *R. v. Hauser*, [1979] 1 S.C.R. 984, [1979] 5 W.W.R. 1, 8 C.R. (3d) 89, 281, 46 C.C.C. (2d) 481, 16 A.R. 91, 26 N.R. 541, reversing [1977] 6 W.W.R. 501, 37 C.C.C. (2d) 129, 80 D.L.R. (3d) 161, 7 A.R. 89. He concluded that although the [Combines Investigation Act](#) had previously been considered as validly authorized under the federal criminal law power, amendments in 1975 had enlarged its reach to make it supportable as federal legislation in relation to the regulation of trade and commerce. He adopted the approach taken in that respect by Linden J. in *R. v. Hoffman-La Roche Ltd.* (1980), 28 O.R. (2d) 164, 14 C.R. (3d) 289, 53 C.C.C. (2d) 1, 48 C.P.R. (2d) 145, 109 D.L.R. (3d) 5, affirmed 33 O.R. (2d) 694, 24 C.R. (3d) 193, 125 B.L.R. 217, 62 C.C.C. (2d) 118, 58 C.P.R. (2d) 1, 125 D.L.R. (3d) 607 (C.A.), and rejected the application for prohibition. I shall return shortly to the judgments in *Pelletier*, *Hauser* and *Hoffman-La Roche*.

8 On the appeal to the Alberta Court of Appeal, Prowse J.A., speaking for the court consisting of himself, Haddad and Laycraft JJ.A., held that s. 32(1)(c) of the [Combines Investigation Act](#) does not depend for its validity in whole or in part on the federal trade and commerce power. Indeed, if it was to be viewed as a regulatory scheme and not as criminal law under s. 91(27) it would be ultra vires as beyond federal competence. Viewed as an exercise of the federal criminal law power under s. 91(27), he concluded that the *Hauser* case applied to preclude the federal conduct of the prosecution under s. 32(1)(c) of the [Combines Investigation Act](#). He rejected the judgment in *Hoffman-La Roche*, being unwilling to see the [Combines Investigation Act](#) as a conjoint exercise of federal power in relation to the regulation of trade and commerce as well as in relation to the criminal law. This, however, appeared to be the contrary view both of Linden J. in *Hoffman-La Roche* and of Medhurst J. here.

9 I would add at this point that after leave was given to the Attorney General of Canada to bring the case here, interventions were allowed by the Attorneys General of Alberta, Ontario, Quebec, British Columbia and Saskatchewan.

### III

10 Implicit in the first of the two questions raised in this appeal was the contention, pursued by the Attorney General of Canada, that if the [Combines Investigation Act](#), and especially s. 32(1)(c) thereof, was supportable under the federal trade and commerce power, the assertion of exclusive

provincial prosecutorial authority would be precluded even if (and this was also contested) it was sustainable in relation to the prosecution of criminal offences. I may say that I find it impossible to separate prosecution for offences resting on a violation of valid trade and commerce legislation and those resting on a violation of the federal criminal law. If exclusive provincial authority rests in the latter, it must equally rest in the former. Indeed, counsel for the respondent Canadian National Transportation Limited was bold enough — and I think he was logically right — to sweep all offences under federal legislation, enacted pursuant to federal enumerated power under s. 91, into the exclusive care and authority of provincial prosecuting officers. In short, if the provinces are constitutionally in control of criminal prosecutions, they must equally be in control of other prosecutions resting on violation of federal legislation other than under the criminal law, at least so far as the prosecutions are brought in provincial courts. Any reading of s. 92(14) of the provincial catalogue of powers does not exhibit any special mention, indeed there is no mention, of criminal offences.

11 I am content, however, to limit my examination of the constitutional submissions in this appeal to the question whether, assuming that the [Combines Investigation Act](#) rests only on the criminal law power (as distinguished from a [Criminal Code](#) offence, an important distinction in my opinion), the federal Attorney General is not entitled to prosecute offences under the Act and, as was alleged in argument for the respondents and for the intervening provinces, may only intrude to enforce federal criminal legislation by permission or delegation or nomination of a province.

#### IV

12 Until the Criminal Code, 1953-54 (Can.), c. 51, s. 2(2) "Attorney General", was amended by 1968-69 (Can.), c. 38, s. 2(1), the federal Attorney General, his lawful deputy and the Solicitor General were excluded from the general definition of Attorney General in that section, although there are references elsewhere to provisions requiring the federal Attorney General's consent to prosecute, as for example, in [ss. 592 and 593 of the Criminal Code, R.S.C. 1906, c. 146](#). This was not, however, the first time in federal legislation that the federal Attorney General was given prosecutorial authority. It was given under the Combines Investigation Act, R.S.C. 1952, c. 314, by 1960 (Can.), c. 45, ss. 6, 11, 12 and 16, under which the then Exchequer Court of Canada was given a limited jurisdiction over criminal prosecutions under that Act. That jurisdiction is now generalized in [s. 15\(2\)](#) of the present Act which also confers specified jurisdiction on the Federal Court of Canada under s. 29, where patents are allegedly used to restrain trade, or on both the Federal Court of Canada or a provincial superior court of criminal jurisdiction, where injunctive relief is sought against a violation of the prohibition of anti-competitive practices, for example, [s. 32\(1\)\(c\)](#).

13 There were even earlier instances of federal prosecutorial authority under the federal [Dominion Trade and Industry Commission Act, 1935 \(Can.\), c. 59, s. 22](#). There the Attorney General of Canada was authorized in certain circumstances to institute criminal proceedings for

violation of federal laws prohibiting unfair trade practices and this authority was held to be validly conferred: see *Reference re Dom. Trade and Indust. Comm. Act*, [1936] S.C.R. 379, 66 C.C.C. 177, [1936] 3 D.L.R. 607, varied on other grounds [1937] A.C. 405, [1937] 1 W.W.R. 333, 67 C.C.C. 342, (sub nom. *A.G. Ont. v. A.G. Can.; Reference re Dom. Trade Indust. Comm. Act*) [1937] 1 D.L.R. 702 (P.C.).

14 In an almost contemporaneous case, *A.G. N.S. v. A.G. Can.*, [1937] S.C.R. 403, 68 C.C.C. 177, [1937] 3 D.L.R. 225, the court was concerned with a prosecution brought under the *Customs Act*, R.S.C. 1927, c. 42, and under the Criminal Code, R.S.C. 1927, c. 36, and with the disposition of certain fines and costs. The validity of the proceedings which had been instituted by the federal government was expressly approved by the court, although the issue was clouded (as was said in the *Pelletier* case at p. 689) by Rinfret J.'s reliance on a statement by Chisholm C.J.C., suggesting that in prosecuting revenue laws the federal government acted nominally under the provincial Attorney General. There was an unqualified recognition of federal prosecutorial authority in *Toronto v. A.G. Can.*, [1946] A.C. 32, 85 C.C.C. 1, [1946] 1 D.L.R. 1 (P.C.), involving a right to receive fines imposed by the Ontario Supreme Court for convictions under a combines offence under the *Criminal Code*. Indeed, the Attorney General of Ontario expressly disavowed any intention to interfere when the combines involved other provinces besides Ontario. The government of Canada, in the result, was held entitled to receive the fines.

15 The constitutional question which is raised as a result of the foregoing decisions is whether provincial prosecutorial power rested and has rested only on the abstention of the federal authorities from intervening in the prosecution of federal offences. I start at the beginning in the consideration of this question, namely, the initial creation of the Canadian federation in 1867 under the then British North America Act.

## V

16 When the Canadian federation came into being, it was obvious that existing laws of the confederating provinces and existing courts, powers and authorities had to be continued subject to being altered in accordance with the distribution of legislative power under the federating Act. Section 129 covered the matter in these words.

129. Except as otherwise provided by this Act, all Laws in force in Canada, Nova Scotia, or New Brunswick at the Union, and all Courts of Civil and Criminal Jurisdiction, and all legal Commissions, Powers, and Authorities, and all Officers, Judicial, Administrative, and Ministerial, existing therein at the Union, shall continue in Ontario, Quebec, Nova Scotia, and New Brunswick respectively, as if the Union had not been made; subject nevertheless (except with respect to such as are enacted by or exist under Acts of the Parliament of Great Britain or of the Parliament of the United Kingdom of Great Britain and Ireland,) to be repealed,

abolished, or altered by the Parliament of Canada, or by the Legislature of the respective province, according to the Authority of the Parliament or of that Legislature under this Act.

17 Since the province of Canada was to be separated into the two provinces of Ontario and Quebec, provision had to be made for maintaining the power and authority of certain executive officers "until the Legislature of Ontario or Quebec otherwise provides", as set out in s. 135. This section, specially tailored to the pre-Confederation province of Canada, was as follows:

135. Until the Legislature of Ontario or Quebec otherwise provides, all Rights, Powers, Duties, Functions, Responsibilities, or Authorities at the passing of this Act vested in or imposed on the Attorney General, Solicitor General, Secretary and Registrar of the Province of Canada, Minister of Finance, Commissioner of Crown Lands, Commissioner of Public Works, and Minister of Agriculture and Receiver General, by any Law, Statute or Ordinance of Upper Canada, Lower Canada, or Canada, and not repugnant to this Act, shall be vested in or imposed on any Officer to be appointed by the Lieutenant Governor for the Discharge of the same or any of them; and the Commissioner of Agriculture and Public Works shall perform the Duties and Functions of the Office of Minister of Agriculture at the passing of this Act imposed by the Law of the Province of Canada, as well as those of the Commissioner of Public Works.

I need only add that there is nothing in this section which overrides or qualifies the governing provisions of s. 129.

18 The Parliament of Canada moved, soon after Confederation, to exercise the new federal legislative power conferred upon it under s. 91. One of its early exercises of power was in relation to the substantive criminal law and this was almost coincident with a statute, An Act respecting Procedure in Criminal Cases, and other matters relating to Criminal Law, 1869 (Can.), c. 29, respecting procedure in criminal matters. The preamble referred to an earlier federal Act which had assimilated, amended and consolidated and extended to all of Canada certain provisions of the statute law of the several provinces respecting certain crimes and offences. It then rehearsed (in the preamble) that in like manner it was expedient to assimilate, amend and consolidate and to extend certain other provisions of the said statute law respecting procedure and other matters not included in the previous Act. The 1869 Act dealt with the prosecution of indictable offences and it defined indictment widely to include information, inquisition and presentment. Section 28 treated the role of the provincial Attorney General or Solicitor General as coming under the scope of the federal Act. It provided that no bill of indictment for certain specified offences should be presented or found by any grand jury unless, inter alia, the indictment for such offence was preferred by the direction of the Attorney General or Solicitor General for the province or of a judge of a court having jurisdiction to give such direction or to try the offence.

19 In this and related legislation, prosecutors or complainants had standing to invoke the criminal law, in broader compass than was later permitted. Some of the late nineteenth century legislation, as for example, the [Canada Temperance Act, 1886 \(Can.\), c. 106](#), and the General Inspection Act, 1886 (Can.), c. 99, provided for prosecutions by federally-appointed inspectors. Other legislation of the period, for example, legislation respecting the Safety of Ships, 1891 (Can.), c. 38, and the Shipping of Live Stock, 1891 (Can.), c. 36, provided for prosecution only upon consent of the federal minister. An Act of 1890 (Can.), c. 10 respecting Prevention of Disclosure of Official Documents and Information provided for prosecution only with the consent of the Attorney General of Canada or of the province. Penalties for violation of the [Bank Act, 1890 \(Can.\), c. 31](#), were recoverable and enforceable at the suit of Her Majesty, instituted by the Attorney General of Canada, or the Minister of Finance or the Receiver General. These are merely samples of legislation preceding the enactment of the Criminal Code in 1892 which showed the wide authority exercised by and under federal legislation in matters of criminal procedure or prosecution.

20 I am not aware that during this period there was any attempt by a province to enact legislation that would limit prosecution for federal criminal offences, let alone any other types of offences, to a provincial Attorney General or prosecutor. Nor did the provinces purport to enact post-confederation legislation of their own to command prosecutorial authority in respect of federal criminal law offences. Until federal legislation embraced the provincial Attorney General and Solicitor General within the scope of its criminal enactments, those officers exercised their prosecutorial authority pursuant to pre-confederation legislation as continued under s. 129, which I have previously quoted.

21 The generalized definition of provincial Attorney General or Solicitor General appeared in the original [Criminal Code, 1892 \(Can.\), c. 29. Section 3.\(b\)](#) of the Code was as follows:

3. In this Act the following expressions have the meanings assigned to them in this section unless the context requires otherwise:

(b) The expression "Attorney-General" means the Attorney-General or Solicitor-General of any province in Canada in which any proceedings are taken under this Act, and, with respect to the North-west Territories and the district of Keewatin, the Attorney-General of Canada;

This provision had its origin in s. 2 of the Explosive Substances Act, R.S.C. 1886, c. 150, which was in these terms:

2. In this Act, unless the context otherwise requires,

(a) The expression "Attorney General" means the Attorney General of the Province of Canada in which any proceedings are taken under this Act, and, with respect to the North-West Territories and the District of Keewatin, the Attorney General of Canada;

22 In the revised Criminal Code of 1906, R.S.C. 1906, c. 146, the definition of "Attorney General of Canada" was slightly altered by replacing the earlier term "district of Keewatin" by the term "the Yukon Territory".

23 This limited reference to the Attorney General of Canada remained unaltered until the [Criminal Law Amendment Act, 1968-69 \(Can.\), c. 38](#), introduced a major change under s. 2, which I have already quoted. In the meantime, the definition and reference to provincial Attorney General remained the same. It appears that it was this introduction of a generalized prosecutorial authority in the Attorney General of Canada that brought about the provincial claim that criminal procedure under s. 91(27) of the then British North America Act did not give legislative authority to Parliament against the mandate of s. 92(14) so as to empower the federal Attorney General to prosecute offences engaging the violation of validly enacted federal criminal law.

## VI

24 Language and logic inform constitutional interpretation, and they are applicable in considering the alleged reach of s. 92(14) and the allegedly correlative limitation of criminal procedure in s. 91(27). I find it difficult, indeed impossible, to read s. 92(14) as not only embracing prosecutorial authority respecting the enforcement of federal criminal law but diminishing the ex facie impact of s. 91(27) which includes procedure in criminal matters. As a matter of language, there is nothing in s. 92(14) which embraces prosecutorial authority in respect of federal criminal matters. Section 92(14) grants jurisdiction over the administration of justice, including procedure in civil matters and including also the constitution, maintenance and organization of civil and criminal provincial courts. The section thus narrows the scope of the criminal law power under s. 91, but only with respect to what is embraced within "[the Constitution](#), Maintenance and Organization of Provincial Courts ... of Criminal Jurisdiction". By no stretch of language can these words be construed to include jurisdiction over the conduct of criminal prosecutions. Moreover, as a matter of conjunctive assessment of the two constitutional provisions, the express inclusion of procedure in civil matters in provincial courts points to an express provincial exclusion of procedure in criminal matters specified in s. 91(27).

25 There is, in addition, an attempt here to prefer the general administration of justice over the special criminal law and procedure, when there is no language in the former to override or even suggest the latter. The respondents and the supporting intervenors submit that because s. 92(14) includes the constitution of courts of "criminal jurisdiction" the word "criminal" must be imported into the opening words of the section, which must be construed as if they said "the Administration

of Civil and Criminal Justice in the Province". However, this is not how the section was drafted; neither logic nor grammar support this construction.

26 I have not been able to find any recognition in post-Confederation texts, such as Lefroy, Legislative Power in Canada (1897), of provincial prosecutorial authority of offences under the federal criminal law. Indeed, such cases as *R. v. Lawrence* (1878), 43 U.C.Q.B. 164, 1 Cart. B.N.A. 742 (C.A.), and *Ex parte Duncan* (1872), 16 L.C. Jur. 188, 2 Cart. B.N.A. 297, affirm the federal authority not only in relation to criminal law, but in relation to criminal procedure, that is as said in the *Duncan* case, to punish and to that end to regulate procedure.

27 It has been urged, however, that there are other post-Confederation cases that recognized an alleged primacy, if not exclusiveness, in provincial authority in respect of prosecutions of federal crimes. I can find nothing in *R. v. Bush* (1888), 15 O.R. 398, 4 Cart. B.N.A. 690 (C.A.), that recognizes provincial primacy or exclusiveness. This case dealt with the appointment of justices of the peace, a matter of the constitution of courts and not with the conduct of prosecutions. Indeed, in referring to s. 92(14), Street J. reserved "procedure in criminal matters". Nothing said in *R. v. St. Louis* (1897), 1 C.C.C. 141 (Que. Q.B.), indicates anything different. At the time the case was heard there was no provision for interposition by the federal Attorney General in what was an ordinary criminal prosecution, obtaining money by false pretences. It was, however, open to him to intervene with the leave of the court, at least in respect of a matter relating to the government of Canada. The remarks of Wurtele J. suggesting provincial primacy were merely obiter and, indeed, are difficult to reconcile with the ratio.

28 It must be remembered, at the risk of undue repetition, that the practice of provincial prosecution was continued after 1867 into post-1867 by virtue of s. 129. It was a practical accommodation to allow this to continue, and the affirmation of this practice under the 1892 Criminal Code and in ensuing years did not, as I read the authorities, cast any doubt on federal authority to invest and regulate provincial prosecutorial power to enforce the federal criminal law. *Re Public Inquiries Act; Re Clement* (1919), 3 W.W.R. 115, 27 B.C.R. 361, 33 C.C.C. 119, 48 D.L.R. 237, (C.A.), does not disturb this view. One would have expected an attempt by the provinces, soon after Confederation, or even later at some point in constitutional evolution, to assert an independent provincial authority to control prosecutions of the criminal law. There were none, and there are still none, save for the objection taken to the inclusion of the federal Attorney General in the definition of s. 2.

29 It must be remembered that s. 92(14) is a grant of legislative power and if it gave the provinces legislative authority over the conduct of criminal prosecutions, then federal legislation conferring prosecutorial authority on either provincial or federal Attorneys General would be ultra vires. It cannot be argued that Parliament confers prosecutorial authority only with the consent of the provinces, for this would involve an unconstitutional delegation of legislative power: see *A.G. N.S. v. A.G. Can.*, [1951] S.C.R. 31, [1950] 4 D.L.R. 369. The provincial position appears to blur

legislative and executive power and to treat s. 92(14) as if it were a grant of executive power to which the legislative power of Parliament under s. 91(27) was subordinate.

30 I have examined the pre-Confederation debates in the then provincial Parliament of Canada. The resolutions introduced on 3rd February 1865 into the Legislative Council were in pursuance of those that were adopted at the Charlottetown Conference in 1864 and included what were and what remained the terms included in s. 92(14) (it was originally s. 43(17)) and s. 91(27) (it was originally s. 29(32)).

31 There are, at best, general observations in the Confederation Debates respecting criminal law and procedure. John A. Macdonald referred (at p. 41) to the principle that the determination of what is a crime and how crime shall be punished is to be left to the general government. References to the administration of justice were in such general terms (see pp. 69, 215, 248) as to be of no particular significance. Mr. Hector Langevin, then Solicitor General East, viewed what is now s. 92(14) as providing protection to Quebec civil law. Mr. Christopher Dunkin raised the question (at p. 508) that there is a special refinement of confusion as to criminal matters. He put the matter as follows (at p. 508):

Criminal procedure is to be federal; civil procedure, provincial; criminal legislation, proper, is to be federal; but with a most uncertain quantity of what one may call legislation about penalties, provincial; civil rights, in the main, provincial; but with no one can tell how much of federal interference and over-ruling, and all with courts provincial in constitution, but whose judges held by federal tenure and under federal pay. I pity the poor man who is at once a criminal judge and a civil judge.

Nothing in these observations touch the issue now before us, nor is there any basis for any special reading of the Charlottetown or the subsequent London Palace Hotel resolutions to gloss the present s. 92(14) and s. 91(27) in the way proposed by the respondents and their supporting intervenors.

## VII

32 It is patent that neither the respondents nor their supporting intervenors view the present case as pointing to possible concurrency. Since Parliament has in fact legislated, that would defeat their contention without more. Yet there is good reason to say that even if there is merit in the respondents' position, there is at least equal merit in the assertion of parliamentary authority to control prosecution for violation of the federal criminal law. The issue, put in these terms, is not a new one. The Privy Council explained the matter in terms of the so-called trenching doctrine in *Tennant v. Union Bank of Can.*, [1894] A.C. 31, 5 Cart. B.N.A. 244, as supporting a privileged encroachment on provincial legislative authority to give effect to exclusive and paramount federal power in relation to the classes of subjects assigned to Parliament under the enumerated heads of s. 91. The obverse view arises, as shown in the *Assignments and Preferences* case, *A.G. Ont. v.*

*A.G. Can.*, [1894] A.C. 189 (P.C.), when there is an absence of federal legislation to supersede the lawful enactment of provincial legislation within one of its assigned powers.

33 Two observations, one by former Justice Rand and the second by former Justice Judson, are, in my opinion, a more reasonable approach to the so-called trenching doctrine and its associated "ancillary" or necessarily incidental doctrines than those expressed by the Privy Council in *Tennant v. Union Bank of Can.*, *supra*. In *A.G. Can. v. C.P.R. and C.N.R.*, [1958] S.C.R. 285 at 290, 76 C.R.T.C. 241, 12 D.L.R. (2d) 625, Rand J. said this:

Powers in relation to matters normally within the provincial field, especially of property and civil rights, are inseparable from a number of the specific heads of s. 91 ... under which scarcely a step could be taken that did not involve them. In each such case the question is primarily not how far Parliament can trench on s. 92 but rather to what extent are property and civil rights within the scope of the paramount power of Parliament. *Tennant v. Union Bank* [*supra*] in which a provision under the *Bank Act* for taking security for loans made by a bank in disregard of provincial forms of security and registration was upheld in a characteristic example.

34 Judson J. was even more emphatic in his judgment in *A.G. of Can. v. Nykorak*, [1962] S.C.R. 331, 37 W.W.R. 660, 33 D.L.R. (2d) 373. That case concerned the validity of federal legislation under which the Crown had assumed liability for the conduct of members of the armed forces under a statutorily prescribed master and servant relationship and sought to recover from a wrongdoer expenses incurred in the case of an injured serviceman. The learned Justice upheld the legislation [at p. 335], saying that:

... legislation of this kind comes squarely under head 7 of s. 91, notwithstanding the fact that it may incidentally affect property and civil rights within the province. It is meaningless to support this legislation as was done in the *Grand Trunk* case [*Grand Trunk Ry. v. A.G. Can.*, [1907] A.C. 65, 7 C.R.C. 472], on the ground that it is "necessarily incidental" to legislation in relation to an enumerated class of subject in s. 91.

35 Those two references exhibit the strength of the force residing in an enumerated class of subject in s. 91 when all those classes are expressed to repose legislative authority in Parliament, both exclusively and notwithstanding anything in s. 92. The effect so given resides in s. 91(27) no less than in other enumerations in s. 91.

## VIII

36 I come now, at long last, to consider the case law which has developed around s. 92(14) and s. 91(27) since the introduction of federal prosecution of criminal law offences under the amendment of the *Criminal Code* by 1968-69 (Can.), c. 38, s. 2(1). There are four cases to be considered, apart from the present one, the first in time being *R. v. Pelletier*, *supra*, the second in time being *R. v.*

*Hauser, supra*, the third being *R. v. Pontbriand* (1978), 1 C.R. (3d) 97, 39 C.C.C. (2d) 145, 82 D.L.R. (3d) 389 (C.S. Que.), and the fourth *R. v. Hoffman-La Roche Ltd., supra*.

37 *Pelletier*, which was decided by Gale C.J.O. (as he then was), Estey J.A. (as he then was) and Martin J.A., involved a charge of conspiracy to traffic in a narcotic contrary to s. 4(1) of the *Narcotic Control Act*, R.S.C. 1970, c. N-1, and the then s. 408 (now s. 423(1)(d)) of the *Criminal Code*. The issue relevant to the present case was whether it was open to the federal Attorney General to prosecute the offence, pursuant to the authority conferred upon him under s. 2(2) of the *Criminal Code*, as introduced by 1968-69 (Can.), c. 38. There is no doubt that, absent federal authorizing legislation, prosecution of criminal law offences (and this charge was so characterized in *Pelletier*), lay in the provincial Attorney General under the original terms of s. 2(2) of the Code and, also, prior to that time as a historical continuation of pre-Confederation authority. The Ontario Court of Appeal in *Pelletier* found no difficulty in finding proper constitutional authority in the federal Attorney General under s. 91(27) of the British North America Act, 1867.

38 There was an extensive examination in *Pelletier* of various instances, prior to the 1968-69 amendment to s. 2(2) of the Code, under which federal prosecution took place without objection. I have dealt with these in an earlier part of these reasons and need not repeat them here. I would add that the Ontario Court of Appeal had no difficulty in finding constitutional authority to authorize prosecution by the federal Attorney General in s. 91(27), I may, however, refer to a passage in *Pelletier* which underlines the scope of the authority in the federal Attorney General in his prosecutorial role. Estey J.A. delivered the judgment of the Ontario Court of Appeal and said this (at pp. 695-96):

The status of the Attorney-General of Canada in relation to certain proceedings under the *Criminal Code* is particularized in the *Code* itself:

- (a) By ss. 624, 748, 762(3) and 771(5), the Attorney-General of Canada has  
the same rights of appeal in proceedings instituted at the instance of the Government of Canada and conducted by or on behalf of that Government as the Attorney General of a province has ...
- (b) By s. 617 the Minister of Justice of Canada is given power to direct a new trial or to refer a matter to the Court of appeal for an opinion.
- (c) By s. 6(5) and several other sections to the *Code*, the consent of the Attorney-General of Canada is required before certain proceedings may be instituted.

In passing it is observed that the requirement imposed by the *Code* is simply that the proceedings "be instituted at the *instance* of the Government of Canada" and not a more exacting requirement that the information be sworn by an officer thereof. In the case before us the indictment was preferred by an officer of the Government of Canada and, for reasons

mentioned earlier, these proceedings come squarely within the prerequisite mentioned in many of the foregoing sections.

Furthermore, it is noted that s. 2 of the *Code* defines prosecutor as follows:

'prosecutor' means the Attorney General or, where the Attorney General does not intervene, means the person who *institutes* proceedings to which this act applies, and includes counsel acting on behalf of either of them;

(Emphasis added [by Estey J.A.]) Once again it appears from the wording adopted that Parliament has intended to include in this definition persons other than the provincial Attorneys-General, whatever the definition of "Attorney General" may be elsewhere in the same s. 2, and to include counsel acting on behalf of such other persons including, in my view, counsel acting for the Attorney-General of Canada. This definition of prosecutor when read along with ss. 504 and 505(1)(b), the latter being the section under which the indictment herein was preferred by the agent of the Attorney-General for Canada, appears to accord to the Attorney-General of Canada a status as prosecutor and does not require a Court to follow to the strained conclusion reached in *The Queen v. St. Louis*, *supra*, that the Attorney-General of Canada stands in the provincial criminal Courts in a position analogous to that of a private prosecutor.

39 I add another passage from these reasons, as set out at p. 697:

By s. 27 of the *Interpretation Act of Canada*, which I have set out above, all the provisions of the *Criminal Code* relating to indictable offences are made applicable to indictable offences created by other statutes. It may therefore be argued that in both cases the proceedings resulting from the charges directly or ultimately relating to the *Narcotic Control Act* are "proceedings ... in respect of a violation of ... any Act ... other than this Act", that is to say, other than the *Code*. If that be so, then provided that that portion of s. 2(2) is *intra vires* the Parliament of Canada, the Attorney-General of Canada has been granted status in both proceedings.

Although the court was prepared to uphold the prosecutorial authority of the federal Attorney General on the basis of federal executive authority, it was not necessary for it to do so because of the consideration it gave to the definition of Attorney General in s. 2. This is evident from what the court said at pp. 700-701:

However, because of the view I have taken, as indicated below, of the executive authority of the Government of Canada to enforce the statutes of Parliament, it becomes unnecessary to resolve finally this interpretive question but I do not rest this decision on the narrow ground of executive authority of the Government of Canada to enforce the statutes of Parliament, but also place my conclusion on the basis that s. 2(2)(b), properly interpreted, does not exclude the

Attorney-General of Canada from the definition of Attorney-General in s. 2 of the *Criminal Code*. In the result, therefore, s. 2(2) in my view qualifies the Attorney-General of Canada to participate in these proceedings quite apart from any executive status that officer may have so to do.

In any case I do not read s. 2(2), in the event that it were to be construed as excluding the Attorney-General of Canada from these proceedings, as evincing parliamentary intent to deny the right or duty of the Government of Canada to exercise the executive authority which follows the legislative authority to enact criminal statutes including the *Criminal Code* under s. 91(27) of the *British North America Act, 1867*. I have come to this conclusion because of the clear intention revealed in the plain language employed by the Legislature to qualify the status of the Attorney-General of Canada in proceedings with reference to statutes of Canada other than the *Criminal Code* in which the provisions of the *Code* are imported by way of the *Interpretation Act* provision quoted above. This object, in my view, has been accomplished without in any way creating an inference (because it is clearly not expressed) that in respect of the *Criminal Code* the Attorney-General of Canada has no status in the criminal Courts in the Provinces.

40 There was an added reference in *Pelletier* to federal power in relation to the peace, order and good government of Canada but, obviously, it could not stand alone in this case and I do not regard the reference as importing that consideration to support the federal prosecutorial power.

41 For convenience, I prefer to deal with *Pontbriand* before considering *Hauser* (both supra). Although the latter was decided by the Alberta Court of Appeal before *Pontbriand* was decided, it was not heard by this court until after *Pontbriand*. The same issue was considered in *Pontbriand* as in *Pelletier*, namely, offences of conspiracy to violate the Narcotic Control Act. The prosecutorial authority of the federal Attorney General was challenged not only on the statutory ground that its jurisdiction was not encompassed by the charges, but also on constitutional grounds challenging the conferring of prosecutorial power on the federal Attorney General with respect to *Criminal Code* offences which were regarded by Hugessen A.C.J., the presiding judge in *Pontbriand*, as encompassed thereunder through the Narcotic Control Act.

42 Hugessen A.C.J. rejected the decision in *Pelletier* and endorsed the majority opinion of the Alberta Court of Appeal in *Hauser*. The latter was, of course, later reviewed in this court and will be canvassed below. There are two or three observations in *Pontbriand* with which I cannot agree. The first has to do with its considerable reliance on s. 135 of the *British North America Act*, as it then was. I have already dealt with this provision which was, as I said, specially tailored to the pre-Confederation Province of Canada, designed to create a bridge to the post-Confederation provinces of Ontario and Quebec. Section 135 cannot, in my view, be considered as overriding the governing provisions of s. 129. To read it in the way suggested would put the two provincial

Attorneys General in a position of ascendancy over the Attorneys General of the other provinces. Its limited application does not support any reliance which Hugessen A.C.J. seemed to find in it.

43 The second point I take against *Pontbriand* is its view that the central conclusion in *Pelletier* was obiter and, indeed, relied on the federal peace, order and good government clause. Of course, the court in *Pontbriand* was not bound by *Pelletier*, but it deserved more than a mere relegation of the Ontario Court of Appeal to an irrelevant obiter.

44 A greater objection to *Pontbriand* is the repeated intrusion of the word "criminal" in s. 92(14), as if the administration of justice in the province was to be read as administration of criminal justice. Section 92(14) does not disclose any such limitation and any authority of the kind which it may confer cannot be read as excluding paramount federal authority under s. 91(27). Moreover, I am bound to note that *Pontbriand* has exaggerated the effect of *Di Iorio v. Montreal Jail Warden*, [1978] 1 S.C.R. 152, 35 C.R.N.S. 57, 8 N.R. 361. The majority judgment sustaining the exercise of provincial authority to investigate organized crime made it clear that there was no attempt at particular accusations of crime, no attempt to create crimes or to alter criminal procedure. There was merely authority to investigate and report and, even so, subject to compliance with federal procedural standards, as, for example, to give protection against self-crimination. The present case rests on a different base, involving not the scope of provincial investigatory authority, but rather the scope of actual prosecutorial authority.

45 Coming now to the *Hauser* case in the Alberta Court of Appeal, it exhibited a clear difference of opinions between the majority and the minority of a five judge court. The case arose out of a charge of possession for the purpose of trafficking contrary to s. 4(2) of the *Narcotic Control Act*. An indictment having been preferred on behalf of the Attorney General of Canada, a motion to quash was immediately brought on the ground that the Attorney General of Canada was not entitled to pursue the prosecution, not being so validly authorized under s. 2 of the *Criminal Code*. The motion was quashed at first instance, but on appeal, three of the members of the court of appeal, McGillivray C.J.A., Lieberman and Morrow J.J.A. granted prohibition. McDermid and Haddad J.J.A. dissented.

46 The majority took the view that the violation of the *Narcotic Control Act* was criminal law in its strict sense and hence that the federal Attorney General was excluded from any role in prosecution, even under the definition of Attorney General fixed by s. 2 of the Code. This must be taken to mean that when the offence involves a violation or conspiracy to violate any Act of the Parliament of Canada other than the *Criminal Code* the federal Attorney General is excluded because, literally, the violation is a criminal law violation under the Code and, constitutionally, the authority to prosecute falls within s. 92(14) and not under s. 91(27).

47 The dissenting judges held that the indictment was properly preferred because the provincial Attorney General evinced no intention to prosecute for a narcotic control offence. They took the

position that it was open to the Parliament of Canada to authorize indictments to be preferred by the federal Attorney General in respect of an offence under a federal Act other than the [Criminal Code](#) and that although the provincial Attorney General is not expressly excluded from his role in a case like the present, the question of conflict has generally been resolved by the provincial Attorney General not taking any objection to the pursuit of the matter by the federal Attorney General.

48 I have dealt with the position of the Alberta Court of Appeal rather briefly, having in mind the subsequent overlay of the issue by this court in [Hauser](#). What has dismayed me in both the majority and minority reasons is the rather heavy going that is exhibited in order to preserve provincial prosecutorial authority in respect of the federal criminal law. The matter seems to have boiled up rather late in our constitutional jurisprudence, since prior to 1968-69, what had evolved as a matter of practical accommodation in the post-Confederation period was preserved under the new [Criminal Code](#) in a statutory definition, but there was no suggestion at the time or even later that a constitutional limitation would be imposed upon the Parliament of Canada when it sought to administer its own criminal law.

49 Although it is possible to tease from the case law some support for a limitation on federal prosecutorial authority, the issue must be decided on the basis of the language of ss. 91 and 92 and the principles of federal exclusiveness and paramountcy embodied therein. It would be one thing to assert that practical considerations would best be served by recognizing provincial prosecutorial authority in the general run of criminal law offences, but this is a matter to be considered by the legislature that has constitutional authority to enact the relevant provisions. It cannot of itself determine where that constitutional authority lies.

50 What then does the [Hauser](#) case in this court say about the matter? Although McGillivray C.J.A. (Lieberman J.A. concurring) left open the possibility of prosecutorial authority in the federal Attorney General if the peace, order and good government power called for particular application, Pigeon J., speaking for the majority of the court (Martland, Ritchie and Beetz JJ.), held that the Narcotic Control Act properly classifiable under the federal general residual power, dealing as it did with a new problem which did not exist at Confederation. Accordingly, he did not have to go beyond recognition of the authority of the federal Attorney General to prosecute for an offence which did not depend upon s. 91(27). Pigeon J. made it clear that no opinion was being expressed of any federal prosecutorial competence beyond that point. In the result, the appeal was allowed and Spence J. joined in that result but on a different plane than that of the majority, exhibiting in this respect a difference of opinion from Dickson J., with whom Pratte J. concurred.

51 In referring to the definition of "Attorney General" in s. 2 of the Code, Pigeon J. proceeded on what was essentially a constructional application, having regard to the fact that the definition itself, so far as it embraced the federal Attorney General, limited its prosecutorial authority to offences or conspiracy to commit such offences arising under statutes of Canada other than the [Criminal Code](#). It might have been open to the courts to read any non-Criminal Code offences as having an

independent vitality, even though they introduce criminal law conceptions. That, however, has not been the approach, and hence where the criminal law is engaged even though arising otherwise than under the Code, it has been considered that this brings in s. 91(27) and ensuing prosecutorial consequences. That is certainly the view taken by respondents in the present appeal, as I have noted earlier in these reasons.

52 Spence J. took a strict view of the two questions that were posed by the court. These questions were as follows [at pp. 984-85]:

Is it within the competence of the Parliament of Canada to enact legislation as in [Section 2 of the Criminal Code](#) to authorize the Attorney General of Canada or his agent (1) to prefer indictments for an offence under the *Narcotic Control Act*, (2) to have the conduct of proceedings instituted at the instance of the Government of Canada in respect of a violation or conspiracy to violate any Act of the Parliament of Canada or regulations made thereunder other than the *Criminal Code*?

As he noted, the first question concerned breaches of the Narcotic Control Act and, indeed, breaches of the [Criminal Code](#) were not the subject matter of the first question. There are passages in his reasons which it is important to reproduce, as follows [at pp. 1002-1004]:

I commence with what may well be regarded as a trite statement of a fundamental principle of Canadian constitutional law. Federal legislation powers under s. 91 of the *British North America Act* are conferred upon Parliament exclusively notwithstanding anything in that Act and particularly s. 92 thereof. The imposition of duties by Parliament and the conferring of powers of Parliament upon provincial courts and provincial officials comes from the exercise of federal legislative power and needs no enabling legislation or any type of permission from the provinces. I cite but one of many statements to that effect in this Court. Rinfret J. said in *A.G. Alta. v. Atlas Lumber Com.*, [1941] S.C.R. 87 at 100, [1941] 1 D.L.R. 625.

But it has long since been decided that, with respect to matters coming within the enumerated heads of sec. 91, the Parliament of Canada may give jurisdiction to provincial courts and *regulate proceedings in such courts to the fullest extent*.

(The emphasis is my own [Spence J.'s].)

Acting upon such a power Parliament has, throughout the [Criminal Code](#), granted jurisdiction to various provincial courts and has imposed duties and has conferred powers on various provincial officials including of course the Attorneys General of the provinces. Those provincial courts in exercising such jurisdiction and those Attorneys General and other provincial officials in discharging their duties so imposed and exercising their powers so conferred do so by virtue of the federal legislation enacted under the enumerated head no. 27 of s. 91 of the *British North America Act*.

It is of course true that prior to Confederation the Attorneys General of the various colonies instituted prosecutions and still continue to do so in much the same fashion. Prior to Confederation, however, the Attorneys General acted under their common law jurisdiction or as directed by the valid legislation of the particular colony. After Confederation they do so as empowered and directed by valid federal legislation. I can see no bar to Parliament, in the discharge of its valid legislative power, providing that as to certain duties or procedures the provincial officials shall not be used exclusively but the power may also be exercised by a federal official who may be the Attorney General of Canada or any investigating or prosecuting agency designated by Parliament.

Indeed it is difficult to understand how much of the federal legislative field could be dealt with efficiently by other methods. Much of the legislation in such fields is in essence regulatory and concerns such typically federal matters as trade and commerce, importation and exportation and other like matters. The administration of such fields require decisions of policy and certainly would include the establishment of a policy as to the means of and methods of enforcement. It would be a denial of the basic concept of federalism to permit the provincial authorities to have exclusive control of the enforcement of such legislation and the sole determination as to how and when the legislation should be enforced by institution of prosecution or against whom such prosecution should be instituted. If the legislative field is within the enumerated heads in s. 91, then the final decision as to administrative policy, investigation and prosecution must be in federal hands. Perhaps the *Narcotic Control Act* is a prime example of this principle. The Act contains much which is purely prohibitive and many provisions creating and providing for the prosecution of offences. But much of the statute also deals with regulation of the trade in drugs, with the importation of them, with the use of them and with the detailed delineation of the various classes thereof. Trade in the drugs both legal and illicit constantly crosses national and provincial boundaries. It is apparent, in my opinion, that the regulation of the subject of narcotic drugs, the policy controlling their distribution, the investigation of breaches of the statute or regulations and the institution of prosecution must be carried out by federal officials.

53 Turning to a consideration of s. 92(14), the learned judge said [at pp. 1004-05]:

The contention otherwise advanced by counsel for the various provinces is based on the provisions of s. 92(14) of the *British North America Act*. Such provision reads:

The Administration of Justice in the Province, including [the Constitution](#), Maintenance, and Organization of Provincial Courts, both of Civil and of Criminal jurisdiction, and including Procedure in Civil Matters in those Courts.

It first must be noted that s. 91(27) grants to the federal Parliament jurisdiction in "the Procedure in Criminal Matters" and that power is, by virtue of the concluding sentence of

s. 91, exclusive to Parliament. Secondly and most important, s. 92(14) is by its very words limited to administration of justice "in the Province". I do not contend that those words mean the administration of justice in civil matters only for, in the same enumerated head, both "civil" and "criminal" are expressly mentioned and contrasted and it would have been inevitable that the draftsman would have inserted the word "civil" in the phrase "in the Province" if such a limitation were intended. But I am of the opinion that the words "in the Province" indicate that the legislator was concerned with the operation of the judicial machinery within the confines of the province and not with the vital matter of who should enforce and prosecute breaches of federal statutes.

Dealing with the provision of a federal statute permitting the Director of Public Prosecutions, a federal officer whose office had been created by the statute, to institute at the instance of the Attorney General of Canada criminal proceedings for violation of any law prohibiting unfair trade practices, Duff C.J. said in *Reference re Dom. Trade and Indust. Comm. Act* [supra] at p. 383:

We do not think it can be said that the authority to provide for the prosecution of criminal offences falls 'strictly' within the subject 'Criminal law and criminal procedure,' — head 27 of the enumerated heads of section 91; but our view is that the authority to make such provision, and the authority to enact conditions in respect of the institution and the conduct of criminal proceedings is necessarily incidental to the powers given to the Parliament of Canada under head no. 27 (*Proprietary Articles Trade Assn. v. A.G. Can.*, [1931] A.C. 310 (P.C.), at 326-7).

It is this view which I have attempted to express above. In the judgment of the Judicial Committee reported as *A.G. Ont. v. A.G. Can.; Reference re Dom. Trade and Indust. Comm. Act*, it would appear, as a result of submissions by counsel representing the Attorney General of Canada, Lord Atkin took a much narrower view of the provision ...

He concluded by preferring the reasons above-quoted by Duff C.J.C. and in the result answered both questions in the affirmative. He added this observation [at p. 1006]:

The provision was found to be *intra vires* in both Courts. With respect I find my views more in accord with those of Duff C.J. As I have pointed out above if the amendment to the definition of "Attorney General" to include, at least, the Attorney General of Canada when dealing with offences other than those under the *Criminal Code* is properly incidental to valid legislation under s. 91, then it is paramount to anything in s. 92(14).

54 I come finally to a consideration of the extensive reasons in dissent delivered by Dickson J. There is a marked difference in the approaches of Spence J. and Dickson J. to the federal prosecutorial power. Spence J. holds that the Parliament of Canada is competent to legislate respecting the prosecution of all federal law offences and he does not attempt to distinguish those

which depend on the criminal law power from those which do not. The definition of Attorney General in s. 2(2) places prosecutorial power in the hands of the federal Attorney General when a non-Criminal Code offence is involved. The fact that a prosecution of such an offence obliges resort to the criminal law power does not make the offence a [Criminal Code](#) offence. It will have been separately defined. Take, as an example, a prosecution of an offence under the federal [Bankruptcy Act, R.S.C. 1970, c. B-3](#). It has its own code and is not governed by the [Criminal Code](#) even though violations will import references to the criminal law. In the view of Dickson J., Parliament is competent to confer prosecutorial power on the federal Attorney General only if the offence does not depend on the criminal law power. Can there be offences under federal law, non-Code offences, which do not depend on or require some reference to the criminal law? Would it make a difference to the validity of s. 2(2) if the non-Code offence repeated in its terms the very provisions of the Code which are, in so many federal non-Code offences, referentially introduced? Indeed, even accepting the characterization of the Narcotic Control Act by Pigeon J., the penal measures imposed for violations of the Act do not really escape the grasp of the criminal law, though the Act be one for the peace, order and good government of Canada.

55 It is certainly open to the Parliament of Canada, in legislating in relation to s. 91(27), to take a disjunctive view of the very wide criminal law power which it possesses. Thus, it can view it in its character as establishing offences and also as empowering it to prescribe penalties for their breach. It is my view that it has drawn such a distinction in vesting prosecutorial authority in the federal Attorney General under s. 2(2) when it referred to non-Criminal Code offences, leaving the question of penal liability dependent on what is prescribed under such offences.

56 I turn now to say a word about the recent judgment of the Ontario Court of Appeal in [Hoffman-La Roche, supra](#). Martin J.A., speaking for the court in that case, found himself substantially in agreement with *Pelletier* and with Spence J. in [Hauser](#), as well as with the views expressed by Linden J. at trial. I have referred earlier in these reasons to Linden J. and need not recanvass his reasons. There are a number of passages in the reasons of Martin J.A. which I fully endorse and they are as follows. Thus, he said (at p. 225):

I am satisfied that, *at the least*, Parliament has concurrent jurisdiction with the provinces to enforce federal legislation validly enacted under head 27 of s. 91 which, like the Combines Investigation Act, is mainly directed at suppressing in the national interest, conduct which is essentially trans-provincial in its nature, operation and effects, and in respect of which the investigative function is performed by federal officials pursuant to powers validly conferred on them and using procedure which only Parliament can constitutionally provide.

And, again (at p. 228):

In my view, the special investigative powers which have since its enactment been an integral part of the Combines Investigation Act place beyond question the authority of federal officers

to enforce its provisions. I am also of the view that the conferring of those investigative powers falls within criminal procedure under s. 91(27). As Mr. Robinette aptly put it, it would be startling if the Attorney General of Canada can have the conduct of prosecutions under the Narcotic Control Act because that Act is not criminal law and cannot have the conduct of prosecutions under the Combines Investigation Act because it is criminal law.

57 Martin J.A. discussed *Di Iorio* at some length and pointed out the distinction which exists in the case before him. He said this (at pp. 228-9):

In *Di Iorio v. Montreal Jail Warden* [supra] the Supreme Court of Canada accepted that there is a degree of overlapping between the powers assigned to Parliament under s. 91(27) and those assigned to the provinces under s. 92(14) and that a matter which for some purpose may fall within the scope of the federal power over criminal law and procedure may also fall within the legitimate concern of the provinces as pertaining to the administration of justice (per Dickson J. at p. 207) ...

Notwithstanding the overlapping between s. 91(27) and s. 92(14), manifestly it would not be within provincial competence to enact legislation enabling a police officer to summon a suspect before an official and submit the suspect to compulsory examination under oath with respect to his involvement in a crime. Even though such legislation might be described as legislation in relation to the investigation of offences and thus appear to fall within the category of the administration of justice, such legislation in pith and substance would be legislation in relation to criminal procedure and thus within the *exclusive* competence of Parliament.

58 Finally, returning to the Combines Investigation Act, he observed (at p. 230):

The provisions of the Combines Investigation Act empowering federal officials charged with the enforcement of the Act to compel any person resident or present in Canada to give evidence under oath has, as I have previously mentioned, been a characteristic feature of the Act since its enactment. Two things are obvious: the first is that Parliament evidently considered that ordinary police investigation by the province would not be effective to investigate the kinds of conduct at which the Combines Investigation Act strikes, and which seldom respects provincial boundaries. The second is that it would not be competent for a provincial legislature to vest these powers in provincial or federal officials for the purpose of investigating offences under the Act.

The subject matter of the investigation provided for in the Act and with respect to which witnesses may be compelled to give evidence, is not general conditions in a province with respect to the existence of combines or predatory pricing practices or the conditions favourable to their formation or operation. Rather, the investigation contemplated is the investigation of specific transactions in relation to specified offences under the Act, including

offences under s. 34, to determine whether a prosecution is warranted. Frequently, the persons required to submit to compulsory examination under oath are suspected of having committed certain offences under the Act or are the officers of corporations suspected of having committed such offences and who as a result are potentially defendants in a subsequent prosecution. The investigative provisions of the Combines Investigation Act have never been successfully challenged, and indeed neither counsel for the appellant nor counsel for the Attorney General of Ontario before us challenged their validity. In *Reference re Validity of Combines Investigation Act*, supra, Duff J., after pointing out that the Act, as its name imported, provided for the investigation of matter touching the existence of a combine or a pending combine, said [\[\[1929\] S.C.R. 409\]](#) at p. 418:

The other point of view is that of responsibility of the Dominion with regard to the Criminal Law. The authority in relation to the Criminal Law and Criminal procedure given by s. 91(27) would appear to confer upon the Dominion, not as an incidental power merely, but as an essential part of it, the power to *provide for investigation into crime, actual and potential*.

(The italics are Martin J.A.'s.)

On appeal from the judgment of the Supreme Court of Canada the Judicial Committee of the Privy Council agreed with the opinion of the Supreme Court of Canada that no part of the Combines Investigation Act was ultra vires.

He concluded as follows (at p. 233):

The validity of the provisions of the Combines Investigation Act vesting investigative powers in federal officers is, in my view, beyond question. The discharge of the investigative function by federal officials, and the vesting of the prosecutorial function *exclusively* in the Attorney General of the province would result in the very disunity which Dickson J. found unacceptable. Since the investigative function is validly vested in federal officers, the authority of Parliament to empower the Attorney General of Canada to initiate and conduct prosecutions under the Act is necessarily incidental or ancillary to the scheme of the legislation, or to use the language of Laskin J.A. (as he then was) in [Papp v. Papp](#), [\[1970\] 1 O.R. 331 at 335-36](#), [8 D.L.R. \(3d\) 389 \(C.A.\)](#), "there is a rational, functional connection" between the investigative procedures provided for in the Act and the vesting of prosecutorial power in the Attorney General of Canada under s. 15(2) of the Act.

In my view, the vesting of prosecutorial powers in the Attorney General of Canada in respect of violations of the Combines Investigation Act does not offend any constitutional principle or any understanding that may have existed at the time of Confederation with respect to the enforcement of the criminal law.

Accordingly, I agree with the trial judge that even if the constitutional validity of the Combines Investigation Act depends on head 27 of s. 91 of the B.N.A. Act, it is within the legislative competence of Parliament as in s. 2 "Attorney General" (b) of the Code and s. 15(2) of the Combines Investigation Act to authorize the Attorney General of Canada to prefer indictments and have the conduct of prosecutions in respect of violations of that Act.

59 I should add that I find it unnecessary in this appeal to consider Martin J.A.'s observations on the peace, order and good government power dealt with by Pigeon J. in *Hauser* nor to expand on the trade and commerce power.

## IX

60 Apart from the reasons in this court which I have produced, it is sufficient in my view to rely on the *Pelletier* case, the reasons of Spence J. in *Hauser* and the reasons of the Ontario Court of Appeal in the *Hoffman-LaRoche* case. The reasons and decisions to which I refer lead to the conclusion that this appeal should be allowed, the judgment of the Alberta Court of Appeal set aside and the questions posed for decisions should be answered in the affirmative. I would add that the reasons of Martin J.A. in *Hoffman-LaRoche* are in my view unassailable and, in themselves, would justify responding affirmatively to the federal claim of prosecutorial authority.

61 There will be no order as to costs either to or against the parties or to or against the intervenors.

### *Dickson J.:*

62 Is the Attorney General of Canada constitutionally competent to prefer indictments and conduct proceedings in respect of alleged violations of the *Combines Investigation Act*, R.S.C. 1970, c. C-23, as amended? That is the narrow question raised by this appeal [reported at [1981] 2 W.W.R. 701, 57 C.C.C. (2d) 119, 54 C.P.R. (2d) 189, 119 D.L.R. (3d) 547, 32 A.R. 422, reversed 18 Alta. L.R. (2d) 223, [1982] 2 W.W.R. 673, 27 C.R. (3d) 138, 66 C.C.C. (2d) 241, 63 C.P.R. (2d) 113, 135 D.L.R. (3d) 89, 35 A.R. 132 (C.A.)]. Behind it, however, much broader questions are put in issue, touching on the fundamental principles that govern the division of powers between the federal and provincial authorities in the areas of criminal justice and economic regulation.

## Background

63 On 5th November 1979, a federal combines investigation officer swore an information charging the respondents, and numerous other corporations and individuals, with having unlawfully conspired to prevent or lessen unduly competition in the interprovincial transportation of merchandise in shipments weighing up to 10,000 lbs. from points in British Columbia, Saskatchewan and Manitoba, contrary to s. 32(1)(c) [re-en. 1974-75-76, c. 76, s. 14(1)] of the Combines Investigation Act. On 9th September 1980 applications were made to the Court of Queen's Bench of Alberta for orders prohibiting the provincial court from continuing any

proceedings with respect to this information, so long as the prosecution was conducted by or on behalf of the Attorney General of Canada. The applicants contended that s. 32(1)(c) of the [Combines Investigation Act](#) was criminal law and that pursuant to s. 92(14) of the British North America Act, 1867 (now the [Constitution Act, 1867](#)) only a provincial Attorney General could conduct prosecutions. If this submission is correct, then it must follow that s. 15(2) of the Combines Investigation Act and s. 2 "Attorney General" of the [Criminal Code, R.S.C. 1970, c. C-34](#), which authorize the federal Attorney General to prefer indictments and conduct proceedings under the Combines Investigation Act are ultra vires the Parliament of Canada.

64 A similar issue arose in [R. v. Hauser](#), [1979] 1 S.C.R. 984, [1979] 5 W.W.R. 1, 8 C.R. (3d) 89, 46 C.C.C. (2d) 481, 98 D.L.R. (3d) 193, 26 N.R. 541, 16 A.R. 91, although that case involved the Narcotic Control Act, R.S.C. 1979, c. N-1, rather than the Combines Investigation Act. A majority of this court held that the Attorney General of Canada had the constitutional authority to prefer indictments and conduct proceedings relating to charges under the Narcotic Control Act. Pratte J. and I dissented. Our dissent was based on the proposition that although jurisdiction to legislate under a particular head of power normally includes authority to enforce such legislation, Parliament's s. 91(27) criminal law power does not include authority to conduct and prosecute criminal proceedings because s. 92(14) gives the provinces jurisdiction to administer the criminal justice system, including authority to prefer indictments and supervise the conduct of criminal proceedings. Since Pratte J. and I thought the Narcotic Control Act was in pith and substance criminal law, we concluded that only the Attorney General of the province could prefer the indictment and prosecute the charges against Mr. Hauser. A majority of the court found the Narcotic Control Act was not criminal law, but was constitutionally valid under the peace, order and good government power, and the Attorney General of Canada therefore had jurisdiction to conduct the prosecution. Spence J. wrote a separate opinion, concurring in the majority result; it was his view that federal officials had authority to administer and enforce federal statutes no matter which head of federal power provided constitutional support for the particular legislation.

65 [Hauser](#) did not decide, then, which Attorney General could prosecute when the [Criminal Code](#) or other legislation dependent on Parliament's criminal law power was involved. What it did decide, in effect, was that where the legislation being enforced depended on some other federal head of power, the federal Attorney General could prefer indictments and conduct proceedings. At p. 996, Pigeon J., speaking for the majority of the court stated:

Whatever may be said as to the necessity of limiting the extent of the federal power over criminal procedure so as to preserve provincial jurisdiction over the administration of justice in criminal matters, it appears to me that one must accept, at least, what is conceded by three provinces: unrestricted federal legislative authority over prosecutions for violations or conspiracies for violations of federal enactments which do not depend for their constitutional validity on head 27 of s. 91 (*Criminal Law*). It appears to me that these provinces justly

disclaim any constitutional power to subject the enforcement of federal statutes to their executive authority except in what may properly be considered as "criminal law".

66 With regard, then, to the issue now before us, *Hauser* introduces an important constitutional distinction at p. 992:

From a constitutional point of view, the distinction properly should be between enactments founded on the criminal law power and other enactments, as was pointed out on behalf of the three provinces which accept that, in legislating under any other head of power, the federal Parliament can completely provide for prosecutions by federal officials, although they deny such power for the enforcement of criminal law strictly so called.

67 This is a crucial consideration in the present case. Section 15(2) of the Combines Investigation Act reads:

15(2) The Attorney General of Canada may institute and conduct any prosecution or other proceedings under this Act, and for such purposes he may exercise all the powers and functions conferred by the *Criminal Code* on the attorney general of a province.

68 Section 2 "Attorney General" of the *Criminal Code* reads:

"Attorney General" means the Attorney General or Solicitor General of a province in which proceedings to which this Act applies are taken and, with respect to ...

(b) proceedings instituted at the instance of the Government of Canada and conducted by or on behalf of that Government in respect of a violation of or conspiracy to violate any Act of the Parliament of Canada or a regulation made thereunder other than this Act,

means the Attorney General of Canada and, except for the purposes of subsections 505(4) and 507(3), includes the lawful deputy of the said Attorney General, Solicitor General and Attorney General of Canada.

69 Both these sections purport to authorize the Attorney General of Canada to conduct prosecutions under the Combines Investigation Act. If the constitutional validity of s. 32(1)(c) of the *Combines Investigation Act* depends on a federal head of power other than s. 91(27), then following the majority judgment in *Hauser*, then with regard to this section there can be no doubt that s. 15(2) of the Combines Investigation Act and s. 2 of the *Criminal Code* are intra vires and the Attorney General of Canada is competent to prefer indictments and to conduct proceedings in respect of alleged violations of the Act. If, on the other hand, the validity of s. 32(1)(c) depends solely on the federal criminal law power, then this court will have to deal with the issue of the competing federal and provincial claims for constitutional authority to prosecute criminal cases which the majority decision in *Hauser* left moot.

70 Based on this understanding of the implications of the *Hauser* case, Medhurst J. dismissed the applications for prohibition. It was his opinion that s. 32(1)(c) of the *Combines Investigation Act* could be supported as valid federal legislation under the authority given by s. 91(2) of the then *British North America Act* to regulate trade and commerce and that accordingly the power of the Attorney General of Canada to prosecute for a violation of s. 32(1) of the *Combines Investigation Act* was valid.

71 On appeal, the Alberta Court of Appeal reversed and granted the prohibition order. The Court of Appeal, speaking through Prowse J.A., reviewed the authorities and concluded [at p. 250] that: "generally the *Combines Investigation Act* and in particular the offence alleged in the information is within the competence of Parliament under s. 91(27) (criminal law) of the *British North America Act*", and [at p. 247] that "the *Combines Investigation Act* and in particular s. 32(1)(c) thereof, does not depend in whole or in part for its validity on s. 91(2) of the *British North America Act*". Since a majority of the Alberta Court of Appeal had decided in the *Hauser* case that it was not within the competence of the Parliament of Canada to authorize the federal Attorney General to prosecute criminal proceedings, Prowse J.A. held he was bound to allow the appeal and make the order sought.

72 It is from this decision that the Attorney General of Canada appeals to this court. The Attorneys General of Alberta, Quebec, Ontario, Saskatchewan and British Columbia intervene by leave of this court in opposition to the Attorney General of Canada. The focus of the arguments before this court has been on the constitutional questions raised in the appeal, which by order of the Chief Justice, are formulated as follows:

1. Does the constitutional validity of Section 32(1)(c) of the *Combines Investigation Act* depend upon Section 91(27) of the *British North America Act*?
2. If so, is it within the competence of the Parliament of Canada to enact legislation as in Section 2 of the *Criminal Code*, and Section 15(2) of the *Combines Investigation Act*, to authorize the Attorney General of Canada or his agents to prefer indictments and conduct proceedings in respect of alleged violations of the aforementioned provision?

73 The appellant submits that s. 32(1)(c) of the *Combines Investigation Act* is not constitutionally dependent only on the s. 91(27) criminal law power, but is also supportable under s. 91(2), trade and commerce, and under the peace, order and good government power. He further submits that even if s. 32(1)(c) were to depend solely on the s. 91(27) criminal law power, s. 2 ["Attorney General"] of the *Criminal Code* and s. 15(2) of the *Combines Investigation Act* are themselves valid exercises of the s. 91(27) power and hence *intra vires*. The respondents and intervenant provinces contend that s. 32(1)(c) is valid only under the federal criminal law power, and that by reason of the provinces' exclusive jurisdiction over the administration of criminal justice, the federal Parliament cannot make laws with regard to the prosecution of such offences

and hence s. 15(2) of the Combines Investigation Act and the relevant parts of s. 2 of the Criminal Code are ultra vires.

### **The Combines Investigation Act as Criminal Law**

74 There is a long history of Canadian anti-combines legislation being sustained as criminal law. The original statute, passed in 1889, was entitled An Act for the Prevention and Suppression of Combines in Restraint of Trade, 1889 (Can.), c. 41. The statute was motivated by concern over the emergence in Canada of smaller versions of the huge trusts in the United States, through which a few personalities could control enormous financial empires. The combines problem was seen as one with strong moral overtones, and criminal sanctions were selected as the appropriate means for its control: see McDonald, "Criminality and the Canadian Anti-Combines Laws" (1965), 4 Alta. L. Rev. 67 at pp. 69-71. When the first Canadian Criminal Code was enacted in 1892 [1892 (Can.), c. 29], the prohibitions in the 1889 statute were included therein as s. 520. In 1910 Parliament enacted the Combines Investigation Act, 1910 (Can.), c. 9, which provided investigative machinery and empowered a board appointed by the minister to levy fines against individuals and companies whom the board found guilty of combines offences, and who "continued so to offend" (s. 23). None of these early statutes was challenged in the courts: see Hogg, Constitutional Law of Canada (1977), p. 282, and Hogg and Grover, "The Constitutionality of the Competition Bill", Can. Bus. L. J., Vol. 1 (1975-76), 197 at 202.

75 In 1919 a more ambitious scheme was enacted by the Combines and Fair Prices Act, 1919 (Can.), c. 45, and the Board of Commerce Act 1919, 1919 (Can.), c. 37. These statutes prohibited combinations which in the opinion of the Board of Commerce were detrimental to the public interest, and also included provisions directed at hoarding and unduly profiting from the necessities of life, which were defined as food, clothing and fuel. The board was empowered to determine when undue profits were being made, and could issue cease and desist orders which in effect fixed maximum prices. In *Re Bd. of Commerce Act, 1919 and Combines and Fair Prices Act, 1919*, [1922] 1 A.C. 191, [1922] 1 W.W.R. 20, 60 D.L.R. 513 (P.C.), these statutes were declared unconstitutional. The Privy Council, speaking through Viscount Haldane, rejected the peace, order and good government power on the basis that it was only available to meet emergency situations; the trade and commerce power because it had no independent content and could only be invoked as ancillary to other federal powers; and the criminal law power because it was available only where "the subject matter is one which by its very nature belongs to the domain of criminal jurisprudence" (pp. 198-99).

76 The year after the *Bd. of Commerce* decision Parliament enacted the Combines Investigation Act, 1923, 1923 (Can.), c. 9, which repealed the two 1919 statutes, and replaced them with a more modest scheme that prohibited combines in restraint of trade, but went no further. The new Act gave investigatory powers to a registrar and commissioners, but did not confer authority to issue cease and desist orders. In *Proprietary Articles Trade Assn. v. A.G. Can.*, [1931] A.C. 310, [1931]

1 W.W.R. 552, 55 C.C.C. 241, [1931] 2 D.L.R. 1 ("the *P.A.T.A.* case"), the Privy Council, now speaking through Lord Atkin, repudiated Viscount Haldane's "domain of criminal jurisprudence" theory, saying that federal criminal law jurisdiction was "not confined to what was criminal by the law of England or of any Province in 1867", and that "the power must extend to legislation to make new crimes" (p. 324). Lord Atkin also said that their Lordships wished to "dissociate themselves" from the *Bd. of Commerce* proposition that the trade and commerce power "could be invoked only in furtherance of a general power which Parliament possessed independently of it" (p. 326). Having found the new [Combines Investigation Act](#) valid under the criminal law power, Lord Atkin did not find it necessary to consider whether it could also be supported under the trade and commerce jurisdiction. He did say, however, that their Lordships wished to "guard themselves from being supposed to lay down that the present legislation could not be supported on that ground" (p. 326).

77 In 1935 the Dominion Trade and Industry Commission Act, 1935 (Can.), c. 59 was enacted. This Act established a new commission which was "charged with the administration of the [Combines Investigation Act](#)" (s. 13). The commission was also given "responsibility to recommend the prosecution of offences against Acts of the Parliament of Canada ... relating to commodity standards" (s. 15(1)). The commission received investigatory powers relating to both combines and commodity standards (ss. 15(2), 20). Section 14 gave the Governor in Council, on the advice of the commission, power to give advance clearance to agreements among businessmen regulating prices or production in any particular industry when the arrangement was not "detrimental" to the public interest.

78 In *Reference Re Dom. Trade and Indust. Comm. Act*, [1936] S.C.R. 379, 66 C.C.C. 177, [1936] 3 D.L.R. 607, varied on other grounds [1937] A.C. 405, [1937] 1 W.W.R. 333, 67 C.C.C. 342, (sub nom. *A.G. Ont. v. A.G. Can.; Reference re Dom. Trade and Indust. Comm. Act*) [1937] 1 D.L.R. 702 (P.C.), this court upheld the commission's investigatory powers relating to commodity standards under both the criminal law and trade and commerce powers (p. 382), and its investigatory powers in the combines field as criminal law (p. 383). The court held, however, that s. 14, which conferred the advance clearance powers, was ultra vires. Duff C.J.C. said, for the court, that an advance clearance power was not "necessarily incidental" to the criminal law aspect of the statute, and they could not be upheld under the trade and commerce head because it was not "in substance" confined to interprovincial trade (pp. 381-82). The Privy Council upheld the judgment of this court, except on a point not relevant here. The Judicial Committee expressly agreed with the reasoning of Duff C.J.C., saying the investigatory powers sections were "legitimate provisions for ascertaining whether criminal acts have been committed" (p. 416). The decision of this court with respect to the advance clearance powers was not appealed to the Privy Council.

79 Parliament also amended the Criminal Code in 1935 by making it an offence to charge one commercial purchaser higher prices than another, or to sell goods at unreasonably low prices for the purpose of destroying competition: 1935 (Can.), c. 56, s. 9, adding s. 498A to the Criminal Code, R.S.C. 1927, c. 36. This court and the Privy Council both upheld the new section of the

Code as criminal law: *A.G.B.C. v. A.G. Can.*; *Reference Re s. 498A of the Criminal Code*, [1936] S.C.R. 363, 66 C.C.C. 161, [1936] 3 D.L.R. 593, affirmed [1937] A.C. 368, [1937] 1 W.W.R. 317, 67 C.C.C. 193, [1937] 1 D.L.R. 688.

80 In 1951 Parliament prohibited resale price maintenance [1951 (Can.), c. 30, s. 1] and, again, this court upheld the new provision as criminal law: *R. v. Campbell*, [1968] 4 C.C.C. 333n, 58 D.L.R. (2d) 673n, affirming the judgment and reasons of the Ontario Court of Appeal reported at [1964] 2 O.R. 487, [1964] 3 C.C.C. 112, 46 D.L.R. (2d) 83. In 1952 Parliament added new sections to the *Combines Investigation Act* permitting courts hearing combines charges to make orders prohibiting the continuation of combines, or orders dissolving mergers, trusts or monopolies, such orders to be in addition to any other penalty the court might impose upon conviction: 1952 (Can.), c. 39, s. 3. These sections were upheld by this court under the criminal law power in *Goodyear Tire & Rubber Co. v. R.*, [1956] S.C.R. 303, 114 C.C.C. 380, 26 C.P.R. 1, 2 D.L.R. (2d) 11, affirming [1954] O.R. 377, 18 C.R. 245, 108 C.C.C. 321, 21 C.P.R. 18, [1954] 4 D.L.R. 61, which affirmed with a variation [1953] O.R. 856, 17 C.R. 252, 107 C.C.C. 88, 19 C.P.R. 75.

81 The foregoing survey shows that both this court and the Privy Council have consistently sustained anti-combines legislation as criminal law. The same may be said about the specific section in issue in the first constitutional question. Section 32(1) reads:

32(1) Every one who conspires, combines, agrees or arranges with another person

(a) to limit unduly the facilities for transporting, producing, manufacturing, supplying, storing or dealing in any product,

(b) to prevent, limit or lessen, unduly, the manufacture or production of a product, or to enhance unreasonably the price thereof,

(c) to prevent, or lessen, unduly, competition in the production, manufacture, purchase, barter, sale, storage, rental, transportation or supply of a product, or in the price of insurance upon persons or property, or

(d) to otherwise restrain or injure competition unduly,

is guilty of an indictable offence and is liable to imprisonment for five years or a fine of one million dollars or to both.

This section is the successor of s. 498 of the Criminal Code, 1927, which was sustained as criminal law in the *P.A.T.A.* case. The most recent affirmation is in *A.G. Can. v. Law Soc. of B.C.*; *Jabour v. Law Soc. of B.C.*, [1982] 2 S.C.R. 30, [1982] 5 W.W.R. 289, 19 B.L.R. 234, 37 B.C.L.R. 145, 137 D.L.R. (3d) 1, 66 C.P.R. (2d) 1, 43 N.R. 451 at 498:

Section 32 is criminal legislation, whatever basis other parts of the *C.I.A.* may have constitutionally.

82 Indeed all parties in this appeal agree that s. 32(1)(c) is intra vires as criminal law and I see no reason to disagree.

83 That, however, does not end the matter. There is no reason why an enactment which is valid as coming within one of the federal heads of power in *s. 91 of the Constitution Act, 1867*, cannot also be valid by virtue of one or more additional federal heads of power. In most constitutional cases involving federal legislation, the issue is whether the impugned enactment is properly within federal or provincial law making authority. Once federal competence has been established under one *s. 91* power, it is little to the point whether the enactment might also have been supported under another federal head. In most cases to speculate about such further possible justifications would be to ignore the venerable principle of constitutional interpretation contained in Sir Montague Smith's admonition in *Citizens Ins. Co. of Can. v. Parsons* (1881), 7 App. Cas. 96 at 109 (P.C.), to judges attempting to construe the limits of *ss. 91* and *92*:

In performing the difficult duty, it will be a wise course for those on whom it is thrown to decide each case which arises as best they can, without entering more largely upon an interpretation of the statute than is necessary for the decision of the particular question in hand.

84 It was this admonition, whose object Lord Atkin described at p. 3 [1931] 2 D.L.R. of the *P.A.T.A.* case as being "as far as possible to prevent too rigid declarations of the Court's from interfering with such elasticity as is given it in the written constitution", which restrained the Privy Council in that case from proceeding to consider whether the new *Combines Investigation Act* might also be supported under the trade and commerce jurisdiction, once it had been found to be valid criminal law.

85 This same restraint is found in the judgment of Estey J. in the *Jabour* case. Having reiterated the finding that *s. 32 of the Combines Investigation Act* is valid criminal law, Estey J. declined, at p. 43 [137 D.L.R. (3d)], to consider the appellant's submission that it could also be validated under the *s. 91(2)* trade and commerce power on the ground that, given the facts of the case, "the interpretation of *s. 32* will of course produce the same answer under Q. 1 whatever its constitutional base may be".

86 In view of this established policy of minimizing unnecessary constitutional pronouncements I attach little significance to the fact that in most cases courts have simply endorsed the *P.A.T.A.* decision that the *Combines Investigation Act* could be justified as criminal law. In the present case, however, in contrast to the situation in *Jabour*, I am of the opinion that the interpretation of *s. 32* will produce a *different* answer under Q. 1 depending on what its constitutional base may

be. Accordingly I would like now to consider the other possible sources of validity suggested by the Attorney General of Canada.

### The Trade and Commerce Power

87 Any consideration of the federal Parliament's s. 91(2) power to regulate trade and commerce must begin with the Privy Council decision in the *Parsons* case. In that case the appellant insurance company challenged the constitutionality of an Ontario statute prescribing terms for fire insurance policies on the basis that only the federal Parliament could regulate "trade and commerce". While recognizing that a literal reading of the words "regulation of trade and commerce" could lead to such an expansive view of federal power, the Privy Council found [at p. 112] such a holding would conflict crucially with the legislative scheme apparent in ss. 91 and 92 of the British North America Act, 1867:

The words "regulation of trade and commerce," in their unlimited sense are sufficiently wide, if uncontrolled by the context and other parts of the Act, to include every regulation of trade ranging from political arrangements in regard to trade with foreign governments, requiring the sanction of parliament, down to minute rules for regulating particular trades. But a consideration of the Act shews that the words were not used in this unlimited sense. In the first place the collocation of No. 2 with classes of subjects of national and general concern affords an indication that regulations relating to general trade and commerce were in the mind of the legislature, when conferring this power on the dominion parliament. If the words had been intended to have the full scope of which in their literal meaning they are susceptible, the specific mention of several of the other classes of subjects enumerated in sect. 91 would have been unnecessary; as, 15, banking; 17, weights and measures; 18, bills of exchange and promissory notes; 19, interest; and even 21, bankruptcy and insolvency.

88 In view of this textual evidence of legislative intent, the Privy Council came to a pragmatic conclusion [at p. 113]:

Construing therefore the words "regulation of trade and commerce" by the various aids to their interpretation above suggested, they would include political arrangements in regard to trade requiring the sanction of parliament, regulation of trade in matters of inter-provincial concern, and it may be that they would include general regulation of trade affecting the whole dominion. Their Lordships abstain on the present occasion from any attempt to define the limits of the authority of the dominion parliament in this direction. It is enough for the decision of the present case to say that, in their view, its authority to legislate for the regulation of trade and commerce does not comprehend the power to regulate by legislation the contracts of a particular business or trade, such as the business of fire insurance in a single province, and therefore that its legislative authority does not in the present case conflict or compete

with the power over property and civil rights assigned to the legislature of Ontario by No. 13 of sect. 92.

89 Since this conclusion was sufficient to dispose of the particular question in issue, their Lordships refused to extend their consideration of ss. 91(2) and 92(13) any further [at p. 113]:

Having taken this view of the present case, it becomes unnecessary to consider the question how far the general power to make regulations of trade and commerce, when competently exercised by the dominion parliament, might legally modify or affect property and civil rights in the provinces, or the legislative power of the provincial legislatures in relation to those subjects.

90 These passages from *Parsons* establish three important propositions with regard to the federal trade and commerce power: (i) it does not correspond to the literal meaning of the words "regulation of trade and commerce"; (ii) it includes not only arrangements with regard to international and interprovincial trade but "it may be that [it] would include general regulation of trade affecting the whole dominion"; (iii) it does not extend to regulating the contracts of a particular business or trade. Subsequent jurisprudence on the meaning and extent of s. 91(2) is to a large extent an expansion and an explication of these three interrelated propositions.

***i) Restricting the Meaning of "The Regulation of Trade and Commerce"***

91 In *Lawson v. Interior Tree, Fruit and Vegetable Committee of Direction*, [1931] S.C.R. 357, [1931] 2 D.L.R. 193 at 200, Duff J. (as he then was) set out the practical as well as the textual reasons for a restrictive reading of s. 92(2):

The scope which might be ascribed to s. 91(2) (if the natural meaning of the words, divorced from their context, were alone to be considered), has necessarily been limited, in order to preserve from serious curtailment, if not from virtual extinction, the degree of autonomy which, as appears from the scheme of the Act as a whole, the Provinces were intended to possess.

92 This consideration had been articulated by the Privy Council in *Bank of Toronto v. Lambe* (1887), 12 App. Cas. 575 at 586, and in *Montreal v. Montreal Street Ry.*, [1912] A.C. 333, 10 E.L.R. 281, 13 C.R.C. 541, 1 D.L.R. 681 at 687 (P.C.), and would be repeated by Duff C.J.C. in his famous explication of the federal trade and commerce power in *Reference Re Natural Products Marketing Act*, 1934, [1936] S.C.R. 398, 66 C.C.C. 180, [1936] 3 D.L.R. 622 at 629, affirmed [1937] A.C. 377, [1937] 1 W.W.R. 328, 67 C.C.C. 337, [1937] 1 D.L.R. 691 (P.C.), and in *Reference Re Alta. Statutes*, [1938] S.C.R. 100 at 121, [1938] 2 D.L.R. 81, affirmed [1939] A.C. 117, [1939] 3 W.W.R. 337, (sub nom. *A.G. Alta. v. A.G. Can.*) [1938] 4 D.L.R. 433 (P.C.). In this last judgment Duff C.J.C. makes clear the functional basis for restricting the meaning of s. 91(2) as he rejects the submission that previous Supreme Court and Privy Council decisions limiting the scope of s. 91(2),

establish that Alberta's Social Credit legislation does not trench on the federal Parliament's trade and commerce power:

Paraphrases of the words of head no. 2 of [section 91](#) have been found useful in particular cases for assigning to that head a function in the scheme of these sections which would not result in defeating one main purpose of the B.N.A. Act by substantially impairing the autonomy of the provinces in respect of matters of purely provincial concern. But such paraphrases were not framed in light of the possibility of such legislation as that now before us. Such legislation was not in the minds of the great judges who adopted them. And since in none of the cases was it strictly necessary to draw an abstract line fixing the limits of the category in question, these formulae ought not to be treated as substitutes for the words of [section 91](#), when, as now, a totally new type of legislation has to be considered; in relation to which it would be extravagant to suggest that any question of impairment of such autonomy arises.

What this implies is that the limits of [s. 91\(2\)](#) are not fixed, and that questions of constitutional balance play a crucial role in determining its extent in any given case at any given time.

93 This is also the view of the history of the trade and commerce power articulated by Rand J. in *Reference Re Farm Products Marketing Act*, [1957] S.C.R. 198, 7 D.L.R. (2d) 257 at 271:

it is important to keep in mind, as already observed, that the broad language of head 2 of [s. 91](#) has been curtailed not by any express language of the statute but as a necessary implication of the fundamental division of powers effected by it. The interpretation of this head has undergone a transformation. When it was first considered by this Court in *Severn v. R.* (1878), 2 S.C.R. 70, 1 Cart. 414, and *Fredericton v. R.* (1880), 3 S.C.R. 505, 2 Cart. 27, the majority views did not envisage the limitation now established; that was introduced by the judgment in the *Parsons case* (*supra*). The nadir of its scope was reached in what seems its restriction to a function ancillary to other Dominion powers; but that view has been irretrievably scotched.

94 Earlier in the same judgment, at p. 268, Rand J. refers to the existence of a provincial power to regulate trade, which he characterizes as a "subtraction from the scope of the language conferring on the Dominion by head 2 of [s. 91](#) exclusive authority to make laws in relation to the Regulation of Trade and Commerce". With respect, I agree. This competence is usually identified with [s. 92\(13\)](#) "Property and Civil Rights in the Province", but these words are no more fixed nor susceptible to literal interpretation than are those of [s. 91\(2\)](#): see *John Deere Plow Co. v. Wharton*, [1915] A.C. 330 at 340, 7 W.W.R. 706, 18 D.L.R. 353 (P.C.). In deciding how much ought to be subtracted from the full literal meaning of [s. 91\(2\)](#) in order to preserve the proper constitutional balance between the federal government and the provinces, the courts have developed a number of indicia of the respective federal and provincial competences. But even with the help of these indicia and of the "paraphrases" of [ss. 91\(2\)](#) and [92\(13\)](#) referred to by Duff C.J. in *Reference Re Alta. Statutes*, *supra*, the difficult underlying task facing a court determining the constitutional status

of federal economic regulation is, without passing on the substantive merits of the legislation, to assess whether and how far it encroaches on the degree of local autonomy contemplated by the constitution. It is not surprising that the tenor of what constitutes such an encroachment has varied over time.

***ii) General Regulation of Trade Affecting the Whole Dominion***

95 One possible indication of federal competence over economic regulation is its operation across and beyond provincial borders. In *Parsons* the Privy Council identified international and interprovincial trade as coming within the ambit of s. 91(2) and much of the subsequent jurisprudence on the federal trade and commerce power has been devoted to a consideration of just how much or how little intraprovincial commerce could be validly swept into the flow of the interprovincial trade affected by a given enactment. In the present case, however, even on the most generous definition, s. 32(1)(c) of the *Combines Investigation Act* cannot be seen as a regulation of interprovincial trade and commerce. The appellant Attorney General of Canada concedes that if it is to be justified under s. 91(2), this enactment must fall within what has been called the "second branch" of the *Parsons* classification, namely "the general regulation of trade affecting the whole dominion".

96 Although in *Parsons* this second branch is presented as merely a possibility ("and it may be that they would include ..."), the existence of a "general trade and commerce" power seems to have been widely assumed in subsequent cases. In *John Deere Plow Co. v. Wharton*, supra, the Privy Council held that the limits of the powers of federally incorporated companies was "a question of general interest throughout the Dominion" and hence under federal competence pursuant to s. 91(2). In *A.G. Ont. v. A.G. Can.; Reference Re Dom. Trade and Indust. Comm.*, supra, the Privy Council held that the creation of a national trade mark was within "the class of subjects enumerated in head 2 of s. 91". Even in cases where the impugned legislation was held to fall outside of the ambit of s. 91(2), the existence of such a "general" power seems not to have been put in doubt: see *Toronto Elec. Comm. v. Snider*, [1925] A.C. 396, [1925] 1 W.W.R. 785, [1925] 2 D.L.R. 5 at 13; *Reference Re Natural Products Marketing Act*, supra, at p. 629. In more recent cases, the existence of a "general" trade and commerce power has been affirmed by the Chief Justice in *MacDonald v. Vapor Can. Ltd.*, [1977] 2 S.C.R. 134 at 167, 22 C.P.R. (2d) 1, 66 D.L.R. (3d) 1, 7 N.R. 477, and by Estey J. in *Labatt Breweries of Can. Ltd. v. A.G. Can.*, [1980] 1 S.C.R. 914 at 936, 9 B.L.R. 181, 30 N.R. 496. Yet, despite all these affirmations, the *Wharton* and *Dominion Trade and Industry Commission Act* cases remain the only ones in which a final appellate court has actually applied the general trade and commerce power to validate federal legislation and the correctness of even these decisions has been widely doubted: see Smith, *The Commerce Power in Canada and the United States* (1963), pp. 96-99. With these exceptions, the potential applicability of the general trade and commerce power has been considered and rejected in a string of final appellate court decisions beginning the year after *Wharton's* case with *A.G. Can. v. A.G. Alta. (Insurance Reference)*, [1916]

1 A.C. 588, 25 Que. K.B. 187, 10 W.W.R. 405, 26 D.L.R. 288 (P.C.), through to and including both the *Vapor Can.* and *Labatt* cases.

97 One reason for this conspicuous lack of success is doubtless to be found in the test for the general trade and commerce power implicit in *Wharton*. If every economic issue that could be characterized as a "question of general interest throughout the Dominion" were to fall under federal competence by virtue of s. 91(2), then the extent of the power would hardly be narrower than it would on a literal reading of the words "regulation of trade and commerce" alone. There is hardly an economic issue which, if only by virtue of its recurrence in locations around the country, could not be characterized as a matter of general interest throughout the Dominion.

98 In the *Labatt* case, *supra*, at p. 940, Estey J. states that the criterion of constituting a question of general interest throughout the Dominion is still the correct test in determining whether the second branch of the trade and commerce power applies. I agree with this statement, just as I am of opinion that the long disuse of this second branch does not impugn its constitutional validity. But I am also of the view — as Estey J.'s treatment of the issue in *Labatt* confirms — that the same considerations which led Sir Montague Smith to limit the scope of the words "regulation of trade and commerce" in *Parsons'* case also necessitate a restrictive reading of the *Wharton* test of "general interest throughout the Dominion". The question, of course, is how much is to be subtracted from these words, and on what basis?

### *iii) Regulating the Contracts of a Particular Business or Trade*

99 Although the Privy Council in *Parsons* was unwilling to consider in detail the boundary between ss. 91(2) and 92(13) it did go as far as holding that "regulation of trade and commerce" could not include "the power to regulate by legislation the contracts of a particular business or trade". In *Re Board of Commerce Act, 1919 and Combines and Fair Prices Act, 1919* (1920), 60 S.C.R. 456, Duff J. applied his reading of this holding to restrict the extent of the general trade and commerce power. In this case, at p. 465, Anglin J., speaking for three members of the court, adopted the *Wharton* test:

Probably the test by which it must be determined whether a given subject matter of legislation, *prima facie* ascribable to either properly falls under sec. 91(2) or sec. 92(13) is this: — Is it as primarily dealt with, in its true nature and character, in its pith and substance (in the language of Viscount Haldane's judgment just quoted), "a question of general interest throughout the Dominion," or is it (in Lord Watson's words in the *Local Prohibition* case [*A.G. Ont. v. A.G. Can.*, [1896] A.C. 348, 5 Cart. B.N.A. 295 (P.C.)]), "from a provincial point of view or a local or private nature?"

In order to be proper subjects of Dominion legislation under "the regulation of trade and commerce" it may well be that the matters dealt with must not only be such as would ordinarily fall within the description, but, if the legislation would otherwise invade the provincial field,

must also be "of general interest throughout the Dominion," or, in the language used by Lord Watson in the *Local Prohibition* case, at 360, in regard to legislation under the peace, order and good government clause upon matters not enumerated in [sec. 91](#), must be "unquestionably of Canadian interest and importance."

Having found that the issue of hoarding and profiteering was an issue "unquestionably of Canadian interest and importance", Anglin J. found the impugned legislation to have been validly enacted, inter alia under [s. 91\(2\)](#). Three other members of the court disagreed.

100 Duff J., writing for himself, treated the question of the relationship between [ss. 91\(2\)](#) and [92\(13\)](#) as one of simple subtraction. He began with the finding in *Parsons* that [s. 91\(2\)](#) did not authorize the regulation of the contracts of a particular business or trade. In his view this meant that Parliament could not itself have enacted the individual orders and prohibitions with regard to men's ready-made clothing in Ottawa that were the source of the litigation in question. Since Parliament could not have enacted orders with reference to any single commodity or trade it could equally not have passed legislation prescribing such orders for a larger number of commodities and trades. And since Parliament itself could not enact such orders it must be equally incapable of delegating this power to a body, such as the Board of Commerce, to enact. On the basis of this reasoning Duff J. concluded that Parliament's general trade and commerce power did not authorize the establishment of a board capable of making specific orders to prevent hoarding and profiteering.

101 In view of the equal division in the Supreme Court, the legislation was upheld. On appeal, as mentioned earlier, the Privy Council held the enactments to be beyond federal competence, whether under the criminal law, trade and commerce, or peace, order and good government powers. With specific reference to trade and commerce, Viscount Haldane was of the opinion that [s. 91\(2\)](#) could only be invoked as an ancillary to another head of power under [s. 91](#).

102 As I have earlier noted, Viscount Haldane's restrictive reading of [s. 91\(2\)](#) was repudiated by the Privy Council in the *P.A.T.A.* case, supra, but the starting point of Duff J.'s reasoning in *Bd. of Commerce*, namely a subtraction from [s. 91\(2\)](#) of what *Parsons* found to be within provincial jurisdiction, has gained general acceptance and is to be found prominently in most cases dealing with [s. 91\(2\)](#) and the general trade and commerce power. Thus, in 1938, in *Re Alta. Statutes*, supra, Duff C.J.C. was able, at p. 119, to say of the principle cases on the topic to date:

... [I]f attention be directed to the thing which was the actual subject of decision rather than what was said, it will be found that they are completely and accurately summed up in the observation of Lord Atkin in *A.G.B.C. v. A.G. Can.* [*Reference re Natural Products Marketing Act*, 1934, [supra](#)] [1937] 1 D.L.R. 691 at p. 692, in these words: — "The regulation of trade and commerce does not permit the regulation of individual forms of trade and commerce confined to the Province."

103 Forty-one years later, in the *Labatt case, supra*, after confirming that the proper test under the second branch of the trade and commerce power is still whether the legislation deals with a question of general interest throughout the Dominion, Estey J. went on at p. 940 to state, "What is clearly not of general national concern is the regulation of a single trade or industry", a proposition which he extended to hold true even if the regulation were on a national basis. I concurred in Estey J.'s judgment in *Labatt* and I agree with this statement of what is to be subtracted from the notion of "a question of general interest throughout the Dominion". I also agree that Lord Atkin's conclusion in *Reference Re Natural Products Marketing Act* as cited by Duff C.J. in *Re Alta. Legislation* does accurately reflect the ratio of the early trade and commerce cases. I do *not*, however, believe that any of this leads necessarily to the further propositions enunciated in Duff J.'s single judgment in the *Bd. of Commerce* case, *supra*, nor to the conclusion propounded by the respondent and the intervenant Attorneys General that the relevant legislation in the present case cannot validly depend on the federal trade and commerce power.

104 Every general enactment will necessarily have some local impact, and if it is true that an overly literal conception of "general interest" will endanger the very idea of the local, there are equal dangers in swinging the telescope the other way around. The forest is no less a forest for being made up of individual trees. Whatever the constitutional flaws in the Board of Commerce Act and Combines and Fair Prices Act, they cannot be attributed, as Duff J. seems to contend, to the fact that any individual order made by the board would have its effect on a business or trade in the province. Were that the test then no economic legislation could ever qualify under the general trade and commerce power. Such a conception is merely the obverse of the equally unacceptable proposition that economic legislation qualifies under the general trade and commerce rubric merely because it applies equally and uniformly throughout the country.

105 The reason why the regulation of a single trade or business in the province cannot be a question of general interest throughout the Dominion, is that it lies at the very heart of the local autonomy envisaged in the *Constitution Act, 1867*. That a federal enactment purports to carry out such regulation in the same way in all the provinces or in association with other regulatory codes dealing with other trades or businesses does not change the fact that what is being created is an exact overlapping and hence a nullification of a jurisdiction conceded to the provinces by *the Constitution*. A different situation obtains, however, when what is at issue is general legislation aimed at the economy as a single integrated national unit rather than as a collection of separate local enterprises. Such legislation is qualitatively different from anything that could practically or constitutionally be enacted by the individual provinces either separately or in combination. The focus of such legislation is on the general, though its results will obviously be manifested in particular local effects any one of which may touch upon "property and civil rights in the province". Nevertheless, in pith and substance such legislation will be addressed to questions of general interest throughout the Dominion. The line of demarcation is clear between measures validly directed at a general regulation of the national economy and those merely aimed at centralized

control over a large number of local economic entities. The regulations in the *Labatt's* case were probably close to the line. It may also well be that, given the state of the economy in 1920 and the actual mechanics of the legislation, the Board of Commerce Act and Combines and Fair Prices Act amounted simply to an attempt to authorize the issuance of an uncoordinated series of local orders and prohibitions.

106 In approaching this difficult problem of characterization it is useful to note the remarks of the Chief Justice in *MacDonald v. Vapor Can. Ltd.*, supra, at p. 165, in which he cites as possible indicia for a valid exercise of the general trade and commerce power the presence of a national regulatory scheme, the oversight of a regulatory agency and a concern with trade in general rather than with an aspect of a particular business. To this list I would add what to my mind would be even stronger indications of valid general regulation of trade and commerce, namely (i) that the provinces jointly or severally would be constitutionally incapable of passing such an enactment and (ii) that failure to include one or more provinces or localities would jeopardize successful operation in other parts of the country.

107 The above does not purport to be an exhaustive list, nor is the presence of any or all of these indicia necessarily decisive. The proper approach to the characterization is still the one suggested in *Parsons*: a careful case by case assessment. Nevertheless, the presence of such factors does at least make it far more probable that what is being addressed in a federal enactment is genuinely a national economic concern and not just a collection of local ones.

108 It is with these considerations in mind that I turn to the question of whether s. 32(1)(c) can be said validly to depend on the federal trade and commerce power.

### Section 32(1)(c) as Trade and Commerce

109 The first question is how much of the *Combines Investigation Act* is relevant for purposes of deciding whether s. 32(1)(c) is authorized by the federal trade and commerce power.

110 In *R. v. Hoffman-LaRoche Ltd.* (1981), 33 O.R. (2d) 694, 24 C.R. (3d) 193, 125 B.L.R. 217, 62 C.C.C. (2d) 118, 58 C.P.R. (2d) 1, 125 D.L.R. (3d) 607, the Ontario Court of Appeal considered whether the Attorney General of Canada was constitutionally competent to prosecute an alleged violation of s. 34(1)(c) of the Act. Speaking for the court, Martin J.A. held at pp. 735-36 that the proper approach was to consider the statute as a whole:

Mr. Henderson and Mr. Mundell forcefully argued that, even if some parts of the *Combines Investigation Act* could be supported as part of a regulatory scheme in respect of the general regulation of trade affecting the whole country, s. 34 can be nothing but criminal law and its constitutional validity accordingly depends upon s. 91(27). They relied upon the history of the provisions of s. 34(1)(c) which, as previously mentioned, was originally enacted in 1935

as s. 498A(1)(c) of the Criminal Code and was subsequently held to be validly enacted by Parliament under s. 91(27): see *Reference re S. 498A of Criminal Code*, supra ...

I am, with deference, of the view that this is not the correct approach, and, in my opinion, it was not the approach of the Supreme Court of Canada in *R. v. Hauser*, supra. The legislation in question must be viewed as a whole and classified, and if viewed as a whole, it may be constitutionally supported under s. 91(2) as the regulation of trade affecting the whole country, then on the principle enunciated in *Hauser*, supra, as I understand it, it is not material to the constitutional question here raised that a particular offence created by the enactment may properly be characterized as criminal law, or could have been enacted under the criminal law power. The learned trial judge concluded, rightly in my view, that the *Combines Investigation Act* could also be supported under the trade and commerce power as well as under s. 91(27).

111 In the present case in the Alberta Court of Appeal Prowse J.A. disagreed with this approach. He was of the opinion that the majority judgment in *Hauser* did not support the proposition cited by Martin J.A. It was also his view that if, as he thought, s. 32(1)(c) when considered in isolation fell within s. 92(13), property and civil rights in the province, then the mere presence within the same Act of provisions regulating trade and commerce would not transform this section into a component of a valid regulatory scheme under the second branch of s. 91(2). Despite his disagreement with Martin J.A., however, Mr. Justice Prowse did consider the *Combines Investigation Act* at large as well as a number of specific sections in addition to s. 32(1)(c) in arriving at his conclusions.

112 In the courts below in both *R. v. Hoffman-LaRoche* (1980), 28 O.R. (2d) 164, 14 C.R. (3d) 289, 53 C.C.C. (2d) 1, 48 C.P.R. (2d) 145, 109 D.L.R. (3d) 5 (H.C.), and the present case, the judge at first instance found the respective sections of the *Combines Investigation Act* to be valid under s. 91(2) without considering how much of the Act was relevant for the determination.

113 In his submissions to this court the Attorney General of Canada cites the contents and structure of the Act as a whole in support of his contention that s. 32(1)(c) is legislation in relation to trade and commerce, being part of a regulatory scheme satisfying the requirements for the second branch of s. 91(2) mentioned in *Parsons*. The Attorney General of Ontario contends that s. 32(1)(c) is an independent and separate provision with no interaction with other provisions of the Act and severable from them. He therefore submits that its constitutional characterization must be arrived at by considering it alone.

114 It is obvious at the outset that a constitutionally invalid provision will not be saved by being put into an otherwise valid statute, even if the statute comprises a regulatory scheme under the general trade and commerce branch of s. 91(2). The correct approach, where there is some doubt that the impugned provision has the same constitutional characterization as the Act in which it is found, is to start with the challenged section rather than with a demonstration of the validity of the statute as a whole. I do not think, however, this means that the section in question must be read

in isolation. If the claim to constitutional validity is based on the contention that the impugned provision is part of a regulatory scheme it would seem necessary to read it in its context. If it can in fact be seen as part of such a scheme, attention will then shift to the constitutionality of the scheme as a whole. This is essentially the approach suggested by the Chief Justice in his examination of the constitutionality of the then [s. 7\(e\) of the Trade Marks Act, R.S.C. 1970, c. T-10](#), in *MacDonald v. Vapor Can. Ltd.*, supra, at p. 159:

Since [s. 7\(e\)](#) is not a trade mark provision, its inclusion in the *Trade Marks Act* does not stamp it with validity merely because that Act in its main provisions is quantitatively unchallenged. I come back to the question whether [s. 7](#), and particularly [s. 7\(e\)](#), can stand as part of the scheme of the *Trade Marks Act* and other related federal legislation. If it can stand alone, it needs no other support; if not, it may take on a valid constitutional cast by the context and association in which it is fixed as complementary provision serving to reinforce other admittedly valid provisions.

115 As a starting point for the characterization, I am willing to take the above quote literally and begin with [s. 32\(1\)\(c\)](#) "alone":

### Conspiracy

116

32 (1) Every one who conspires, combines, agrees or arranges with another person ...

(c) to prevent, or lessen, unduly, competition in the production, manufacture, purchase, barter, sale, storage, rental, transportation or supply of a product, or in the price of insurance upon persons or property ...

is guilty of an indictable offence and is liable to imprisonment for five years or a fine of one million dollars or both.

117 In the Criminal Code of 1892 this provision appeared as s. 520(c):

520. Every one is guilty of an indictable offence ... who conspires, combines, agrees or arranges with any other person ...

(c) to unduly prevent, limit or lessen the manufacture or production of *any such article or commodity*, or to unreasonably enhance the price thereof ... (The italics are Dickson J.'s.)

The italicized words in this section refer back to subs. (a) which dealt with undue limitations in the facilities for: "transporting, producing ... or dealing in any article or commodity *which may be a subject of trade or commerce*". (The italics are Dickson J.'s.)

118 Thus, even in 1892 there was a link between the predecessor of s. 32(1)(c) and trade and commerce, at least in its literal meaning. The question of course, is not whether s. 32(1)(c) or its predecessors come within the literal definition of "regulation of trade and commerce". Clearly they do. The question is whether there is any constitutional reason for limiting the meaning of that phrase so as to exclude such enactments.

119 Prowse J.A. [at 18 Alta. L.R. (2d) 223 at 247, 135 D.L.R. (3d) 89 at p. 112] dealt with this question as follows:

When s. 32(1)(c) is considered under s. 91(27) of the B.N.A. Act, it is clear that it is directed at conduct which is harmful and iniquitous. If it is considered under s. 91(2) "the regulation of trade and commerce" it would be the commercial aspect that comes to the fore. It would then be directed, not at conduct per se, but to matters such as commercial practices related to contracts. In my view, merely because the exercise of federal power under s. 91(27) has a commercial aspect does not bring it within s. 91(2). If it requires support under the criminal law power then it is not a valid exercise of the power set out in s. 91(2). When s. 32(1)(c) of the *Combines Investigation Act* is viewed from its commercial aspect, it merely prohibits certain commercial practices which, if not viewed as the exercise of the criminal law power, fall within s. 92(13), "property and civil rights in the province".

120 Prowse J.A. recognized that in *MacDonald v. Vapor Can. Ltd.*, supra, Laskin C.J.C. was prepared to entertain the possibility of validating economic legislation under s. 91(2) if it were truly part of a regulatory scheme. But quoting the Chief Justice on characterization of s. 7(e) of the *Trade Marks Act* in that case, he concluded [at pp. 240-41, 243] that the same points could be made about s. 32(1)(c) and the similar parts of the *Combines Investigation Act*:

The provision is not directed to trade but to the ethical conduct of persons engaged in trade or in business, and, in my view, such a detached provision cannot survive alone unconnected to a general regulatory scheme to govern trading relations going beyond merely local concern. Even on the footing of being concerned with practices in the conduct of trade, its private enforcement by civil action gives it a local cast because it is as applicable in its terms to local or intraprovincial competitors as it is to competitors in interprovincial trade ....

The *Combines Investigation Act* also is directed at "ethical conduct of persons engaged in trade or business", ethical conduct, the breach of which is treated as commercial fraud. The local cast of that conduct is recognized by s. 39 [re-en. 1974-75-76, c. 76, s. 18] and s. 31.1 [en. 1974-75-76, c. 76, s. 12] of the Act, Pt. V.

121 Is it in fact accurate to say that s. 32(1)(c) is unconnected to a regulatory scheme? Staying for the moment with s. 32(1)(c) in isolation, what is notable about this provision is the vagueness of the

offence it prescribes. The basic test for criminality is "unduly" restricting competition. Considered as criminal law this requirement of "undue" restriction has posed difficult interpretive questions for the courts: see *Aetna Ins. Co. v. R.*, [1978] 1 S.C.R. 731, 34 C.C.C. (2d) 157, 30 C.P.R. (2d) 193, 75 D.L.R. (3d) 332, 20 N.S.R. (2d) 565, 15 N.R. 117. Considered as economic legislation the specification of "undue" restriction makes the impact of s. 32(1) totally unpredictable in the absence of some policy direction afforded by a larger context. For this reason it is now appropriate to expand the parameters of the analysis.

122 Section 32 itself provides some policy focus for s. 32(1). Subsection (2) removes some kinds of combinations and agreements from the ambit of s. 32(1). Subsection (3) qualifies subs. (2). Subsection (4) removes conspiracies in relation to exports from s. 32(1), but subs. (5) qualifies and clarifies this exclusion. Finally subss. (6) and (7) introduce further qualifications to the applicability of subs. (1). The basis of these inclusions and exclusions cannot be said to be the moral or ethical quality of the acts in question. The purpose of these specifications seems to be to include the kinds of acts and agreements that are considered to have economically harmful consequences while ignoring the same kinds of acts and agreements when their consequences are beneficial or at least domestically harmless.

123 Let us further broaden the analysis. The six sections which follow s. 32 in Pt. V of the Act — Offences in Relation to Competition, repeat the same pattern with respect to other named commercial offences. They proscribe certain kinds of commercial conduct affecting competition and then either in the sections themselves or by reference to the definitions section, they narrow the scope of these offences to include only what is considered to be economically deleterious.

124 With respect, all this casts considerable doubt on the statement of Prowse J.A. that, like the former s. 7(e) of the Trade Marks Act, the Combines Investigation Act is simply directed at "ethical conduct of persons engaged in trade or business ... [p. 243]" the breach of which is treated as commercial fraud. The *raison d'être* of the section lies at least as much in economics as in ethics.

125 In the lines immediately before the passage from *MacDonald v. Vapor Can.* set out by Prowse J.A. in which the quoted phrase appears, Laskin C.J.C. had said [at p. 165]:

One looks in vain for any regulatory scheme in s. 7, let alone s. 7(e). Its enforcement is left to the chance of private redress without public monitoring by the continuing oversight of a regulatory agency which would at least level some colour to the alleged Canada-wide sweep of s. 7(e).

126 In this respect as well, the context of s. 32(1)(c) differs from that of the impugned section of the Trade Marks Act. The earlier parts of the Combines Investigation Act set out a complex administrative machinery. Part I of the Act provides for a system of investigation and research under which inquiries can be made by the Director of Investigations and Research. Part II supplements the investigatory procedure by provisions which allow the director to prepare a

report to be submitted to the Restrictive Trade Practices Commission, which in turn reports to the Minister of Consumer and Corporate Affairs assessing the effect on the public interest of the arrangements and practices in question and making recommendations as to the application of remedies to these arrangements and practices. These provisions are of relevance to an assessment of s. 32(1)(c) because they indicate the existence of a process by which a policy is evolved to give substance to the offence of "unduly" restricting competition.

127 Even before the promulgation of the 1976 amendments which elaborated these administrative procedures, the determination of what was an illegal business combination was at least partly an administrative decision made on the basis of economic policy considerations. In 47 Can. Bar Rev. (1969), Professor McDonald says at pp. 211-13:

The decision to prosecute is usually made only after the parties and the facts of each case have been subjected to investigation by the Director of Investigation and Research and to a hearing before the Restrictive Trade Practices Commission in accordance with the provisions of the Act. Indeed, the scheme of the statute envisages the decision to prosecute only being made after the winnowing process of the administrative discretions, upon consideration of the Restrictive Trade Practices Commission view of the effect of the arrangement upon the public interest, and after the exercise of any relevant political judgment ...

Often the critical aspect of enforcement is not who absorbs the cost, but rather who exercises any discretion as to whether, and if so whom, to prosecute. This can be very important in anti-combines cases because only at this point may such factors as unequal business pressures, the extent of complicity or economic effect be accommodated. The decision is presumably also based partly on the Commission's appraisal of the public interest involved, and upon the Commission's recommended remedies.

128 Section 32(1)(c) depends upon the administrative machinery which controls the exercise of this discretion.

129 Expanding the focus even wider, the criminal remedies in Pt. V are not the only means of enforcing the Act and its regulatory policies. Sections 28-31 contain additional remedies enforceable by various judicial and governmental authorities in a variety of forums. Without passing on the wisdom or the constitutionality of any of these provisions, it is clear their purpose is to provide a flexible repertoire of remedial responses to enforce the policies underlying the Act. And the existence of ss. 28-31 is yet another indication that s. 32(1) is part of a regulatory scheme.

130 Having found that s. 32(1)(c) is not an isolated provision, but rather part of a regulatory scheme, it still remains to assess whether this scheme is valid under the second branch of s. 91(2). The fact of forming part of such a scheme is but one indicium of validity and not in itself determinative. A number of cases have found that the scheme embodied by the Act also displays such additional indicia as a national scope, a general application and a concern with the trade as

a whole rather than with a single business. In *Procureur général du Canada v. Miracle Mart Inc.*, [1982] C.S. 352 at 353, Ryan J. provides a comprehensive summary of the factors in favour of finding of validity under the general trade and commerce power:

... il me semble clair que l'article 37.1 fait partie, comme je l'ai indiqué plus haut, d'un schème de réglementation complet en soi et visant à éliminer des pratiques commerciales contraires à une saine concurrence *à travers le pays* et non à quelque endroit spécifique, ni dans un commerce ou une industrie en particulier. Autrement dit, la partie V de la loi et l'article 37.1 en particulier ne visent pas à empêcher des pratiques particulières à une province ni à une industrie: elle veut éliminer la concurrence déloyale à travers le pays. Je ne vois pas de meilleure illustration de l'exercice du pouvoir de "réglementation du trafic et du commerce" au Canada, article 91, para. 2 *A.A.N.B.*

131 A similar list of reasons for validity was enunciated by Linden J. in *R. v. Hoffman-Laroche* supra, at pp. 191-2:

I am of the view that [s. 34\(1\)\(c\)](#) can also be constitutionally supported on the basis of [s. 91\(2\)](#). It is part of a legislative scheme aimed at deterring a wide range of unfair competitive practices that affect trade and commerce generally across Canada, and is not limited to a single industry, commodity or area. The conduct being prohibited is generally of national and of international scope. The presence or absence of healthy competition may affect the welfare of the economy of the entire nation. It is, therefore, within the sphere of the federal Parliament to seek to regulate such competition in the interest of all Canadians. (It would likely be otherwise, however, if the competition being regulated were merely of a local nature, in which case the matter might not fall within the federal trade and commerce power.)

132 As the parenthetical ending to this passage indicates, it is still necessary even in the face of all these factors to consider the issue of constitutional balance, and whether a finding of validity under the trade and commerce power might not erode the local autonomy in economic regulation contemplated by [the Constitution](#). This was the fear voiced by Marceau J. in *Rocois Const. Inc. v. Quebec Ready Mix Inc.*, [1980] 1 F.C. 184 at 203, (sub nom. *Rocois Const. Inc. v. Pilote Ready Mix Inc.*) 51 C.C.C. (2d) 516, 52 C.P.R. (2d) 24, 105 D.L.R. (3d) 15 (T.D.):

It is because a general statute on competition as such, that is a statute regulating competition beyond the detection, prevention and penalization of disapproved and proscribed acts, may make such an encroachment [on provincial powers] possible that I do not think that it can be based on the power of Parliament over trade and commerce. As the prime mover in our system of production and exchange of goods and services, competition depends on so many factors and takes on so many aspects that it may give rise to legislation as far-reaching as it is diversified. To admit that, as such, it is covered by Parliament's power pursuant to [subsection \(2\) of section 91](#), would be to open the door to a potential trenching on the powers of the

provinces which, in my view, the courts have definitively rejected, despite their persistent hesitation.

133 For the reasons cited earlier I would in any event be inclined to reject this contention. To give it heed would amount to a denial of the possibility of Parliament ever validly exercising its general trade and commerce power, a power which if properly understood and properly constrained does not erode local autonomy but rather complements it. I would also, however, mention an additional factor. A scheme aimed at the regulation of competition is in my view an example of the genre of legislation that could not practically or constitutionally be enacted by a provincial government. Given the free flow of trade across provincial borders guaranteed by [s. 121 of the Constitution Act, 1867](#) Canada is, for economic purposes, a single huge marketplace. If competition is to be regulated at all it must be regulated federally. This fact leads to the syllogism cited by Hogg and Grover, [The Constitutionality of the Competition Bill \(1977\)](#), 1 Can. Bus. L.J. 197 at 200:

[R]egulation of the competitive sector of the economy can be effectively accomplished only by federal action. If there is no federal power to enact a competition policy, then Canada cannot have a competition policy. The consequence of a denial of federal constitutional power is, therefore, in practical effect, a gap in the distribution of legislative powers.

134 It has been suggested that in [R. v. Eastern Terminal Elevator Co.](#), [1925] S.C.R. 434 at 447, [1925] 3 D.L.R. 1 at 12, Duff J. (as he then was) endorsed the existence of such a distributive gap when he identified as a "lurking fallacy" in a federal argument the proposition "that the Dominion has such a power because no single Province, nor, indeed, all the Provinces acting together, could put into effect such a sweeping scheme". I am of the opinion that Duff J. was in this quote speaking of logistical or financial obstacles standing in the way of provincial action. If he intended to go beyond this and identify an area in which neither the federal nor the provincial government could constitutionally legislate then, with great respect, I believe him to have been in error. The same error would deny federal constitutional competence to legislate under the general trade and commerce power.

135 All these considerations lead to the conclusion that s. 32(1)(c) is valid federal legislation under [s. 91\(2\) of the Constitution Act, 1867](#), as well as [s. 91\(27\)](#). The Attorney General of Canada also contends that s. 32(1)(c) is valid under the Peace, Order and Good Government power, but in view of the finding of validity under [s. 91\(2\)](#) it is unnecessary to pursue this contention.

#### **Authority to Prosecute s. 32(1)(c)**

136 The result of holding s. 32(1)(c) to be valid under both the criminal law and the trade and commerce power is in my view a finding of concurrent federal and provincial prosecutorial authority. The majority in [Hauser](#) held that the authority to prefer indictments and conduct prosecutions with reference to legislation other than that enacted under [s. 91\(27\)](#) was validly vested in the Attorney General of Canada. Therefore, insofar as s. 32(1)(c) depends on the trade

and commerce power, the federal Attorney General is the proper prosecutor. As to prosecutorial authority by virtue of the characterization of s. 32(1)(c) as criminal law, I am still of the opinion that only the provincial Attorney General can validly prosecute criminal enactments. See my reasons in *R. v. Wetmore Co. Ct. J.*, judgment in which is being delivered concurrently herewith [*A.G. Can. v. Wetmore Co. Ct. J.*, [1982] 1 W.W.R. 487, 24 C.R. (3d) 244, 32 B.C.L.R. 283, (sub nom. *Re R. and Kripps Pharmacy Ltd.*) 64 C.C.C. (2d) 25, 129 D.L.R. (3d) 566 (B.C.C.A.)].

137 In *Hauser* I argued against concurrent federal and provincial prosecutorial authority under ss. 91(27) and 92(14) respectively. I do not want to be understood as having changed my mind about concurrency in that situation in now endorsing concurrency as a result of simultaneous validity under two separate heads of federal authority.

138 As a practical matter concurrent federal and provincial prosecutorial authority may possibly mean that by virtue of the doctrine of federal paramountcy the provincial Attorney General can at any time be validly excluded from the prosecutorial function. Indeed, that is the purported effect of s. 2 "Attorney General" of the *Criminal Code*.

139 For both the legal and the practical reasons cited in *Hauser* this is unacceptable in the case of legislation dependent solely on the criminal law power. Where, however, there is another head of federal power justifying legislation also valid under s. 91(27), the situation is different.

140 In *Hauser* I observed that there is a certain unity and cohesion between the three aspects of law enforcement, investigation, policing and prosecution, which would be imperilled if the investigatory function were discharged at one level of government and the prosecutorial function at the other level. In *Hauser* this reasoning would have worked to the benefit of the provincial position, as I was of opinion that the Narcotic Control Act was criminal law. My opinion was then, and is now, that under s. 92(14) of the *Constitution Act* the police and investigate criminal activity, and that authority to conduct and oversee criminal prosecutions is an inherent and essential part of such jurisdiction.

141 This court and the Privy Council, in both the *P.A.T.A.* and *Dom. Trade and Indust. Comm. Act* cases, both supra, held that the *investigative* aspect of anti-combines enforcement is properly conferred on federal officials and boards as an exercise of the criminal law power. Further, the same two cases upheld provisions permitting the Attorney General of Canada to lay informations, commence prosecutions and attend proceedings related to federally initiated combines charges. Even if such findings had not been made on the basis of s. 91(27), these same powers would clearly be within federal competence as necessarily incidental to the trade and commerce power. In these circumstances confiding the prosecutorial function solely to the provinces under s. 92(14) would have precisely the effect of separating investigative and prosecutorial functions which is I found unacceptable in the area of pure criminal law. As a consequence, under the *Combines Investigation Act* concurrent prosecutorial power with its attendant prospect of federal paramountcy does

not imperil effective enforcement. Neither does it offend historical tradition or constitutional precedent. It does all these things when applied with reference to enactments dependent solely on the criminal law power.

142 For these reasons it is both legally and pragmatically correct to find that s. 15(2) of the Combines Investigation Act and s. 2 of the Criminal Code insofar as they refer to prosecutions under the [Combines Investigation Act](#), are both intra vires.

### Conclusion

143 I would answer the questions in the following manner:

144 Q. 1: "Yes" in the sense that [s. 32\(1\)\(c\) of the Combines Investigation Act](#) is supportable under [s. 91\(27\)](#) and also supportable under [s. 91\(2\)](#). If the meaning of the question is whether s. 32(1)(c) is supportable *solely* under [s. 91\(27\)](#) I would answer "No".

145 Q. 2: "Yes" as to s. 15(2) of the Combines Investigation Act, and "yes" as to s. 2 of the Criminal Code insofar as they relate to [section 32\(1\) of the Combines Investigation Act](#). However insofar as s. 2 of the Criminal Code general gives the Attorney General of Canada authority to initiate and conduct prosecutions resting on offences created under federal legislation enacted solely under [s. 91\(27\) of the Constitution Act](#), it is ultra vires.

146 In the result, the Attorney General of Canada has authority under s. 15(2) of the Combines Investigation Act to conduct the prosecution at issue in this case.

147 I would allow the appeal and vary the judgment of the Alberta Court of Appeal by answering the questions posed for decision in the manner above set forth.

### ***Beetz and Lamer JJ.:***

148 We have had the considerable advantage of reading the reasons for judgment of the Chief Justice and of our brother Dickson and we find ourselves in substantial agreement with those of our brother Dickson to the effect that [s. 32\(1\)\(c\) of the Combines Investigation Act, R.S.C. 1970, c. C-23](#), as amended by 1974-75-76 (Can.), c. 76, s. 14(1), has been validly enacted by the Parliament of Canada under its authority to make laws in relation to trade and commerce, pursuant to [s. 91\(2\) of the Constitution Act, 1867](#).

149 It follows that the constitutional validity of [s. 32\(1\)\(c\)](#) does not depend upon [s. 91\(27\) of the Constitution Act, 1867](#), the criminal law power of Parliament, whether or not it can also be supported under this section.

150 We would accordingly answer "No" to the first question stated by the Chief Justice and we do not find it necessary to answer the second question since it is predicated upon an affirmative answer to the first one.

151 We would allow the appeal, set aside the judgment of the Alberta Court of Appeal and restore the judgment of the trial judge, Medhurst J.

152 There should be no order as to costs either to or against the parties or to or against the intervenors.

*Appeal allowed.*