

## REPORT FROM THE HILL



### Fiscal Restraint

■ The impact of the 27 April budget is still being felt throughout the public service. For National Defence, the cuts meant a complete review of maritime capabilities following the cancellation of the plan to acquire a fleet of nuclear-powered submarines. Other options are currently under exploration. Defence Minister McKnight also intimated on 7 June, at the end of a visit to CFB Lahr in West Germany, that Canada would maintain its 7,500 troops in Europe "in the near term," but that the government would be assessing the wide range of roles to which Canada is currently committed.

There were questions in the House concerning the delay in plans to build the Polar 8 icebreaker in the light of soaring cost estimates. On 8 May NDP MP Audrey McLaughlin (Yukon) asked Transport Minister Benoit Bouchard when the building would begin. Although the Minister confirmed the government's commitment to the project, he and other senior ministers refused to reaffirm commitments about price, capability, contractor or sailing date. The project had first been announced as a means of protecting Canadian sovereignty in the furor following the 1985 voyage by a US Coast Guard icebreaker through the Northwest Passage. Yet despite an initial cost estimate of half a billion dollars, only \$1.6 million is earmarked for the programme this year.

Margaret Catley-Carlson, the President of the Canadian International Development Agency (CIDA) which had also borne substantial cuts in the budget, discussed the effects of the cuts as

well as aid policies in general in an appearance before the House Standing Committee on External Affairs and International Trade (SCEAIT) on 1 June. She reviewed her six years as president, noting that in 1983 CIDA had 1,082 person-years and a budget of \$1.35 billion; in the interim, person-years have increased by about fifty, the budget has grown to \$2.2 billion – \$2 billion after the cuts – presenting, in her words, "a very real management challenge." To this is added the process of decentralization: a far greater percentage of CIDA staff will be transferred to the field, in response to a key recommendation of SCEAIT in its 1987 report, "For Whose Benefit?"

### Turmoil in China

■ External Affairs Minister Joe Clark rose in the Commons almost daily in the weeks beginning 5 June, following the crackdown by the Chinese government on protesters in Beijing's Tiananmen Square. He answered a torrent of opposition questions and gradually announced a series of measures in response to the official repression that had been unleashed. Specifically: Canada recalled its ambassador and was the first Western nation to do so. Mr. Clark twice called in the Chinese ambassador to register the government's "profound disapproval" and its expectation that the Chinese official actions would be brought to an end, (the ambassador told reporters that Canada should not be meddling in China's internal affairs). The government airlifted Canadians out of China. Defectors from China's Canadian missions were assured by the Minister that their cases would be treated "in a most sympathetic way." Canada withdrew from three aid projects; kept on hold four of five agreements, the signing of which had been postponed in the immediate aftermath of the Tiananmen incident; and indefinitely suspended activity associated

with the massive Three Gorges dam project on the Yangtze river – a project which has already received considerable criticism for environmental reasons.

On 30 June the Minister made a detailed statement outlining the new realities of the Canada-China relationship, following a series of consultations the government had held with a wide variety of interested parties. A \$1.5 million assistance program for Chinese students in Canada was also announced, along with the creation of a panel to advise the government on their predicament.

The opposition called for a number of additional measures such as strong international action from the World Bank and other international institutions. The Minister indicated that the government would seriously consider Liberal leader John Turner's suggestion in the House on 26 June, that the issue of Hong Kong's future be placed on the agenda of the next meeting of Commonwealth Heads of Government (in Kuala Lumpur in October).

### Parliamentary Committees

■ Parliament recessed for the summer on 27 June, to resume on 25 September. The House Standing Committee on External Affairs and International Trade (SCEAIT) began work on a major, year-long study of Canada's relations with the Soviet Union and Eastern Europe which will recommence when Parliament resumes. The Committee will also undertake a study on international debt questions with a particular focus on Africa. These specific references do not prevent SCEAIT from exploring other issues as circumstances warrant.

The House Standing Committee on National Defence will be investigating questions of maritime sovereignty in the fall.

The Special Senate Committee on National Defence is nearing completion of a study on Canada's

land forces; after a further extension their report is expected in October 1989.

### Short Notes from the Hill

■ The Prime Minister and External Affairs Minister attended the Francophone Summit in Dakar, Senegal, on 24 May. They then went on to the NATO Summit in Brussels 29 and 30 May, while Mr. Clark was joined by the Finance and Trade Ministers to attend the Organization of Economic Cooperation and Development (OECD) Ministerial meeting 31 May and 1 June in Paris. The Prime Minister also attended the Economic Summit of the seven industrialized countries in Paris 14 to 16 July. Both the OECD meeting of twenty-four industrialized nations and the Economic Summit were notable in the stress they placed on environmental issues.

■ Canada was the only one of the world's major industrialized democracies to send a senior observer – Joe Clark – to the meeting of the Group of 77 (representing 127 developing countries) to discuss economic development, particularly debt questions, in Caracas, Venezuela on 19 and 20 June.

■ On 6 June, Joe Clark announced the departure of Doug Roche as Ambassador for Disarmament, a position he had held since October 1984

■ On 28 June, Mr. Clark announced that Canada will provide technical assistance to the Supreme Electoral Council of Nicaragua to help organize its general elections, scheduled to be held in February 1990.

■ On 25 July the Prime Minister named Margaret Catley-Carlson as deputy minister of Health and Welfare. She will be succeeded as CIDA president by Marcel Massé, who was CIDA president from 1980–1982. He most recently served as Canada's executive director to the International Monetary Fund in Washington. □

– GREGORY WIRICK