

*Oral Questions*

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, we will be raising the question of arms expenditures both generally and specifically—specifically in relation to the Gulf—at the Venice Summit.

If I may take this opportunity to respond to what is perhaps one of the most combustible crises now facing the world in the Gulf, Canada has supported and applauds the efforts of the United Nations Secretary General to mediate. We think it would now be appropriate for the Security Council of the United Nations to mandate a cease-fire and a withdrawal with binding enforcement measures, including an arms embargo.

With that in mind, during my conversations earlier this week with Vice Chairman Yang of China I raised the question of the allegations of export by the PRC to Iran of the Silk-worm anti-ship missiles.

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● (1130)

**REGIONAL INDUSTRIAL EXPANSION**

## UTILIZATION OF DEPARTMENT'S BUDGET

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Deputy Prime Minister. It is pertinent both to the very disturbing things that are taking place in the Department of Regional Industrial Expansion and to the by-election that is coming in St. John's East. Yesterday the Minister made the extraordinary admission that for the first time ever his Department, halfway through the year, has already spent all of its regional development money allocated for the present fiscal year. At the same time, the Minister said that there would be a freeze put on further spending by his Department but "the Government has no intention of renegeing on its commitments to regional development".

How can the Minister put a freeze on all spending in his Department on the one hand, but have the Government live up to its commitments on the other?

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I think the Minister responded to those questions very clearly yesterday, in spite of what the Leader of the New Democratic Party might want to suggest. He acknowledged that there may be some overspending in the budget for the fiscal year 1986-87 and has taken action to correct that. The situation is quite temporary. However, I simply repeat the statement that he made, that all commitments will be honoured. The Department of Regional Industrial Expansion will be able to continue business as usual. That is being straightened out.

I believe I can say that the Minister will issue a statement, perhaps later today or early next week, clarifying this whole matter.

## ATLANTIC OPPORTUNITIES PROGRAM

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, some time next week may be just a little late. The Prime Minister is going to St. John's tomorrow, where it is expected that at long last he will make an announcement on the Atlantic Opportunities Program and announce funding in connection with it. Since the Minister already said in the House yesterday that the budget for regional development is being frozen, what does it mean in terms of the Prime Minister's commitments in Newfoundland?

Will the Government be robbing money from other regional development programs in other parts of Canada, such as the Prairies and British Columbia, to spend for by-election purposes in St. John's? Or does it mean that the promises made in St. John's will not be implemented until a year after the by-election takes place? Is that what it is all about?

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, the hon. Leader of the socialist party is more political than usual. He must be believing the polls, because he normally is quite constructive. He has become quite political in that question.

I would remind the Leader of the socialists of the new unemployment rate figures that are out today. I am sure it will be of comfort to the Hon. Member that the unemployment rate has dropped to 9.1 per cent. Some 840,000 new jobs have been created, and 50,000 new jobs have been created in the Atlantic region since we assumed office. The Prime Minister's announcement will be one which will provide the kind of framework for future economic development, growth and security for people in the Atlantic region.

**Mr. Broadbent:** Mr. Speaker, if the figures given by the Deputy Prime Minister are right—and I have no reason to doubt that—and unemployment is going down, I am very happy that that is taking place. I want to make that clear. However, I also say to the Deputy Prime Minister that he knows that unemployment in Newfoundland is approaching the 20 per cent figure in real terms, any way one looks at it. I am sure that is the case.

## PREPARATION OF PROGRAM

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, will the Deputy Prime Minister confirm that senior department officials in DRIE have not been involved in any way in the work that is going into the announcement for the Atlantic Opportunities Program that will be made by the Prime Minister tomorrow and that this omission is extraordinary since it is their area of expertise? Will he confirm that this is an operation conducted by the Prime Minister and that what seems to be involved, in light of what the Minister of Regional Industrial Expansion said yesterday and the Prime Minister will be announcing tomorrow, is that they are converting regional development fund money into a personal political slush fund for the Prime Minister?