

Oral Questions

stating that essential services on many reserves do not exist, that welfare dependency on these reserves is nine times the Ontario average, and that three federal departments are the cause of this neglect, would the Prime Minister explain how further government cutbacks could do anything but further increase unemployment and further deteriorate health conditions on Ontario Indian reserves and, indeed, on all reserves in Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I have not seen the report to which the hon. member refers. Because of my own interest in the matter, I do know something about the conditions of starvation and great social inequity which exists on Indian reserves across the country and among native people generally.

I have had the opportunity personally to discuss with representatives of Indian groups across the country practical steps we might take to resolve that situation. One of the views which the Indian leadership and I share is that an important step will be to place much more authority, responsibility and control over spending in the hands of local band councils. That is the direction in which the Minister of Indian Affairs and Northern Development is taking this government, and as the hon. member knows, that is a reform and a change from past practices.

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● (1500)

EXTERNAL AFFAIRS

RELATIONS WITH MIDDLE EAST—REMARKS OF MR. GILLIES

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I have a question for the Prime Minister which has to do with the continuing inability of the government to manage Canada's relations with the Middle East with any intelligence and sensitivity.

All of Saturday I had quoted to me directly a statement made in Los Angeles by the Prime Minister's chief policy adviser who, in pointing out the potential for Canada to become a world oil supplier, went on to say:

—possibly enough to return the Middle East to the insignificance it so richly deserves—

These are statements that have been made several times and attributed to the chief policy adviser of the Prime Minister. Will the Prime Minister assure the House that if these comments by his chief policy adviser were made, they do not represent the policy of the government, and that an apology ought to be made by the government for this provocative and inflammatory comment by the former member for Don Valley?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I saw that article and, naturally, was interested in it. Consequently, I spoke to Dr. Gillies and have received from him a clarification and the assurance that his comment was in relation to the influence of the Middle East in times when OPEC was at its

[Mr. Murphy.]

strength, in terms of a cartel operation which can increase the price of fuel that has to be paid here and in other countries.

The point that Dr. Gillies was making was that the capacity of a country in any part of the world to have such an impact on prices will damage Canadian interests, and that that capacity will be significantly reduced as this nation moves toward energy self-sufficiency.

Mr. MacEachen: Does the Prime Minister tell me that his chief policy adviser did not use the expression, "possibly enough to return the Middle East to the insignificance it so richly deserves"? I want to know if his chief policy adviser used those words and, if so, how they can possibly be used to defend the interpretation which the Prime Minister gives because, of course, the Middle East includes other important nations, including Israel, than the members of OPEC.

Mr. Clark: My understanding is that Dr. Gillies used those words explicitly and exclusively in relation to the capacity to form cartels.

Mr. MacEachen: Will the Prime Minister also clarify Dr. Gillies' comment when he spoke about the cheap dollar and said that maybe the cheap dollar has been a contributing factor to the country's 9 per cent inflation rate, and then said, "Maybe it hasn't fallen enough"? Dr. Gillies suggested that, "Maybe if it falls to 70 cents". Would the Prime Minister mind clarifying that comment?

Mr. Clark: That comment also, naturally, was of some interest to me when I read it in the paper.

Some hon. Members: Oh, oh!

Mr. Clark: I spoke to Dr. Gillies about that and he said that the statement, or a statement similar to the one quoted, was made in the course of a panel discussion in which the question was raised as to whether a further drop in the value of the Canadian dollar would significantly help our competitive position. Doctor Gillies expressed his view that a significant drop in the Canadian dollar would not significantly help our export position. He certainly did not suggest at any time that he or I or anyone in the government would recommend that that be the level at which the Canadian dollar should settle.

Indeed, as hon. members will know, the government is taking the decision now and facing the decisions which are designed in part to ensure that the value of the Canadian dollar does not slide further.

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PRIVILEGE

MR. ALLMAND—QUEBEC REFERENDUM—ANSWERS OF PRIME MINISTER DURING QUESTION PERIOD

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I rise on a question of privilege which you might think has to do with the attire of the hon. member Eglinton-Lawrence