

Petroleum Incentives Program Act

Coast Energy Corporation. I referred to this matter in committee a number of times.

The evidence of the committee meeting of February 6, 1986, as reported on page 1:21 of the minutes of the committee, show that I asked how much money East Coast Energy got in PIP grants. The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) replied that it had received \$1,726,466. Then, at the end of the committee hearings, I tried to get the committee to subpoena Mr. Edward Chaisson and Mr. Fred Doucet, the principals of East Coast Energy. This was voted down by the Conservative majority. I want to tell the House a little bit about—

● (1410)

Mr. McDermid: You said Fred, you meant Joe Doucet.

Mr. Waddell: I meant Gerald Doucet and Edward Chaisson.

East Coast Energy was the only private Atlantic Canada company that got involved in the coastal exploration. All the other companies were from Alberta. It is very important why this company failed and why it was unable even with the PIP grants to continue its program. This failure tells us something about the PIP grants. It also tells us something about what I call the St. Francis Xavier gang and the cronies who operate the PMO. They are real operators, Mr. Speaker.

East Coast Energy got a piece of the offshore from its friends in the Nova Scotia Government. The company paid \$8 million for 1 per cent of the Venture field off Nova Scotia. The principals in the company were the Doucet brothers, Fred who later became the chief of staff of the then Opposition Leader, Brian Mulroney and Gerald.

Mr. Hnatyshyn: Order.

Mr. Waddell: I am sorry, Mr. Speaker. I should not use a Member's name. I meant the present Prime Minister (Mr. Mulroney). Mr. Doucet is on the Prime Minister's staff.

Last Friday I was in the court house in Toronto and found some interesting documents. I would like to quote from the case of Walter Wolf versus Jean Alfred Doucet. Wolf is the plaintiff and Doucet the defendant. This action is in the Supreme Court of Ontario, court file No. 6354/85. On page 4 of the statement of claim it reads:

The Defendant, Jean Alfred Doucet, is a senior advisor to the Prime Minister of Canada, resident in the City of Ottawa, in the Regional Municipality of Ottawa-Carleton and was until in or about the autumn of 1983 the Chief Executive Officer, Vice-President, Secretary and a director of ECE.

The Prime Minister in the early 1980s had been in St. Francis Xavier and had raised some money. Actually, Mr. Doucet had done most of the fund-raising, about \$11 million for St. Francis Xavier University, but the present Prime Minister got a lot of the credit.

Just after this, Mr. Doucet called back in some of those favors. He got a number of the Prime Minister's friends, including the Prime Minister, to invest in East Coast Energy. The Prime Minister invested \$15,000.

In December, 1982, there was a share issue because the company was undercapitalized in drilling holes off Nova Scotia. Even with the PIP grants and with a 1 per cent share it cost lots of money. According to the court documents, Mr. Doucet was approached by Michel Cogger, another of the Prime Minister's cronies and a Quebec solicitor, and he got Walter Wolf, who says he is a friend of the Prime Minister, to invest \$500,000 in East Coast Energy.

According to further court documents, Mr. Speaker, and a related law suit, the suit of McLeod Young Weir Limited plaintiff against Michael Cogger and Walter Wolf, Supreme Court of Ontario court file No. 1654-84.

Mr. Hnatyshyn: This is a pre-trial hanging.

Mr. Waddell: I am being very careful and only reporting from court documents that are public. The investment firm of McLeod Young Weir handled the shares and Don Ripley, another old crony of the Prime Minister, handled this deal for McLeod Young Weir.

Mr. Hnatyshyn: I suppose that is in the court documents?

Mr. Waddell: Who is Walter Wolf and why is he important to the story of the PIP grants and East Coast Energy? He is the mysterious offshore money that came in, according to Mr. Dalton Camp, to fund the downfall of the former Conservative Leader, Mr. Clark. Mr. Wolf said publicly that he gave \$25,000.

In fact, my sources tell me that a sum of \$6 million was spent by the present Prime Minister in 1976, 1983 and 1984 at conventions in order to win the leadership of his Party. Up to \$2 million was invested by Mr. Wolf. Up to \$2 million was invested by Paul Desmarais of the Power Corporation, and another \$2 million came from other sources.

Mr. McDermid: Wouldn't that be nice if it were true? It would be nice if fund-raising were that easy.

Mr. Waddell: Why is Mr. Wolf suing Doucet? According to the court papers, the shares Wolf said he bought were never listed on the stock exchange. In other words the share issue fell flat. Fred Doucet then decided that East Coast Energy needed more than just PIP grants, but conventional oil production and immediate cash flow from it. Mr. Doucet then had East Coast Energy buy Petroleum Royalites Limited, an Alberta company. This was a dreadful mistake. He tried to merge the two companies and go to the market with a huge equity issue to wipe out the joint debt. The deal fell through, of course, because no one wanted to buy the shares of companies that were so indebted.

Last July, the Canadian Imperial Bank of Commerce called the loans of East Coast Energy to fold East Coast Energy. Mr. Doucet is now one of the senior advisors to the Prime Minister of Canada.

What did Mr. Wolf get for his investment in East Coast Energy and in the Mulroney campaign? The answer is not much, although there was the matter of a contract for \$363,-