

Supply

fishing for non-existent scandals but knows nothing about the substance of problems facing Canadians.

For years Nova Scotia has been more dependent upon imported oil than any other Province, and for years Nova Scotians have puzzled over how to use their abundant coal resources to reduce their dependence on imported oil. It is known that gasoline can be made from coal. The Germans did so during World War II, the South Africans do so today, and millions of dollars are being spent in the United States in research on coal liquefaction.

Even at the time that Premier Buchanan was Leader of the Opposition, he was asking then Premier Regan about the prospects for coal liquefaction. The idea was supported by the former NDP Leader, in Nova Scotia, Jeremy Ackerman and by Mr. Walsh who was President of the Coal Council of Canada.

In 1977, the Canada-Nova Scotia agreement on oil substitution and conservation was signed to create a fund to provide money for projects that promised to reduce the use of imported oil for electrical energy, in particular, and generally to reduce consumption of oil. Thus there is nothing sinister or scandalous about giving money to research and development which might lead to lessening dependence on imported oil in Nova Scotia and would also create, if successful, thousands of jobs in Cape Breton.

Indeed, almost every day in the House of Commons, the Tories and the NDP complain that the Government does not do enough to encourage research and development and, by its very definition, one is never sure if one is going to be successful with research projects. This does not mean that they should not be undertaken or encouraged, any more than should one stop drilling for oil because one does not find something in every hole. A lot of money has to be risked on research and development, pre-feasibility studies and feasibility studies before one can think of starting a project costing potentially billions of dollars.

I come now to the issue of Mr. Gillespie's involvement and whether he sought to use improper influence, gain preferential treatment or receive privileged access—

The Acting Speaker (Mr. Reid (Kenora-Rainy River)): Order, please. The Hon. Member rises on a point of order.

Mr. Greenaway: Mr. Speaker, I would just like to point out to the Hon. Minister that Canada has one of the most wretched records—

The Acting Speaker (Mr. Reid (Kenora-Rainy River)): Order, please, that is not a point of order.

Mr. Chrétien:—from the Government of Canada. On March 12, 1980, Mr. Gillespie met in Toronto with the Minister of Energy of Nova Scotia, Mr. Barkhouse, to talk about coal liquefaction and its prospects in Nova Scotia. No one can complain about this. One week later, on March 19, 1980, he met with officials of Petro-Canada to ask them what they thought of coal liquefaction.

On May 15, 1980, Mr. Gillespie had privileged access to Premier Buchanan and must have sought preferential treatment from the Tory Government of Nova Scotia. Mr. Buchanan invited Steve Rankin, President of Devco, to the meeting. Mr. Gillespie gave Mr. Buchanan and Mr. Rankin a copy of a paper he had written entitled, "Coal Liquefaction, A National Priority for Atlantic Canada". Mr. Buchanan expressed his support for the idea. Mr. Gillespie wrote letters to Mr. Rankin and Mr. Buchanan on May 22, 1980. Again, this is hardly a contravention of the guidelines.

On May 27, 1980, Mr. Gillespie met with Mr. Cohen, then Deputy Minister of Energy, Mines and Resources, to speak about coal liquefaction in Nova Scotia and to inform him of Premier Buchanan's support of the idea. In June 1980, Mr. Gillespie began to speak to corporations to put together a consortium. This was completed in October 1980.

On November 12, 1980, Mr. Gillespie met with Mr. Cohen for a second time to tell him of the formation of the consortium. On November 16, 1980, Mr. Gillespie spoke to Premier Buchanan again, and again obtained his support. On December 6, 1980, Mr. Gillespie wrote to Mr. Cohen to tell him that he wanted to apply for funding from the Canada-Nova Scotia Oil Substitution Fund. On December 11, 1980, Mr. Gillespie wrote a similar letter to Buchanan.

On January 5, 1981, Premier Buchanan wrote to Mr. Gillespie expressing his support, but conditional upon a Nova Scotia Crown corporation becoming a full partner in the consortium. If ever there has been preferential treatment, here is where it can be found, and it is preferential treatment accorded to Nova Scotia.

On January 22, 1981, Mr. Gillespie wrote back to Mr. Buchanan accepting his conditions.

Here I want to pause and tell the Leader of the Opposition that Mr. Gillespie would be agreeable to tabling all his correspondence with the Government of Nova Scotia. I made that request last night of Premier Buchanan, and he said that he does not want to become embroiled in a controversy in the House of Commons, but that he is on record as supporting the project and continues to support it as good for Nova Scotia. But as of last night he was unwilling to agree to table the correspondence. Perhaps the Leader of the Opposition could ask him again.

Also I want to set out that the consortium is formed of Gulf Canada Products, Petro-Canada, Devco, Nova Corporation and the Nova Scotia Resources Corporation, all of which together own 97.5 per cent of it. Alastair Gillespie and Associates own 2.5 per cent. Would they get together simply for the benefit of Alastair Gillespie?

To return to my chronology, on April 4, 1981, Premier Buchanan, the Deputy Prime Minister (Mr. MacEachen) and Mr. Gillespie appeared together on a public platform in Port Hawkesbury on Cape Breton Island. If there was a conspiracy by the federal Cabinet to give preferential treatment to Mr. Gillespie, then the Tory Government of Nova Scotia was a motivating force and principal party to the conspiracy.