

are processing and packaging so important at this time? Can private industries not undertake this research? Does this have anything to do with the Minister's plans for Canagrex through which he and the government will go into business?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member knows full well that all the scientific and technical knowledge we have at our fingertips at present is used right now in western Canada. And within two years, as a result, you could increase grain production 30 per cent; that is with the knowledge that we have at the present time, and if the Provinces were using their authority under the Constitution, to provide proper education for the farmers. We developed the knowledge for them which is not being transferred to the farmers in the way it should be. I am almost tempted to interfere in the Constitution and become an educator for the farmers.

Some Hon. Members: Hear, hear!

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THE ADMINISTRATION

CAPE BRETON COAL AGREEMENT—ALASTAIR GILLESPIE'S ROLE IN 1980

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Deputy Prime Minister. It has now become apparent from the record that, starting in May, 1980, when Mr. Gillespie first approached the Deputy Minister of Energy, Mines and Resources, through June, 1980, when the Deputy Prime Minister became aware of Mr. Gillespie's involvement, through to the budget of October 28, 1980 a series of discussions took place between Mr. Gillespie and representatives of the Minister of Energy, Mines and Resources and indirectly at least, representatives of the Ministry of Finance.

On the day immediately after the budget Mr. Gillespie went ahead and formed a consortium based on the provisions contained in the budget.

Does the Deputy Prime Minister not think that there is just too much of a coincidence in all of these events to lead anyone other than to the conclusion that there was information available to Mr. Gillespie from somewhere that would lead him to know that the Government intended to provide funding for his particular project, and that all of his lobbying—and I use the term advisedly—was bound to be successful?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, if the situation were as described by the Hon. Member, then one might possibly reach the conclusions which he has reached. But it is not true, as he has alleged, that this particular project was carried forward on the basis of provisions in the budget. That is absolutely untrue. The Hon. Member can search the budget from top to bottom and he will not find any reference to this particular project. The project itself in fact did not go

forward on any provision found in the budget. Therefore, the Hon. Member really has to examine the facts before he draws these very false conclusions.

REFERENCE IN NATIONAL ENERGY PROGRAM

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I am sure the Deputy Prime Minister knows that I have examined the facts. Given that on page 84 of the National Energy Program, which was very closely tied into, if not an integral part of the budget—

Mr. Benjamin: Lalonde said it was.

Mr. Deans:—there was quite clear reference to a coal liquefaction program in Cape Breton, is that not evidence enough that Mr. Gillespie's overtures to both the Energy and Finance Ministries met with success, and is that not reason enough to ask that there be further inquiries into this matter?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, you know the Hon. Member should read the reference in the National Energy Program which was tabled as a separate document on budget night by myself on behalf of the Minister of Energy, Mines and Resources. A sentence in this very large document simply states:

Alternative means to use coal in the production of liquid fuels will also be actively pursued.

Mr. Epp: It sure was too. Tell us about the active pursuit.

Mr. MacEachen: If the Hon. Member had followed the history of the coal industry as closely as I have followed it in the years since I have come to sit in the House of Commons, he would know that the question of coal liquefaction and its possibility did not originate in June, 1980, or in May, 1980.

Mr. Lewis: Before that?

Mr. MacEachen: It is a concept that has been in the literature for some time. It seems to me that it would be a glaring omission from the National Energy Program statement, which was intended to be a comprehensive statement of energy possibilities in Canada, if it had ignored and had not made reference to the possibility of converting coal into liquefied form. It is so natural that it would appear there because it is a concept that was brought up from time to time.

Mr. Deans: Address yourself to the question. Gillespie knew to form his consortium on the day after the budget announcement of provisions for coal liquefaction.

Mr. MacEachen: That is quite clear that this is a general reference to a concept that had been in place for some time, and the Hon. Member is trying to draw the conclusion, a false conclusion, that because coal liquefaction was mentioned, somehow it was a budget leak and somehow Mr. Gillespie had some prior knowledge. All of that is very unjustified conjecture.

Mr. Nowlan: You are as crooked as a colliery.