

STATEMENT IN DEPUTY MINISTER'S MEMORANDUM

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, in the memo from the Deputy Minister of Energy, Mines and Resources to the Minister of Energy, Mines and Resources of January 15, 1981, the following statement is made:

In anticipation of this development, provision was made during the planning stage of the National Energy Program for a maximum of \$1 million to be available for federal participation in this project.

In view of the fact it is directly relevant to the debate here today at what point the Minister of Finance became knowledgeable about this project and about Mr. Gillespie's involvement, can the Prime Minister tell the House whether he has any reason to believe that, if specific reference was made in the NEP in the early planning stages of it, in the summer or fall of 1980, the Minister of Energy at the time would not have understood that Mr. Gillespie was involved and should have asked questions about conflict of interest?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I did not realize the question was addressed to me. I believe that was only mentioned at the end. Would the Hon. Member repeat the whole question, please?

Mr. Beatty: Gladly, Madam Speaker, because it is an important one. I know the Prime Minister would want to give a straight answer to the House. The memorandum from Mr. Cohen to the present Minister of Finance said explicitly that, in the early planning stages of the NEP, the Minister of Finance and the Department had written in provision for this specific project to the tune of \$1 million. Does the Prime Minister think there is any reason to believe that that is the case, that the present Minister of Finance would not have known about this deal and about Mr. Gillespie's involvement in the summer or fall of 1980, and that he should have been asking questions about conflict of interest?

Mr. Trudeau: I cannot say, Madam Speaker. I do not have the documents in front of me to which the Hon. Member refers, and I will not fall into the error I made on the first day, of answering questions on the basis of the questions asked. I would like to know what the million dollars refers to. Maybe it refers to this, maybe it does not. Maybe Mr. Gillespie was kept in somebody's mind, maybe he was not. I do not know.

ROLE OF ALASTAIR GILLESPIE IN DEALING WITH DEPARTMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. Yesterday in this House the Prime Minister was reluctant to agree that Mr. Gillespie was indulging in what many, I think, have appropriately called lobbying. Since then, following the tabling of documents in the House, new information has emerged. I would like to ask the Prime Minister a question based on that.

In March of 1981 the Department of Energy officials expressed concern that the oil substitution agreement was not intended to cover the coal liquefaction proposal made by Mr. Gillespie. As a result, following representations made by Mr.

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Gillespie, an entirely new agreement was entered into in order to qualify Mr. Gillespie's proposal. Would the Prime Minister not agree that this action is as clear as possible an illustration of lobbying, and also agree that this is proof positive that special favour indeed was given to Mr. Gillespie?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, on the first point about lobbying, it seems to me that there is nothing in the documents referred to by the Hon. Member which indicates there was lobbying or that Mr. Gillespie came back in March, 1981. It is the officials themselves, looking at a submission to Treasury Board, redesigning it, and having the Minister sign a document again. It seems to me that this indicates that the officials were on their toes, that they were making sure that the submission was correct and in conformity with government policy, that they were alert to any possibility of conflict of interest guidelines. That is the reason why they specified in the amended contract that Mr. Gillespie would have no access to the funds which were allocated for the substitution program by the Government of Canada to the Government of Nova Scotia.

Mr. Broadbent: I would say to the Prime Minister the officials certainly were on their toes. They took the action that they thought was appropriate and necessary in order to qualify Mr. Gillespie for the proposal. It was the clearest possible case that Mr. Gillespie got from the Government of Canada what no other citizen got. That is what they did. Anyone who believes the contrary is just kidding himself.

FORMER ENERGY MINISTER'S SUBMISSIONS TO TREASURY BOARD

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would like to ask the Prime Minister a question flowing from the same information which was tabled in the House yesterday. On April 13, 1981, the then Minister of Energy sent a submission on this project to Treasury Board. The same submission was suddenly withdrawn when questions were raised about Mr. Gillespie's participation in it. In September, safely three months past Mr. Gillespie's two-year time limit, a new revised submission over the present Minister of Finance's signature was submitted to Treasury Board. Can the Prime Minister deny that this this was anything but a cynical attempt to avoid his own guidelines?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, now the Hon. Member is, I think, making an accusation about privileged access having taken place by officials. That is a serious accusation. If he is seriously making it, I will ask the Minister to inquire into that aspect of it. It is significant that the Hon. Member is talking of officials. They are the ones who prepared a submission for the then Minister. They are the ones who had him sign it. They are the ones who withdrew it when they thought that there might be some privilege given to Mr. Gillespie. My reading of the document is that they acted in a laudatory fashion by withdrawing it and