

Oral Questions

Fourth, I am advised that no one in the consortium knew that there was to be anything in the budget about this or even in the National Energy Program specifically. That is the advice I got. Certainly Mr. Gillespie was not aware that there would be any specific sums allocated for that purpose in the National Energy Program itself.

CONSORTIUM'S CONTEMPLATION OF FUNDING

Mr. John Bosley (Don Valley West): Madam Speaker, the memorandum of understanding was signed October 29, 1980. How could that memorandum include the following words:

It is contemplated that the Consortium will be able to obtain, directly or indirectly, a contribution or grant of 40 per cent of the Study Project Costs, up to \$1 million, from the Oil Substitution Fund—

And then comes the key word "or", and it continues:

—or from other sources of Government funding—

Unless there was reason to believe, as the then Deputy Minister of Energy, Mines and Resources has indicated that a million dollars was, in fact, being provided, as the Deputy Minister said in the memorandum to the Minister dated January 15, how can the Minister explain that a document could be prepared for signature on October 29 that clearly refers to moneys included in the October 28 budget?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, again I have to repeat what I have said before. Obviously there must have been discussions between officials and members of the consortium in which this issue was considered. Again, the sum of \$1 million must have been anticipated under the Oil Substitution Program that existed since 1977. The mention of it in the National Energy Program that was tabled at the time of the budget should be no surprise.

REQUEST THAT MINISTER QUESTION OFFICIALS

Mr. John Bosley (Don Valley West): Madam Speaker, my supplementary question is for the Minister of Finance. He seems not to be aware that there is at least the potential or the appearance of a budget leak here. Will the Minister undertake to question directly the officials involved and, if appropriate, bring them before a parliamentary committee? It is imperative the House know—that the House know, Madam Speaker—that the consortium did not have what it appears to have had, and that is advance knowledge of what was in the budget.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I will be very happy to check if my hon. friend makes this request. It is obvious by virtue of what I have already said that there could not have been a budget leak. It is part of the National Energy Program that was tabled at the time of the budget. Discussions obviously must have taken place and there must have been consideration of this particular project. But there was no budget leak here.

• (1120)

ROLE OF PETRO-CANADA

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is directed to the Minister of Finance. The Minister knows that this project is mentioned on page 84 of the National Energy Program which is a part of the 1980 budget. He will also make himself aware that on November 25, 1980, before the Alternate Energy Committee, the Minister of Finance, then in the position of Minister of Energy, Mines and Resources, said that there is not one word in this program that he did not approve personally. Therefore, the references on page 84 were personally approved.

We knew at the time of the budget that Mr. Joel Bell, senior Vice-President of Petro-Canada, had a hand in drafting the budget. That was confirmed here in the House. The very next day Petro-Canada signed a deal, a memorandum of understanding with Gillespie and Associates, that mentions the \$1 million.

If in fact there was not prior knowledge by Mr. Bell, other officials of Petro-Canada and Mr. Gillespie, if we are asked to believe this Minister whose word I find difficult to believe in view of his conflicting letters, what possible explanation can he provide to the House for that overwhelming circumstantial evidence that Mr. Gillespie, Mr. Bell, other officials of Petro-Canada, Devco, and perhaps others in the private sector, were aware of what was in that budget before it was presented to the House at 8 p.m. on October 28?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, my hon. friend should read the budget of October 28. He will find that there is no reference to this project in the budget of October 28. At the time of the budget the Minister of Finance tabled the National Energy Program which contained a large number of measures and a large number of allocations of funds, including funds for Atlantic energy development. That was all made public at the time.

I am advised, if I remember well, that Mr. Bell worked on the Canadianization aspect of the National Energy Program. I have never heard that Mr. Bell worked on any part of the budget.

Mr. Andre: The Minister is asking us and other Canadians to believe something that is totally unbelievable. He should examine his own conscience in view of his responsibility as a Minister of the Crown and Minister responsible for bringing down a new budget.

STATEMENT IN UNDATED MEMORANDUM

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the Minister has just repeated in the House something that the Prime Minister has said in the House with regard to where this money is coming from. It is, namely, from the Consolidated Revenue Fund of the Government of Nova Scotia, the \$9.2 million that was set aside as a result of the 1977 agreement which Mr. Gillespie drafted.