

*Competition Bill*

regarding oil. In particular, we are discussing the future development of what are loosely called the Alberta tar sands.

In this connection I wish to refer to the Hudson Institute, an organization which has been in existence in the United States for a number of years. Its activities have centered on the defence industry of the United States. It has become almost an agency of multinational corporations. Recently, I understand, it opened a branch or subsidiary office in Canada. I am told that Mr. Kahn, the Director of the Hudson Institute of New York, has met with the cabinet and discussed the tar sands. That is what I have been given to understand. If I am wrong, I will gladly withdraw anything my remarks may imply. As I say, I am told that he met with the cabinet, primarily on the question of developing the tar sands. His position was this: do it quickly; do it with borrowed foreign money; pay for that money with the oil production; sell out our resources to the highest bidder, for the quickest buck. That is exactly the same type of pitch the Minister of Supply and Services (Mr. Goyer) made a few days ago to the Chamber of Commerce meeting at Calgary. He said in so many words, "Let us find \$20 billion of foreign money; let us get it any way we can; let us build distillation plants, refinery plants and what have you as quickly as possible. Let us sink \$1 billion per year into them." Then he said, "Let us develop the tar sands and use every nickel we get from them for paying off as quickly as possible the \$20 billion we borrowed in the first place, and let us defend the position of the oil producing monopolies of this world."

● (1610)

I submit it was not by coincidence that the Minister of Supply and Services made the same kind of pitch in Calgary as was made by the Hudson Institute. First, it had the full blessing of the Prime Minister (Mr. Trudeau). In fact, he stood up in this House on one occasion in the last couple of days, turned with glowing features to the Minister of Supply and Services and said: Yes, he has continued this research; he is permitted to say whatever he wishes with my complete blessing. To hell with the Minister of Energy, Mines and Resources (Mr. Macdonald) and what he is trying to do. From now on, it is the Minister of Supply and Services. Why? I submit to you, Mr. Speaker, that the answer is simple, and it is based on the concept that blood is thicker than water. The Prime Minister, on this question is much closer to his friends in Quebec than he is to his friends who may be elsewhere in this country, including the Minister of Energy, Mines and Resources.

The Prime Minister got to be leader of the Liberal Party through a kind of minor conspiracy,—I do not say that in any unfair sense—that is, through an involvement of power groups. He got his votes from the people and his money from the Power Corporation of Canada whose headquarters is in Quebec.

**Mr. Roy (Timmins):** Nonsense!

**Mr. Howard:** Somebody said "Nonsense". I submit that the Power Corporation of Canada is now asking for repayment—and it will probably get it.

**Mr. Roy (Timmins):** Don't be an idiot!

[Mr. Howard.]

**Mr. Howard:** The hon. member said "Don't be an idiot". I am convinced there is probably no greater expert on that subject in the House of Commons.

**An hon. Member:** Right on!

**Mr. Howard:** Some of his own colleagues said "Right on!"

Let us examine the connection. There is a gentleman by the name of Claude Frenette who used to be executive assistant to the Mr. Sauvé when Mr. Sauvé was in the cabinet for a short-lived term as minister of forestry. Claude Frenette then moved from that position to become a senior executive in the Power Corporation of Canada. He is now, I gather, to be transferred, or to proceed, if he is not already there, to a position of some prominence in the Hudson Institute, the group which made the presentation about the tar sands.

In the fall of 1967, there was wonderment in this country as to who was going to be leader of the Liberal Party—who would be the candidates, and that sort of thing. Various people were holding meetings in the Province of Quebec, and quite rightly so; there was a contest going on to determine who would be the leader and it was a question of who they should support. That is all right. Of that group, one came into prominence, and if there was a leader it was this same Claude Frenette who met with a gentleman by the name of Marc Lalonde who later became principal secretary to the Prime Minister and is now the Minister of National Health and Welfare.

Another of these gentlemen who engaged in these meetings with Mr. Frenette, Mr. Lalonde and the others is the gentleman who is now the Minister of Supply and Services. He was involved in these meetings in the fall of 1967. The group used to meet every Friday night in the boardroom of the Power Corporation of Canada. Mr. Speaker, I am quite sure that a group of ordinary citizens, even though one of them might be a member of parliament and the other a senior executive in the Power Corporation, would not have the authority or the sanction to use the boardroom of the Power Corporation as a place in which to meet every Friday night without the directors knowing about it and authorizing it. They had the consent of the Corporation.

**Mr. Roy (Timmins):** Slimy insinuations!

**Mr. Howard:** These are no slimy insinuations. These are direct facts. I am not here, in any case, to engage in any exchanges with the hon. member about that sort of thing. I am here to lay on the line, as I see it, what is happening to the energy resources of this nation under this cabinet, which his party supports, and which is selling these resources down the river for the quickest buck it can get.

**Some hon. Members:** Hear, hear!

**Mr. Howard:** Then, there is one Jean-Luc Pepin who is presently on the board of directors of the Power Corporation, having been elevated to that position since he was defeated on the hustings last October. There is a direct connection between the Liberal hierarchy and the Power Corporation of Canada. That is no insinuation. It is a statement I make here and I will make it outside, too, just