

on Finance, Trade and Economic Affairs for examination and public hearing in regard to it. We will then see just what the country thinks about the bill.

Now, Mr. Speaker, let us examine the objectives. It is important to inquire about the objectives of the proposed Canada Development Corporation. Since not too many details were given to us until this evening, and since those are somewhat sketchy, we can only infer to a certain degree what the proposal is. It has been intimated that the CDC is primarily to assist in the development of major projects in Canada and that it will seek to reduce foreign takeover of Canadian corporations.

**Mr. Benjamin:** Why should it not stop that?

**Mr. Lambert (Edmonton West):** Of course, when one hears that one's heart goes pit-a-pat a little faster.

**Mr. Benjamin:** That is right.

**Mr. Lambert (Edmonton West):** Those are great, laudable objectives. They are in the same category as objectives in favour of motherhood, although apparently some people these days are not in favour of motherhood.

**Mr. Benjamin:** Some mothers are not.

**Mr. Lambert (Edmonton West):** This is another instance of somebody being against sin, although I understand that these days many people are not against sin.

**Mr. Benjamin:** Could the hon. member name one?

**Mr. Lambert (Edmonton West):** Perhaps the reference is a little out of date. In any event, the minister has expressed noble sentiments because, after all, who can disapprove of the development of major projects by Canadians and of the preservation of Canadian control of our industry? We can all say those words with the appropriate tremolo in our voices.

**Mr. Knowles (Winnipeg North Centre):** Hallelujah!

**Mr. Lambert (Edmonton West):** Of course, the development corporation can develop projects or curtail the expansion of foreign ownership, but an analysis of the costs involved and an analysis of this type of initiative leads me to say that this legislation may be self-defeating. Any projects that are economically viable by their very nature can stand on their own feet without government assistance.

The intention of the government is to give constructive help, in co-operation with the private sector, when a decision has been taken. Some claim that there is a large institutional gap in our capital market; but what evidence is there for this assertion? One can think of all sorts of companies which have started from scratch in Canada. In my own province of Alberta small companies have been built on ability and the willingness to scratch. Some of them perhaps had the good fortune to work in an economic climate that was suitable and in a market that was suitable. The same may be said for Ontario. I am sure that all hon. members in the House at present can think of medium and large businesses in their con-

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 stitencies that were started and developed by Canadians without too much government assistance.

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

**Mr. Lambert (Edmonton West):** So I ask, why is there this particular concern at this time? Why must there be this Canada Development Corporation? Let us see what has happened in Alberta. I ask the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) to cast his memory back to the little bill in 1965 that set up the Alberta Development Fund. That was set up under a Crown corporation with a board of directors. Its purpose was to help struggling Alberta companies. The public were invited to subscribe to debentures which were guaranteed as to 3 per cent, plus a share of the profits over and above that. The sad history is, Mr. Speaker, that the public response was almost nil. No moneys were advanced to any corporate entity. A few bonds were bought. I am informed that as of today the government is preparing to phase-out the Alberta development fund. This is a lesson in part as to what may happen to an organization of that kind.

Referring back to the conflicting objectives that I pointed out were set out in the press release by the minister, I ask, in what sector of the economy will the CDC be more effective? Will it invest in the already more economically successful regions, or will it work under the regional incentives program of the government? If the dominant shareholders are to be government-oriented, and if the profit motive is to be the principal motive for the corporation, will not this corporation work at cross-purposes with regard to the regional incentives program of the government; or will it be asked to complement the regional incentives program?

We know that the regional incentives program is not designed to work in the economically strong areas where a steady rate of return on economic development may be readily anticipated. So I ask right away: Which shall prevail; the principle underlying the CDC, or the programs of the government such as those that are being put into practice by the Minister of Regional Economic Expansion (Mr. Marchand)?

Let me ask another question, Mr. Speaker, about CDC involvement in the development of major resource projects. As the minister told us a little while ago, this is to be done without outside participation. Can the minister tell us where the outlets will be? The minister, the government and anybody else can talk about funnelling investment into industry and about putting up facilities to develop resources, but unless the products of that economic activity can be sold or utilized you might as well shut up shop right from the beginning, because it will have been a useless exercise.

Let me refer to a classic example. United States and Japanese steel companies usually prefer to own their own raw materials in order to be assured of adequate supplies and also to participate in the profits of their own purchases. Both are classical reasons for vertical integration. The parliamentary secretary is from Calgary. He knows what is happening to the development of coal in our