

*Supply*

also the legitimate aspirations of Canadian provinces that support decentralized government.

What makes this so disturbing is that this government acts so discreetly it is almost self-effacing. No fuss, no boasting, but meanwhile, it is carefully and almost secretly centralizing the powers of the Canadian federation here in Ottawa as no other government has done before in this country's history.

I will try to explain this process, starting with Bill C-46, which comes first both numerically and chronologically and which last fall, took a number of departments, including Communications, Consumer and Corporate Affairs, and amalgamated these to establish the Department of Industry, as it is known today. So far, so good, except that the Federal Office of Regional Development (Quebec) was maintained. When I say maintained, we should realize that for some time there were rumours that the office would be dropped.

In view of the deplorable and indeed disastrous state of Canada's public finances, the federal government, as you know, had to take a long, hard look at the situation and, in the process, it seems the very existence of the Federal Office of Regional Development (Quebec) was called into question because it could no longer provide financial assistance for small businesses. At the time, it had found its niche helping high tech companies but, because of budgetary cutbacks, all this had to be shelved so that the continued existence of FORD was in doubt. However, instead of getting rid of FORD, the government maintained this empty shell, which has now become a kind of conveyor belt, a Trojan horse, the federal government's favourite mechanism for getting involved in regional development in Quebec.

• (1140)

The mission of FORD is being changed. It will serve as a consultant to small and mid size high tech businesses, primarily in the area of exports. This is all very well, except it is already the case in Quebec. And the networking—and since you were at the Standing Committee on Industry recently, you know what I am talking about—that FORD can do as part of its activities, the Quebec Department of Industry and Commerce is already doing it. We have already dealt with this concern on the part of high tech business and high tech exporting businesses. This ground has already been covered. Instead of abolishing the Federal Office of Regional Development, it is being kept alive by further duplicating mechanisms that already exist in Quebec in the area of regional development.

Except that it is becoming the preferred vehicle, making agreements, as we will see, with the Federal Business Development Bank. This will enable the federal government to slip in and meddle even more blithely than before in the operations and the management of regional development. It will do so while

ignoring the presence of the Quebec government and the regional development apparatus it already has and the equality of the Quebec government in the relationship. The federal government must remember that if it is going to intervene as a government, it must be to provide support and not to compete with the provinces. This is what we see in Bill C-46 with FORD remaining as we know it today in terms of SMB adviser-resource persons.

I move on now to Bill C-76. Briefly, because the main theme must always be taken into account, what is new about Bill C-76, which is the bill to implement the budget the Minister of Finance tabled a while back, is that it establishes a completely new concept, that of the Canada social transfer, which is the budget for social and welfare programs. A new concept is therefore in use, doubtless to assist in the advancement of the science known as the Canada social transfer.

According to Bill C-76 implementing the budget, the federal government will, over the next three years, reduce by \$7 billion the public funds it gives to the provinces, which means a \$2.5 billion cut for the Quebec government.

Not only are the cuts in question huge, the federal government, instead of being apologetic about it and paving the way for a true decentralization of powers following its financial withdrawal, is interfering more and more in the management of health, welfare and social programs and more recently, in post-secondary education. Also it announced that it will set national standards to which provinces will have to conform to avoid being further penalized.

It is a new way of interfering into areas of provincial jurisdiction. Section 93 of the Canadian constitution provides for a distribution of powers and areas of jurisdiction. The areas just mentioned—health, post-secondary education, social programs and welfare—are all within provincial jurisdiction. These areas, which affect Quebecers every day, are crucial to Quebec's distinct society in the Canadian federation. They are existential.

• (1145)

The federal government has no right to set national standards for Quebec. Furthermore, under clause 37 of Bill C-76, the federal government demands that its financial assistance be visible, which means that, from now on, the forms used by citizens must reflect the fact that the federal government contributed to such and such a program.

Not only is it withdrawing, not only is it cutting, not only is it setting standards, but now it boasts about it and demands to be praised by the provinces so that citizens realize that the federal government doles out presents. This is the underlying philosophy: to show that it is giving presents to the provinces, as if it were not with the taxes paid by Canadians and Quebecers, and this is the normal state of affairs. As unconstitutional as these measures may be, it is normal for the Canadian government to be