

*Supply*

much more in this restructuring of the government—a vital issue—than in some constitutional matter”.

I conclude with these comments, which confirm our apprehensions. Here, in this Parliament, as well as in the Langevin building, very important events are occurring, but they are not being publicized. A country is being built and changed without any debate. I think it is outrageous.

**Mr. Denis Paradis (Brome—Missisquoi, Lib.):** Madam Speaker, I just heard the hon. member for Trois-Rivières speak about the Federal Office of Regional Development in Quebec. I would like to remind him that the Office's presence in Quebec was requested by the social and economic stakeholders in the regions.

In my riding, as in most ridings, people have asked for a regional economic development policy. A few days ago, we heard the Minister of Finance say in the House that he had written several times to his provincial counterparts inviting them to co-operate on matters related to regional economic development. He has received no answer to date. This is an important point that we must not forget during our debate.

A few weeks ago, a seminar was held in Chicoutimi on the future of Quebec and its regions. At the seminar, the Quebec government was asked to do something along the same lines as the federal government in the area of economic development. I think this is important. The federal government is a leader in the field of economic development in Quebec, and, through the Federal Office, it is responding to people's needs, as Quebec should do. It is very important that the federal government continue its efforts, but with the provinces' co-operation.

Finally, I have a question for the member for Trois-Rivières. In his riding, some forty economic development projects have been approved by FORD-Q. Would he deprive his constituents of the federal government's economic presence in his own riding?

**Mr. Rocheleau:** Madam Speaker, I thank the hon. member for Brome—Missisquoi for his very thoughtful question. Sure, we do not want to deprive our constituents of the moneys they have already paid to the government and that are redistributed in the normal way. When one claims to want to develop the economy, as the federal government is doing, it is perfectly normal that from time to time it takes tax moneys paid by Quebec taxpayers to redistribute them in Quebec.

There is nothing new here, there is no gift in there, contrary to what is hinted at in such a question, as if that money was paid out of generosity. However, I am not sure, and there lies the danger, that these 40 projects are being developed in harmony with the efforts being made at the same time by the Quebec government. That is not obvious at all. On the contrary, one is left with the impression that there is competition, duplication and overlapping of energies.

I would like to take the opportunity provided by my colleague's question to talk about the Federal Business Development Bank and the change in policy it is setting for itself or that is being imposed on it by the minister. We seriously wonder how, despite all its claims, the new Business Development Bank of Canada will be able to meet the need it met successfully up till now for very small businesses, because 52 per cent of the loans made by the FBDB were loans of \$100,000 or less, which suited the needs of very small businesses. Given the new aspirations of the Business Development Bank of Canada, it is not that obvious that the needs that were met up till now will be met in the future. This is not very reassuring, and therefore leads us to question the validity of this new mandate.

• (1205)

**Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.):** Madam Speaker, I am pleased to participate in this debate. I will take this opportunity to set the record straight concerning the Canada health and social transfer.

Contrary to the propaganda spread by the Bloc Québécois and reflected in the motion before the House, the Canada health and social transfer does not take powers away from Quebec and transfer them to the federal government. Instead, it gives more flexibility to provinces.

Thus, the new Canadian social transfer is a big step toward more mature federal-provincial fiscal relations.

In the last federal budget, the government acted on the request made by Canadians that deficits be reduced through structural changes.

That kind of change is essential if we are to secure Canada's economic well-being and protect our social programs. But the structural changes we need could not be made without a reform of the provincial transfer system.

Cash transfers amount today to more than 20 per cent of all federal program spending.

[*English*]

The government responded to the need for change with a new transfer system that is both more sustainable and more effective, the Canada health and social transfer. Currently the federal government transfers funds to the provinces for health and post-secondary education under established programs financing or EPF.

Funding for social assistance and social services is provided under the Canada assistance plan. Beginning in 1996-97, these transfers will be replaced by a single transfer as described in Bill C-76 which is before the House. The Canada health and social transfer is part of that bill.

Unlike the current system, which is based partly on cost sharing arrangements, the Canada health and social transfer will