

*Government Orders*

active role, we want complete fiscal reform, and we hope that our monetary system, which is not working to our advantage, will be modified.

So three different elements come into play.

Furthermore, the Minister of Finance proposed some work-force adjustments. Since we are being told to reduce spending, we tried to achieve this by streamlining of the public service.

• (1645)

When I hear that 45,000 employees will lose their jobs, I think this is a bit of an exaggeration, because this will happen over a three-year period, and most of these 45,000 people will either take normal retirement or early retirement, or accept what we call a buy-out.

In conclusion, therefore, I would like this House to understand that our problems cannot be ascribed to one thing only, that is spending alone. High interest rates, largely the result of our monetary system of the last 15 to 20 years, made it difficult for us to carry out reforms, especially the reform of the tax system which is sorely needed because of the very heavy tax burden on the middle class.

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, I am pleased to take the floor to talk about the amendments to Bill C-76. When I heard the hon. member for Gatineau—La Lièvre talk about the monetary system and cuts in the public service, when the subject is really amendments to the Crow's Nest Pass policy and to the subsidy to Western grain farmers, I thought I had got my day wrong.

Well, we cannot very well prevent him from talking about the subjects dear to his heart, but I am happy to hear that he does not share the views of his Minister of Finance, and I urge him to point that out to the minister, who is following a monetary policy basically similar, if not identical, to that of his Conservative predecessors. I also urge him to mention it to his constituents.

This is a good illustration of a policy which makes it difficult to deal equitably with an issue. It happened in the past, and it continues in the budget, which treats dairy producers from Quebec and grain producers from the West differently. This is the continuation of a long series of historical decisions regarding agriculture and rail transport which, in both cases, worked to the advantage of Western Canada.

I am quite pleased to point this out, because we still hear Liberal and Reform members criticize the fact that Quebec receives, in some areas, transfer payments or equalization payments. They called them gifts to Quebec, but they do not criticize this policy which, for a long time, has allowed the West

to develop. The development of the railway system cost billions of dollars, and allowed a lot of farmers to grow and prosper in Western Canada. However, we seem to forget all the money that was poured into this because it is less visible nowadays, since it was done over a period of time.

But now, with all the financial choices and spending cuts we face, this resurfaces. A moment ago, my colleague from Saint-Hyacinthe—Bagot talked about that. When the unemployed are victims of cuts, we do not say to them that we are going to allow them transition, adjustment periods. Soon, we will be making changes to the Canada pension plan or looking at the income security program, and throughout this debate that will be held in the fall, I am sure that these changes will not provide for long transition periods for the persons affected.

But when we speak about capital gains, family trusts, and other matters, then we have to have long transition periods to give people a chance to adapt. However, when the ordinary people, who are the most affected, are concerned, we forget about that.

I talked briefly about the impact of this policy on the development of the railway system. This has also encouraged farmers. For years now, in Quebec, we have been told that every rail section must be viable. When they are not, the tendency is to privatise them, to get rid of them, to give them to anybody, and not to keep them. Under the same policy out west, we have always supported the maintenance of this system, because they were very clearly linked to the development of the farming industry.

Earlier, I tried to describe the situation in this way: if you are a grain producer, it is not the dairy truck which goes by your house, but the rail system, to help you, support you or allow you to send your crop to the export points. Over the years, things have evolved. At the beginning, almost 90 per cent of the financial support came from the government.

• (1650)

And now, financial choices have to be made. In its budget, the federal government says that it must cut in that area, but it is planning a \$1.6 billion compensation package. An important factor to consider is the fiscal side of the equation. When we talk about non-taxable money, the amount is higher than that, perhaps more than \$2 billion.

In the same budget, we are told that tens of millions of dollars will be cut for milk producers in Quebec, but no mention is made of any compensation. So, we have the unfair treatment given by the federal government which has supported the railway system and supported Western Canada to the tune of hundreds of millions of dollars, on the one hand, and has funded development differently in Quebec, by giving it less support, on the