

Supply

Has the Minister heard these voices? Is he making their case in Cabinet? Does the Minister accept the reasoning that the cut-backs being proposed will ultimately send Atlantic Canada on a treadmill into the past rather than being able to march confidently into the future?

Mr. McInnes: Mr. Speaker, I am happy to respond. I would suggest to Hon. Members that an increase in federal transfer payments of \$25 billion over the next five years will very adequately pay for any demand for hospital and educational services.

Mr. Tobin: There is a cut in transfer payments.

Mr. McInnes: In my own particular Department of Supply and Services, in order to ensure that Atlantic Canadians prosper, the Government is going to spend an additional \$50 million in Atlantic Canada in the ensuing year. We have also undertaken a program of education so that small business—which is where the opportunity is in our province—

Mr. Tobin: Point of order, Mr. Speaker—

Mr. McInnes: We are allowing small business the opportunity—

Mr. Tobin: Mr. Speaker, if this process is going to be worth-while, the Minister ought to answer the question about transfer payments.

The Acting Speaker (Mr. Paproski): That is debate. The Hon. Minister of Supply and Services has the floor.

Mr. McInnes: What I am saying, Mr. Speaker, given the opportunity for our policies to work, the requirement for transfer payments will be mitigated, given time. We are going about the Atlantic provinces, as indeed we are in other parts of Canada, with programs on how to do business with the federal Government in order to ensure that small business, which is the essence of Atlantic Canada, has the opportunity to participate. That program has started and will accelerate over the next year.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would like to congratulate the new, so-called “rookie”, Member of Parliament for Halifax (Mr. McInnes), the new Minister of Supply and Services, because he is showing good leadership and good fiscal management in his new portfolio. I wish him continued success.

What the Minister did not point out is that we are again talking to the provinces. The various Departments of the federal Government have met consistently and regularly with their counterparts in Atlantic Canada, more so than the Liberals ever did. The Liberals totally ignored Atlantic Canada for decades.

The Canadian Federation of Independent Business recently released statistics from a survey it did of its 750,000 members concerning the capital gains exemption of \$.5 million which will encourage investment to diversify the economy. The CFIB survey showed that as a result of this, more than 55 per cent of

small business owners are likely to expand their operations; 20 per cent would start a new firm; 16 per cent would buy another firm and 24 per cent would invest in someone else's business. Does the Minister of Supply and Services not feel that this is contributing to a new level of confidence in Atlantic Canada?

Mr. McInnes: Mr. Speaker, I think that is corroboration, testimony to and further evidence of the fact that the policies started by this Government 14 months ago are indeed working. Every month when Statistics Canada brings forth the economic indicators, we see that everything that should be up is up and everything that should be down is down. Bankruptcies are down, inflation is down and employment is up. Investment opportunities are up. Everything is up. The Minister from Cape Breton-East Richmond will know that in Nova Scotia small business intends to hire 24 per cent more people this year than it did last year.

● (1240)

The Acting Speaker (Mr. Paproski): Order, please. I will allow a short question by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall).

Mr. Dingwall: The Hon. Minister is wrong. I did mention my constituency. I did talk about Cape Breton in my opening remarks. Second, I have not been a Member of Parliament for seven years. Third, I am not a Minister, I am the Member of Parliament for Cape Breton-East Richmond.

My question is this. Does the Minister agree or disagree with the Premier of New Brunswick when he says unequivocally that unilateral cut-backs in transfer payments will cause New Brunswick to implement user fees or higher tuition fees? Does he agree or disagree?

Mr. McInnes: I was present at the First Ministers' conference, and all the Premiers, in varying degrees, commented on the transfer payments. The feeling was about fifty-fifty, a matter of degree. Some were more strident. The essence of all the comments was: Would you entertain continuing transfers at the same level for a year? When they received the explanation from the Prime Minister (Mr. Mulroney) that in our current circumstances we were not able to do so, that was accepted. There is now a spirit of co-operation and consultation and we will continue to consult.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, one of the changes in the way we debate was that after speeches of 20 minutes we have a 10-minute question and answer period. I want to tell you that one of the phoniest exercise we have is when a regressive Conservative gets up and asks Ministers all sorts of nice pat and puffy questions so he can blow his horn. He says unemployment is down, bankruptcies are down. Well, in the Gallup polls the Tories are down, and you are going to go lower, brother.