

"On the other hand it may be that provincial governments who administer the programs would have some latitude to decide how they are going to cover their costs. I want to sit down with the provinces and talk about it."

What is wrong with that? All the provinces are running into spending problems.

Health care is important to this country and that is one of the reasons the Minister of Finance did not change transfer payments to the provinces which covers some of the health care costs. Canada spends the highest—

**An hon. member:** Oh, oh.

**Mr. McDermid:** We never cut transfers to the provinces. We never cut. It increased every year. We never cut. Our transfers to the provinces have increased every year so the hon. member is totally all wet. He must have been in Kingston Bay on the weekend. He is totally wet. The transfers to provinces have increased every year. He is totally wrong.

I just want to make one final point. In health care we spend the second highest per capita on health care in the world. I think most health ministers, most finance ministers, most governments, most people in the health care field say that more money is not the answer, but to administer our health care system better. That is what we in co-operation with the provinces will attempt to do over the coming years.

I want to say that I understand the Liberals' concern. I understand why they brought this debate forward. They are very concerned about our leadership candidates. I understand that. They will have a great time of it over the next few weeks. All I can say is enjoy it now because when the election comes there will be a new leader of the Progressive Conservative Party and Prime Minister who will lead us to our third majority government.

**Mr. Dennis Mills (Broadview—Greenwood):** Mr. Speaker, I listened attentively to the minister. I was surprised that he did not touch on the small business community. He supported the minister's economic statement in December where the minister stated that this was the area where we had the greatest hope of new job creation.

The problem that I continue to have is with the Small Businesses Loans Act. We were given an undertaking by the government, by members of the cabinet, the Minister of Finance and others, that they would lean on the

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financial institutions and make sure that they would aggressively promote and utilize the Small Businesses Loans Act. This is an act, for those who are listening, where the Government of Canada will guarantee 90 per cent of a loan given to small business if their business plan works and if they want to expand or grow their business.

• (1110)

I have two points that I want to make. Even though we try to promote this at our own riding levels and we are taking a very non-partisan approach to this, there are still tens of thousands of small businesses which are not aware of the act. I continue to hear day in and day out that the bankers are really not co-operating with the small business community on this.

My question is a very constructive one. What can be done to make sure that the Small Businesses Loans Act is not just a piece of legislation on a piece of paper but that it is actually working and that the bankers of Canada and the credit unions of Canada actually work with the small business community so that we create some hope and get people back to work?

**Mr McDermid:** Mr. Speaker, I know the hon. member is genuinely concerned about the small business community as we are. The amendments to the Small Businesses Loans Act were evidence of that. We have the lowest tax rate for small businesses I think of any countries in the G-7 and so we have great concerns for small businesses.

I want to tell my hon. friend that I personally have spoken to the Canadian Bankers Association in this regard to encourage it and to encourage its members. I have spoken to some of the bank presidents on this, one just recently. It is my understanding that two of them now have set up small business programs tied in with the Small Businesses Loans Act with very good rates for small business.

They still have to make the decisions as to who gets those loans and who does not. Some qualify I guess and some do not. That has always been the case. I am encouraged by what I am seeing from the banks now regarding small business. They now know of the programs. It will be a process as I understand it to educate their managers in the field to this particular program.

**An hon. member:** It is not happening.