

Oral Questions

Some Hon. Members: Order.

Mr. Speaker: Order, please. There has been a little slippage lately on the use of the word "you". Hon. Members know that that leads to disorder in the Chamber. I would ask Hon. Members to co-operate. The Hon. Member has put his question. It has been heard. We will hear the Minister.

Mr. Cassidy: Thank you, Mr. Speaker. I apologize—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member had completed his question. I ask Hon. Members to stay within the rules. The Hon. Minister will reply.

Hon. Michael Wilson (Minister of Finance): Thank you very much, Mr. Speaker. I think Hon. Members of the House are quite used to the statistics which the New Democratic Party has used. Back in May, 1985, the Leader of the NDP said: "The effect of this is a net loss of 50,000 jobs this year and an additional 100,000 jobs next year". That is a very clear statement from *Hansard*. Since May, 1985, we have created 9,000 jobs in Newfoundland, 18,000 jobs in New Brunswick, 86,000 in Quebec, 222,000 jobs in Ontario, 25,000 jobs in Manitoba—

Some Hon. Members: More, more!

Mr. Speaker: The Hon. Member for Humber—Port au Port—St. Barbe.

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THE BUDGET**PLIGHT OF UNEMPLOYED**

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Minister of Finance. Yesterday the Minister of Finance brought down a Budget, and today every youngster in the country is down in the basement looking for a secret place to stash their piggy banks in an attempt to keep their pennies from a Minister of Finance who wants to tax their granola bars, cream puffs, and other snacks. If the Minister were living in the real world, he would know that 1.25 million Canadians are unemployed, including 150,000 in Atlantic Canada, and that a kiddy tax is not the answer. Why were there no measures in the Budget to help the unemployed mothers and fathers, brothers and sisters of the nation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what is the answer is lower interest rates. Interest rates have come down 3.5 percentage points from the time we took office. They had another drop again today, and we will probably see that trend continue because of the strong confidence in the Government and the way—

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): In specific answer to what we have done to address the problems of regional disparities in Atlantic Canada, I remind the Hon. Member that we have the Atlantic Opportunities Program—\$600 million of federal purchasing will be directed toward Atlantic Canada. We have the Cape Breton investment tax credit. We have the special investment tax credit which is special for all Atlantic Canada. We have the Atlantic Enterprise Program. We have had ERDA agreements with each of the provinces. All of these are designed to address the problems of regional disparities and unemployment in Atlantic Canada. Things are starting to work.

CAPITAL GAINS TAX EXEMPTION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the only way in which Atlantic Canadians were special in the Minister's Budget is that we were especially ignored. Not since Marie Antoinette said "Let them eat cake" has such an uncaring answer been given by a Minister to the poor and unemployed. How can the Minister continue to fatten the privileged few with a capital gains tax exemption worth \$800 million this year, at a time when so many Canadians are doing without a job or a decent meal?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member has forgotten why the capital gains tax exemption was brought in. It was to help farmers. It was to help small businesses. It was to help give people the incentive to take money out of Canada Savings Bonds and put it into a new business which would create jobs. That is the reason we did it. I believe 475,000 jobs have been created since May 23, 1985, when that measure was brought in. That is the reason we brought in the capital gains tax exemption.

[Translation]

EQUALIZATION PAYMENTS—QUEBEC—GOVERNMENT POSITION

Mr. Robert Toupin (Terrebonne): Mr. Speaker, my question is for the Minister of Finance. The have-not regions lost more ground yesterday as regional development expenditures have increased only by 1.7 percent, which is very little, and the Budget says nothing about equalization in spite of the fact that the changes made to the equalization program have resulted in a loss of about \$100 million for Quebec.

My question is this: Can the Minister of Finance tell this House whether he plans to correct this unfair treatment for Quebec as soon as possible?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, Quebec is not being treated unfairly, anymore than any other province. We have implemented a program to increase federal-provincial transfers and we have had a 5 percent rate of increase for equalization payments and a 5.3 percent rate of increase for education and health, I believe, and over the next five years, transfers to the provinces will increase from \$65 billion to \$90 billion. This is a major increase.