

THE RISING TIDE

A SMALL BUSINESS PERSPECTIVE
ON THE NEED FOR STRONGER
ATLANTIC COOPERATION

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**CANADIAN FEDERATION
OF INDEPENDENT BUSINESS**

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The Rising Tide

A small business perspective on the need for stronger Atlantic cooperation

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This report is the second installment in a series of papers by the Canadian Federation of Independent Business (CFIB) providing the small business perspective on the Atlantic region's demographic challenges and the future of Atlantic Canada. New survey results show stronger cooperation among the provincial governments in the region is almost unanimously supported by small- and medium-size businesses (SMEs). Furthermore, cooperation is seen as a key opportunity to improve the outlook for the region for businesses and residents alike.

Introduction

The Atlantic region is facing severe demographic challenges and while regional cooperation is not the only answer to these problems, SMEs believe stronger cooperation can play an important role in helping government manage costs and stimulate the regional economy for the benefit of all Atlantic Canadians.

In the first report in this series, *Winter is Coming, Why Atlantic Canada's aging population should scare governments (and the people who pay for them)*, we concluded that: "The population challenges that are facing Atlantic Canada are real and are already beginning to be felt by businesses and governments in the region as baby boomers begin to age out of the workforce. This aging of the population will have significant impact on both government finances and the region's economic development."¹

The Rising Tide, the second in this series, provides the small business perspective on Atlantic cooperation and makes recommendations that will help provincial governments in making cooperation an effective instrument in addressing the region's most pressing challenges.

¹ McGrath-Gaudet, Erin, CFIB, [Winter is Coming: Why Changing Demographics Should Scare Governments \(and the people who pay for them\)](#), PEI, 2017.

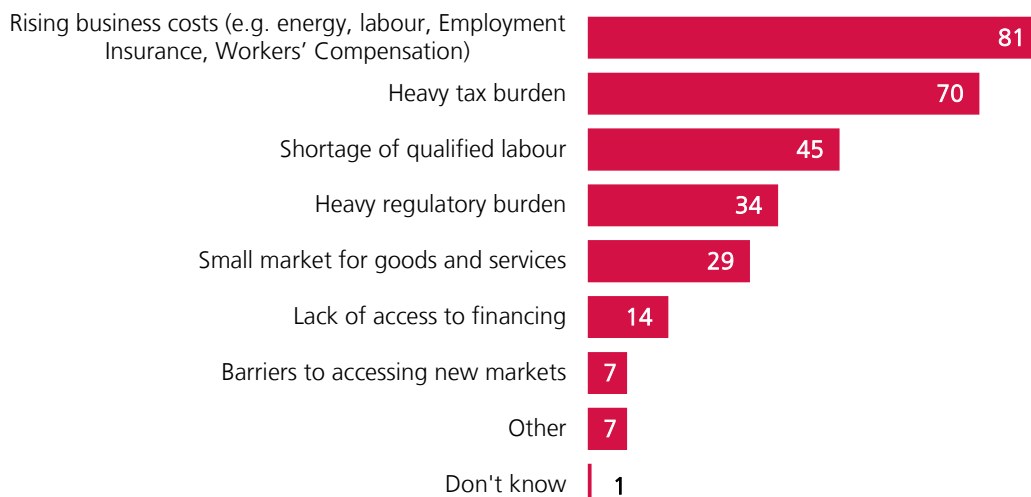
Atlantic Canada's Greatest Challenges

In *Winter is Coming*, we noted the most severe effects of the aging population and shrinking labour force will not be fully felt for another few years. However, our research also indicates SMEs are currently facing numerous and pressing challenges in their business operations today; challenges that will only worsen as the full effects of the demographic shift take hold.

The majority of small- and medium-sized businesses in the four Atlantic Provinces identified rising business costs (81 per cent) and heavy tax burden (70 per cent) as the greatest challenges currently facing their business. Other challenges currently faced by business owners include shortage of qualified labour, regulatory burden and a small market for goods and services (see Figure 1). There was consistent agreement among business owners on these challenges across the Atlantic provinces. (For more detailed results by province, see Appendix A.)

Figure 1

In your opinion, what are the greatest challenges currently facing your business? (% response)

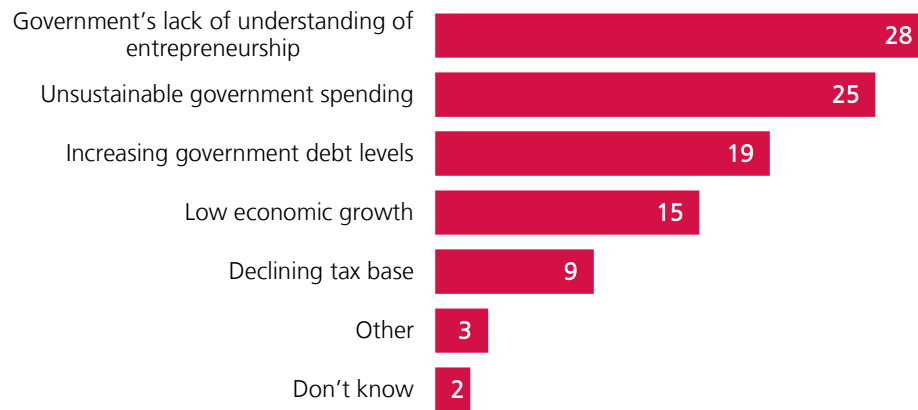


Source: CFIB, Atlantic Governments Working Together Survey, Web, Sept. - Oct. 2017, 713 responses.

Rising business costs combined with high taxation result in business owners having insufficient capital available to invest in their business in order to increase productivity and competitiveness. Overall, SMEs in Atlantic Canada believe their provincial governments are not doing enough to create an environment conducive to small businesses success. In fact, 28 per cent of small business owners indicated the greatest problem facing provincial governments is governments' lack of understanding of entrepreneurship (see Figure 2). Another 25 per cent indicated that unsustainable government spending was the biggest problem facing their provincial government, and almost one-in-five identified increasing government debt levels as the top challenge facing their provincial governments.

Figure 2

In your opinion, what is the greatest problem facing your provincial government in the next five years? (% response)



Source: CFIB, Atlantic Governments Working Together Survey, Web, Sept. - Oct. 2017, 713 responses.

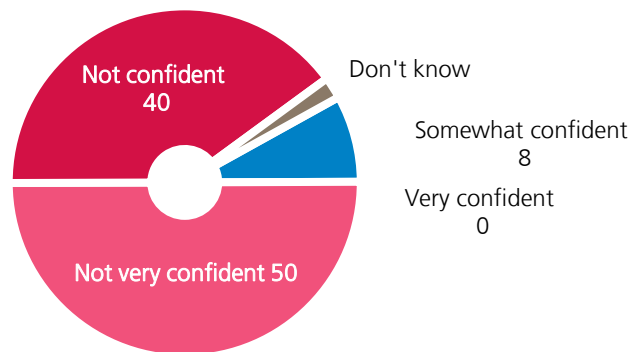
“There is a lack of an overall comprehensive and consistent plan for development of all areas that is maintained and driven by all governments (parties and levels).”

—Hospitality Business Owner, Nova Scotia

Not only do SMEs lack confidence in governments’ understanding of entrepreneurship, they also have little confidence in governments’ ability to take corrective action to solve this problem. In fact, the vast majority of business owners (90 per cent) indicated they are not confident in their provincial government’s ability to overcome its greatest problem (see Figure 3).

Figure 3

How confident are you that your provincial government will solve the problem you previously indicated? (% response)



Source: CFIB, Atlantic Governments Working Together Survey, Web, Sept. - Oct. 2017, 713 responses.

“Government, while claiming to be supportive of small business and entrepreneurs, has no idea of the hurdles to overcome.”

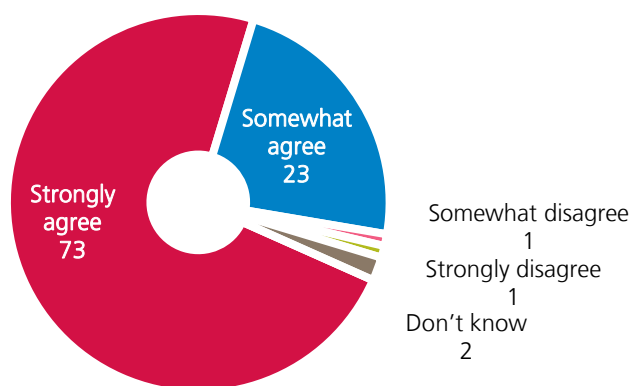
— Grocery Store Owner, Nova Scotia

Strong Support for Cooperation

In regards to cooperation within the Atlantic region, an overwhelming majority of SMEs (96 per cent) either strongly agree or somewhat agree with provincial governments working together on finding solutions and cost savings in areas of shared concern (see Figure 4).

Figure 4

In areas of shared concern, provincial governments in the Atlantic region should work together on finding solutions and cost savings (% response)



Source: CFIB, Atlantic Governments Working Together Survey, Web, Sept.-Oct. 2017, 713 responses.

“Working together with the other Atlantic provinces to reduce spending is the only way this can be achieved in today's economic world. It is the only thing that makes any logical sense!”

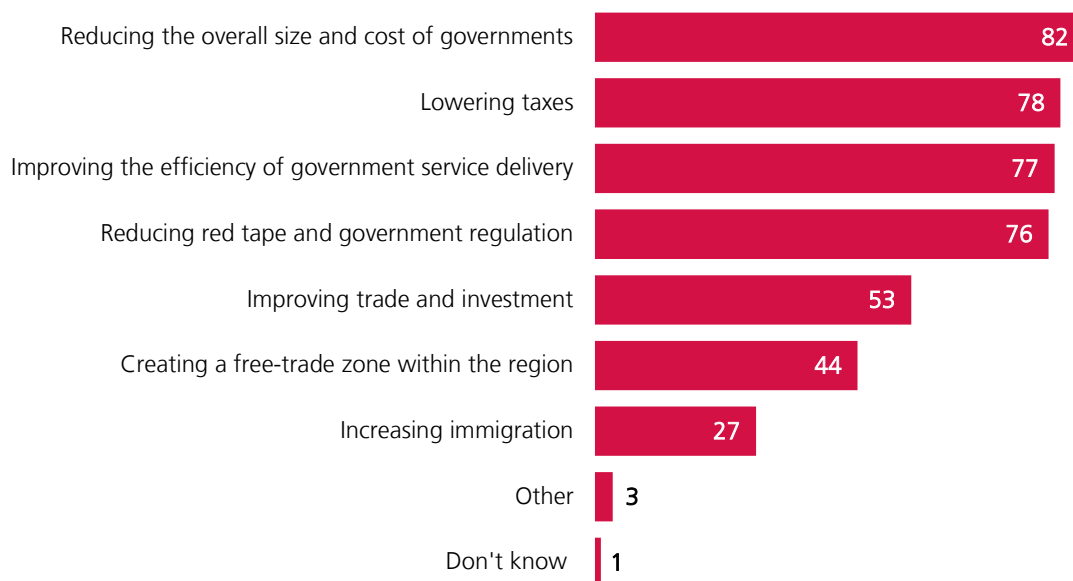
—Campground Owner, New Brunswick

Goals of Cooperation

According to small- and medium-sized businesses, the goals of cooperation should be on delivering tangible results that will contribute to the long-term economic health of the region. In fact, eight out of ten business owners believe the primary goal of cooperation should be reducing the size and cost of governments (82 per cent), lowering taxes (78 per cent), improving efficiency of government service delivery (77 per cent), and reducing red tape (76 per cent) (see Figure 5).

Figure 5

When the provincial governments in Atlantic Canada choose to work together in areas of shared concern, what goals should they focus on for the long-term economic health of the region? (% response)



Source: CFIB, Atlantic Governments Working Together Survey, Web, Sept. - Oct. 2017, 713 responses.

Given that Atlantic Canada is home to some of the highest taxes and highest cost of governments in the country, it is not surprising to see savings in these areas as top priorities for the region’s small businesses. In the first report of this series, we outlined that government spending will only continue to face increased pressures on this front given the realities of our aging population. This reality only serves to reinforce the need to strengthen regional cooperation as a means of finding more cost effective ways to provide quality public services and promote economic development.

Priority Areas for Cooperation

To better understand SMEs’ priority areas for cooperation, we asked which areas they think provincial governments should focus on when working together. The top five areas identified are: health care (75 per cent), economic development (64 per cent), promoting trade and investment (62 per cent), education (60 per cent), and retention of youth (see Figure 6).

Figure 6

In your opinion, what areas should the provincial governments in Atlantic Canada prioritize working on together? (% response)



Note: Provincial purchasing can include prescription medication, school buses, IT, etc.

Source: CFIB, Atlantic Governments Working Together Survey, Web, Sept. - Oct. 2017, 713 responses.

The following sections provide a quick glimpse into a few of the areas the provincial governments in the Atlantic region are working on together that align with SMEs' top priorities.

Health Care

Throughout the Atlantic region, health care is the single biggest cost for government (for more details, view Appendix B). It is not surprising then that health care rates at the top of the list of priorities where business owners want to see stronger regional cooperation. The region's rapidly aging population and relatively high incidence of chronic illness² (primarily cardiovascular disease, cancer, diabetes and respiratory illness) represent very serious challenges.

In February 2017, the Council of Atlantic Premiers directed their Ministers of Health to work together to review public drug plan coverage. The review will look at strategies to contain costs, to address high-cost areas such as therapies for rare diseases, along with improving service.

² Public Health Agency of Canada, <http://www.phac-aspc.gc.ca/canada/regions/atlantic/atlantic-eng.phb>. Last visited on March 19, 2018.

The Ministers of Health were also mandated to collaborate on strategies for chronic disease management and prevention, beginning with diabetes. While these initiatives have potential and demonstrate the provincial governments are working together to reduce costs in health care, to date, a public update of the review has not been made public.

Economic development & promoting trade and investment

Business owners in the Atlantic region know that economic development can be stimulated in a variety of ways. For example, existing barriers to trade place enormous costs on businesses and limit their ability to grow. When governments make it less costly and less complex to do business within the region and beyond, more small- and medium-sized businesses could more easily access a larger market for their products and services³.

Economic development cannot be discussed without considering the heavy tax load small businesses in the region shoulder. Small business owners consistently indicate the total tax burden as their top area of concern for their business⁴. In fact, business owners want their governments to create a tax and regulatory environment that is competitive enough to attract new investment on its own merit (in lieu of subsidies and incentives) while simultaneously encouraging existing businesses to grow, hire, invest and innovate.

Regulatory reform and red tape reduction are also considered effective ways to stimulate the economy, and are completely within the governments' ability to control, this is critically important for the region's long-term economic health. Three-quarters of business owners see red tape reduction as one of the main goals of cooperation. Current efforts within the region to reduce red tape align closely with small business' priorities and hold much promise.

Joint Office of Regulatory Affairs

At the 26th session of the Council of Atlantic Premiers (CAP) in June 2015, the Premiers committed to working together to improve the economic climate in the region as well as aligning government regulations to make it easier to open, operate and do business in more than one Atlantic province⁵. At that meeting, an invitation to Newfoundland and Labrador and Prince Edward Island was extended to join the Joint Office of Regulatory Affairs, first established by Nova Scotia and New Brunswick earlier in 2015. Since that time, all the Atlantic provinces have passed and proclaimed a Regulatory Accountability and Reporting Act which outlines an all-encompassing approach to regulation that could make doing business (including growing a business) in the region much easier.

While the Joint Office is not currently formally staffed or structured, the four provinces have worked collaboratively on several good early initiatives under its umbrella, including:

- Adopting CRA's One Business Number to simplify registration with the provincial workers' compensation boards;

³ Gallant, Mitch, *Building a New East Partnership*, CFIB, PEI, October 2014.

⁴ CFIB, Our Members' Opinion Survey 81, July-December 2017, 1327 responses in Atlantic Canada.

⁵ Council of Atlantic Premiers, www.cap-cpma.ca, last visited on April 20, 2018.

- Mutual recognition of specific areas of occupational health and safety;
- Standardizing carrier profiles for the regional transportation industry;
- Alignment of dates for minimum wage changes;
- Alignment of record keeping requirements (i.e. what employment records must be kept and for how long); and
- Moving toward common documents for procurement.

“Start standardizing such things as truck permitting between provinces, temporary traffic control requirements, WCB, and associations such as engineers and architects.”

—Construction Business Owner, Nova Scotia

While early indications are positive, varying levels of participation from the provinces, the absence of a formal structure and clear lines of accountability could hinder the success and longevity of the Joint Office. In addition, because there is currently no formal staffing, work that is being done is not being effectively communicated. For example, the Joint Office itself does not produce annual reports and does not have its own, independent website. In some cases, the work of the Joint Office has been included in provincial reports on red tape reduction,⁶ however, without consistent public reporting on behalf of either the Joint Office or from each provincial government involved, it is difficult to track progress or gauge the impact of the work being undertaken. As well, support from small businesses will dwindle if the benefit of the work is not known or felt by businesses.

Atlantic Growth Strategy

In the past year, the federal government together with the provincial governments in Atlantic Canada announced the Atlantic Trade and Investment Growth Strategy and the Atlantic Canada Agreement on Tourism. As part of these new initiatives, the federal and provincial governments will pool resources and cooperate on activities to support businesses across the region looking to grow by selling their products and services in markets around the world as well as marketing tourism destinations in Atlantic Canada throughout the United States and the United Kingdom. These new efforts have potential for some firms but with such a narrow focus many small- and medium-sized businesses will be excluded.

Education

Similar to health care, education is a top-tier area of government spending. The need to provide the highest quality education possible to ensure students in the Atlantic region can compete on the global stage creates a strong incentive for government investment. While investments in education and training are being made, businesses continue to struggle with finding qualified labour to fill open positions. In fact, CFIB research shows that at the end of 2017, in Atlantic

⁶ PEI, [New Brunswick](#) and [Nova Scotia](#) released annual reports on red tape reduction in 2016 however, only [Nova Scotia](#) published a report in 2017.

Canada, there were over 15,000 jobs left unfilled for at least four months because employers have not found suitable candidates⁷.

Cooperation in education among the Atlantic provinces is promising. The Council of Atlantic Ministers of Education and Training (CAMET) is an existing regional body working together to respond to the needs of the education system. CAMET's mandate includes cooperation on how to improve learning and optimize efficiencies. Of the many cooperation efforts underway, CAMET is one of the few that includes a stated goal of optimizing efficiencies. According to its website⁸, CAMET has cooperated on regional purchasing and pooling of funds to develop and advance a number of initiatives as well as minimizing unnecessary duplication of work among Atlantic departments of education. However, public reporting on the success of these initiatives is not available on the website or through an annual report.

Retention of Youth

The Atlantic provinces have a long-standing tradition of young people "*goin' down the road*" to find jobs and opportunities as was illustrated in a highly-regarded Canadian film from 1970⁹. The trend has continued through the years¹⁰ but changed slightly as the Western provinces became the preferred destination for Atlantic ex-pats. Regardless of the destination, when youth leave due to a lack of jobs and opportunities, the negative economic, social, demographic and fiscal impacts are significant.

Each provincial government in Atlantic Canada is keenly aware of this problem and each has its own individual strategies to retain youth. As well, the Atlantic Growth Strategy, which involves the provincial and federal governments working together on a number of key areas, includes retention of youth within its action plan. Provincial governments should work more closely together in sharing both their success stories and their less fruitful efforts.

Cost of Not Cooperating

The potential cost of not cooperating could have severe consequences. Due to governments' high spending, high debt levels, shrinking tax base and slowing economies, SMEs are fearful governments will simply increase taxes to make up for shortfalls. Any increase in the already high level of taxation would be extremely harmful to small businesses. Not only would tax increases mean lower profits and increasing prices for a large majority of small businesses (85%), but also there are many other potential negative impacts, including restricting investments in equipment and technology (66%), reducing staffing levels and hiring plans (55%) and even considering relocating or closing the business (43%) (see Figure 7).

⁷ Help Wanted, CFIB, March 2018, https://teamcfib.cfib.ca/teams/team_economics/help-wanted/Help-Wanted-report-2017Q4.pdf last consulted on April 18, 2018.

⁸ Camet-camef.ca last visited on May 17, 2018.

⁹ *Goin' Down the Road*. Directed by Donald Shebib. Canada; Chevron Pictures, 1970.

¹⁰ Statistics Canada, Census 2016. Cansim Table 051-000. Estimates of population, by age group and sex for Canada, provinces and territories.

Figure 7

If your provincial government were to increase taxes on your business in order to pay for the increasing costs of public services, what would the impact be on your business? (% response)



Source: CFIB, Atlantic Governments Working Together Survey, Web, Sept.-Oct. 2017, 713 responses.

Conclusion and Recommendations

*“Regional cooperation and global cooperation benefit everybody. A rising tide lifts all boats.”
Jin Liqun, President of the Asian Infrastructure Investment Bank¹¹*

This sentiment is shared by entrepreneurs in Atlantic Canada. For the Atlantic region to meet the challenges of the future, cooperation within the region must become stronger, more structured and more deeply embedded in the culture of government. As previously discussed in this report, there are several areas where governments in Atlantic Canada are cooperating already. Given SMEs overwhelming support for provincial governments to cooperate to reduce costs and find efficiencies, it is important for future efforts to be set up for success.

The following recommendations present a framework for cooperation that is flexible enough to meet the needs of each province but specific enough to guide cooperation in a direction strongly supported by SMEs and beneficial to the region overall.

¹¹ 2016 World Economic Forum, Davos, Switzerland or <http://en.people.cn/n3/2016/0629/c90000-9079153.html>, consulted on April 18, 2018

1. **Equal level of political leadership:** An equal and ongoing level of political leadership is essential to successful cooperation. This does not necessarily mean that Premiers need to be the ones managing the cooperation file. While it is often the case that Premiers in the region take responsibility for intergovernmental affairs and participate in groups such as the CAP and the Council of the Federation, success on similar files, like red tape reduction, has often come when responsibility is assigned to a designated minister.
2. **Equitable commitment of resources:** Cooperation is not about creating more bureaucracy but sufficient resources must be provided to allow for cooperation efforts, such as the Joint Office, to succeed. Given the regional emphasis, an equitable commitment of financial and human resources should be allocated from each provincial government to guarantee a similar level of attention and effort is given. With adequate and equitable resources provided, more momentum on cooperation can be achieved.
3. **Get the structure right:** Effective and sustained cooperation cannot take place without an accountable governance model. When a governance model is not clearly defined, successful implementation of initiatives, big or small, can prove elusive. Developing an efficient and effective structure around cooperation including who is responsible for working on the file and who is accountable for delivering results, is needed. This could include a Deputy Minister or Associate Deputy Minister designated to oversee the file.
4. **Set and communicate clear goals:** Regional cooperation should be focused on reducing the overall cost of government in the region while maintaining high-quality public services. Reducing the tax burden, improving government service and reducing red tape are goals that government should strive to achieve. With those overall goals in mind, government should begin to set targets for achieving cost savings, finding efficiencies and reducing duplication.
5. **Focus on SMEs' areas of concern:** Health care, economic development, trade and promotion, education, and retention of youth are identified by SMEs as the top five priority areas for cooperation among the provincial governments in Atlantic Canada. However, provincial purchasing, training and certification, employment standards, workers' compensation, immigration and occupational health and safety also scored highly. There are ample areas for governments to work on together but those that focus on the region's biggest challenges should be prioritized.
6. **Measure and publicly report on progress:** Without measurement, there can be no accountability. To maximize accountability, measurement of cooperation should be as specific as possible. With areas of cooperation set, goals of cooperation determined, and being worked on by a properly structured and resourced group, measuring progress and publicly reporting should follow on an annual basis. Governments could also consider engaging Auditors General throughout the region to enhance transparency and accountability.

About CFIB

The Canadian Federation of Independent Business (CFIB) represents 110,000 small- and medium-sized, independently-owned firms in Canada with more than 13,000 located in Atlantic Canada. These firms operate in all sectors of the economy, in all corners of the four Atlantic provinces. CFIB has approximately 5,200 members in Nova Scotia, 5,000 members in New Brunswick, 2,000 members in Newfoundland and Labrador and more than 1,000 members in Prince Edward Island.

CFIB takes its direction from its members through a one-member one-vote policy. Regular surveys and direct communication with business owners reveals the current major concerns of business owners and their top priorities for governments to address.

Methodology

The CFIB survey, *Atlantic Governments Working Together*, was conducted in the fall of 2017 in Atlantic Canada. The survey period was from September 15th to October 29th. A total of 713 owners of small- and medium-sized businesses participated, which corresponds to an overall margin of error of ± 3.7 per cent, 19 times out of 20. There were 265 responses from New Brunswick, 303 responses from Nova Scotia, 95 responses from Newfoundland and Labrador, and 50 responses from Prince Edward Island. The survey questions and aggregate responses by province are available in Appendix A.

The survey asked CFIB members about their perspective on cooperation in the region, the challenges they face in their business, the challenges faced by their respective governments, and possible solutions to the region's problems

Atlantic Governments Working Together

Survey Results

Your answers will remain strictly confidential and will only be published in an aggregate form.

1. In your opinion, what are the greatest challenges currently facing your business? (Select as many as apply)

	N.B.	N.S.	PEI	NL	Atlantic
Shortage of qualified labour	47.9	43.6	52.0	41.1	45.4
Heavy tax burden	75.5	64.7	62.0	74.7	69.8
Small market for goods and services	29.1	28.1	28.0	28.4	28.5
Heavy regulatory burden	34.3	36.0	40.0	26.3	34.4
Barriers to accessing new markets	8.7	5.6	10.0	3.2	6.7
Rising business costs (e.g. energy, labour, Employment Insurance, Workers' Compensation)	83.8	75.9	82.0	90.5	81.2
Lack of access to financing	17.7	13.9	12.0	8.4	14.4
Other (Please specify)	7.5	6.9	6.0	7.4	7.2
Don't know	0.8	1.0	0.0	0.0	0.7

2. How confident are you that your business will overcome these challenges? (Select one answer only)

	N.B.	N.S.	PEI	NL	Atlantic
Very confident	9.5	13.4	18.4	11.6	12.0
Somewhat confident	54.0	56.9	46.9	68.4	56.7
Not very confident	27.8	22.7	32.7	16.8	24.5
Not confident at all	5.3	3.0	0.0	2.1	3.5
Don't know	3.4	4.0	2.0	1.1	3.3

3. In your opinion, what is the greatest problem facing your provincial government in the next five years? (Select one answer only)

	N.B.	N.S.	PEI	NL	Atlantic
Increasing government debt levels	17.5	15.4	26.5	27.7	18.6
Declining tax base	7.2	11.1	4.1	6.4	8.5
Unsustainable government spending	26.6	20.5	32.7	31.9	25.1
Low economic growth	16.0	15.4	2.0	20.2	15.3
Government's lack of understanding of entrepreneurship	28.1	31.2	34.7	11.7	27.7
Other (Please specify)	3.0	3.0	0.0	1.1	2.6
Don't know	1.5	3.4	0.0	1.1	2.1

4. How confident are you that your provincial government will solve the problem you previously indicated? (Select one answer only)

	N.B.	N.S.	PEI	NL	Atlantic
Very confident	0.0	0.8	0.0	0.0	0.3
Somewhat confident	3.9	12.9	4.5	7.1	8.2
Not very confident	45.7	51.1	50.0	54.8	49.5
Not confident at all	48.3	31.8	45.5	36.9	39.6
Don't know	2.1	3.4	0.0	1.2	2.4

5. To what extent do you agree or disagree with the following statements? (Select one for each line)

In areas of shared concern, provincial governments in the Atlantic region should work together on finding solutions and cost savings.

	N.B.	N.S.	PEI	NL	Atlantic
Strongly agree	77.1	74.9	59.6	62.4	73.0
Somewhat agree	19.4	21.3	34.0	31.2	22.8
Somewhat disagree	0.4	0.7	2.1	5.4	1.3
Strongly disagree	1.6	1.4	0.0	0.0	1.2
Don't know	1.6	1.7	4.3	1.1	1.8

5. To what extent do you agree or disagree with the following statements? (Select one for each line)

The federal government should play a role in solving the Atlantic region's challenges.

	N.B.	N.S.	PEI	NL	Atlantic
Strongly agree	47.0	42.8	46.8	46.2	45.1
Somewhat agree	37.5	42.4	31.9	48.4	40.7
Somewhat disagree	7.9	7.9	8.5	3.3	7.3
Strongly disagree	4.3	3.8	10.6	1.1	4.1
Don't know	3.2	3.1	2.1	1.1	2.8

5. To what extent do you agree or disagree with the following statements? (Select one for each line)

The private sector should be more involved in providing public services when quality can be assured and cost savings achieved.

	N.B.	N.S.	PEI	NL	Atlantic
Strongly agree	56.9	53.1	44.7	57.6	54.5
Somewhat agree	31.6	35.9	44.7	30.4	34.2
Somewhat disagree	2.4	4.8	4.3	7.6	4.3
Strongly disagree	3.2	2.1	2.1	1.1	2.3
Don't know	5.9	4.1	4.3	3.3	4.7

6. There are currently a number of areas where provincial governments in Atlantic Canada work together to provide services or achieve savings. In your opinion, what areas should the provincial governments in Atlantic Canada prioritize working on together? (Select as many as apply)

	N.B.	N.S.	PEI	NL	Atlantic
Health care	77.0	76.6	81.3	60.2	74.9
Education	65.5	59.1	58.3	47.3	59.8
Promoting trade and investment	61.9	61.5	60.4	61.3	61.5
Training and certification	54.4	49.8	62.5	39.8	51.0
Employment standards	50.0	43.3	41.7	36.6	44.7
Economic development	67.5	64.3	58.3	53.8	63.6
Occupational health and safety	36.5	33.7	25.0	25.8	33.0
Workers' compensation	43.7	40.2	31.3	38.7	40.6
Immigration	31.3	37.1	27.1	25.8	32.7
Retention of youth	58.3	60.5	56.3	48.4	57.7
Provincial purchasing (e.g. prescription medication, school buses, IT services)	57.9	54.3	58.3	41.9	54.2
Other (Please specify)	3.6	4.1	0.0	2.2	3.4
None of the above; provincial governments in the Atlantic region should not work together	0.0	0.3	0.0	0.0	0.1
Don't know	2.4	2.1	4.2	5.4	2.8

7. When the provincial governments in Atlantic Canada do choose to work together in areas of shared concern, what goals should they focus on for the long-term economic health of the region? (Select as many as apply)

	N.B.	N.S.	PEI	NL	Atlantic
Reducing the overall size and cost of governments	82.7	80.6	89.6	83.7	82.4
Improving the efficiency of government service delivery	77.8	74.7	85.4	77.2	76.9
Improving trade and investment	56.9	53.1	56.3	38.0	52.7
Reducing red tape and government regulation	76.6	78.5	79.2	63.0	75.7
Lowering taxes	79.8	76.4	79.2	77.2	78.0
Increasing immigration	21.8	33.0	22.9	26.1	27.2
Creating a free-trade zone within the region	48.8	44.1	41.7	33.7	44.2
Other (Please specify)	2.8	3.5	2.1	1.1	2.8
None of above; provincial governments in the Atlantic region should not work together	0.0	0.3	0.0	0.0	0.1
Don't know	1.2	1.7	0.0	1.1	1.3

8. If your provincial government were to increase taxes on your business in order to pay for the increasing cost of public services, what would the impact be on your business? (Select as many as apply)

	N.B.	N.S.	PEI	NL	Atlantic
Lower profits	85.1	84.9	91.7	82.2	85.1
Reduce number of employees	61.7	49.1	47.9	62.2	55.4
Reduce hiring plans	58.5	50.5	50.0	58.9	54.5
Reduce debt repayment	41.9	34.0	33.3	31.1	36.5
Increase prices	76.2	69.8	75.0	74.4	73.2
Reduce employee training	34.3	26.0	16.7	25.6	28.3
Increase debt	43.5	38.9	37.5	43.3	41.1
Reduce charitable donations	70.6	62.5	77.1	67.8	67.2
Reduce investment in new equipment and/or technology	69.8	62.8	64.6	65.6	65.9
Consider relocating or closing my business	48.8	38.9	41.7	38.9	42.8
Other (Please specify)	1.6	1.8	2.1	1.1	1.6
Don't know	0.4	0.4	0.0	0.0	0.3

9. Thinking of your provincial government working together with the other Atlantic provinces to reduce spending, do you have any comments you want CFIB to share in meetings with provincial politicians on your behalf? (open question)

Comments: (open question)