

*Government Orders*

were not getting equalization payments. We had a surplus budget.

What has happened now? We are the second-poorest province in the country. We have 13.9 per cent of our population, almost 14 per cent, living below the poverty line. That is more than one in ten families and nearly one in seven. Certainly people living in poverty are not helping small business either to farm or to keep going. It is no wonder that there are all these bankruptcies and business closures.

Of the 500 towns in that province, 300 lost population in the last five years. It is an utter disaster. Bankruptcies have tripled. What kind of direction do we see from the government now that small business is looking to it for a signal as to what kind of future they can envision and expect?

The government not only predicts but plans for higher interest rates. The rates are now at 13 per cent. As my colleague, the member for Yorkton—Melville said, who can believe the government's estimate that the average next year will be 11 per cent when we are starting the year at over 13 per cent? We are going to have lower disposable income next year and the families in the country, and certainly in the province of Saskatchewan, will have less money to spend and not more. They are already hurting. What does the government say? Because of its economic policies, there is going to be a full 1 per cent drop in the disposable income available to Canadians. With a 5 per cent inflation rate, it means, in effect, that they will be able to buy 6 per cent less goods and services when we already have 15 per cent poverty.

• (1250)

The government expects that in the next several years unemployment is going to grow by 100,000 jobs per year. We know what happens. This fall in income and this rise in unemployment are not going to spread evenly across the country and they are not going to happen evenly in all the communities. They are going to happen in those precise communities that are already in trouble.

So not only do we have what was a localized recession and economic catastrophe, but the government is building into the system and virtually guaranteeing a national

recession. That means that the economy of Saskatchewan cannot look for any help from the rest of Canada.

Then we have the prospect of the goods and services tax. Certainly nobody has rallied to fight the goods and services tax like the small business community. I have tabled petitions in the House representing thousands of people in my constituency. I go through the names to see who they are and what communities they represent. Every time I look at a page I am struck by the number of people who represent the small business sector and, in fact, people who have ardently and enthusiastically supported the Progressive Conservative Party in the past. Theirs are the names that are showing up on the GST petitions. They know what it is going to do to them in spite of the claims of the government and the Minister of Finance.

Also I would like to comment briefly on the situation faced by small businesses in the northern part of my constituency and, by extension, small businesses right across northern Canada. Those communities are in the forest and mining areas, and the native communities of the country.

The businesses operating in those communities face a large number of very special handicaps. There are no banks in most of these communities. In the northern part of Saskatchewan there is a bank in La Ronge and one in Creighton. There are 43 communities in northern Saskatchewan, which means that 41 of them do not have access to banking services. There is nothing in the banking system that says in spite of the hundreds of millions of dollars that large corporations pull out through mining and other activities, there is any obligation to provide banking services to those communities. It means that people wanting to start businesses do not have any kind of credit rating. It means that you cannot make a daily or even weekly deposit without driving hundreds of miles, or even flying, to the nearest bank. It is very difficult to run a business under those circumstances.

Regional development programs that assisted northern businesses and, in fact, all the businesses in our region have been gutted. Regional development programs made it possible for small businesses to have access to programs that would enhance forestry and fishing. They could develop economic organizations where they could group together to speak with one voice and to plan the economy of their communities. The kind