

in the Golden Triangle of central Canada, in the regions of Atlantic Canada, western Canada and British Columbia, they are just starting to reach some of the levels reached in eastern Canada a year and one-half or two years ago. Business is starting to pick up a little bit. But interest rates are causing a lot of difficulties. Now, in 1991, with the turnaround appearing on the horizon, farmers have to deal with the goods and services tax.

In going through the various communities of Grand Forks and Midway near Penticton, Summerland, Merritt and Princeton, I spoke to members of the small business community. Unfortunately, there have been a couple who have simply said: "We do not need the hassle of more book work", even though the government has told them it will be simple. They have read through the government publications. A number of them have already said: "We are getting out while the getting is good. We are going to go back and try to find a job working for an hourly wage instead of creating employment within our communities".

I spoke to one restaurateur who owns three restaurants in and around Penticton, British Columbia. That gentleman said that with the amount of taxes through municipal taxes, school taxes, provincial taxes and federal taxes presently levied on him and with the added goods and services tax he has already got rid of one of his restaurants. He said that he is on the edge and may not be able to survive with his catering business and his other restaurants. It is unfortunate. That man creates a lot of employment within the city of Penticton and the region.

• (1600)

Small shops in Grand Forks have told me the same thing. They are having difficulty as a result of the perception of the free trade agreement, and as a result of what is happening with the goods and service tax and the perception of what is going to happen as a result of the goods and service tax. Those communities in my riding that lie along the borders are constantly running into further problems with the leakage of business into the United States.

One of the grocery retailers told me that over the American Thanksgiving weekend approximately 15,000 turkeys were purchased in the United States and brought

back to Canada. Another grocer told me that at Christmas this year, as a result of those sales, his sales dropped. Prior to this, even against the American lower prices, he used to sell something like 1,200 to 1,500 turkeys before Christmas. This past year he sold just under 150 turkeys. This is the type of thing that we are running into.

Although the taxes are not on groceries, as such, under the goods and service tax, there are constantly more and more people turning to the United States for their purchases. They feel that they can buy it cheaper and still pay the taxes as they come across the border. This is something that has to be looked at to protect the small business community, while encouraging entrepreneurship in Canada.

I agree with the concept of increasing the Small Businesses Loans Act for a further three years. As I have suggested over the past few minutes, I think the government should be encouraged by the small business community to look deeper into where we want to go and how we want to encourage the small business community to develop employment opportunities for the future of Canada. I feel strongly that the small business community is the route of the future for Canada. It will keep Canada competitive within itself and on the international markets.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I must first of all apologize for not being here when the motion was presented; I was at the "marathon" sitting of the finance committee. It is customary to have a few minutes' notice, but unfortunately it was not given soon enough and so I do apologize to the House that I was not here to speak first for the Official Opposition.

This afternoon we have before us a bill to amend the Small Businesses Loans Act. I must make another comment, that on second reading, the minister did not deign to give us new policies to deal with the problems facing small business today. I was not here, but I was told that the government gave no answer on third reading and many organizations are wondering whether there is a minister looking after small business who speaks on behalf of the government, who has a voice in this government, who represents small business in this government. Canada has over a million small businesses.