

*Oral Questions*

We have increased the tax rate on small businesses from 12.4 per cent to 12.8 per cent. It is not a large increase, but one that asks small businessmen to share in the burden of fighting the problem of our national debt. That is the direction in which we are headed. We must share and spread the burden so that people who are capable of paying more will pay more.

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**HOUSE OF COMMONS****PRESENCE IN GALLERY OF DELEGATION FROM  
EUROPEAN PARLIAMENT**

**Mr. Speaker:** I wish to draw to the Members' attention the presence in the gallery of a delegation from the European Parliament led by Mr. Roberto Costanzo.

**Some Hon. Members:** Hear, hear!

**PRESENCE IN GALLERY OF SECRETARY-GENERAL OF  
NATO**

**Mr. Speaker:** I also want to draw to Members' attention the presence in the gallery of Doctor Manfred Wornier, Secretary-General of NATO.

**Some Hon. Members:** Hear, hear!

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**NATIONAL DEFENCE****CLOSURE OF MILITARY BASE AT PORTAGE LA PRAIRIE**

**Mr. Fred J. Mifflin (Bonavista—Trinity—Conception):** Mr. Speaker, my question is for the Minister of National Defence. We saw on television over the weekend the shock, disappointment and even disbelief of hundreds of military and civilian people in Portage La Prairie over the abruptness and suddenness of the announcement to close their Armed Forces Base. As we have heard here today, many others share the same boat. Can the Minister give this House the military and economic rationale behind the plans to close the base in Portage La Prairie?

**Hon. Bill McKnight (Minister of National Defence):** Mr. Speaker, as the Hon. Member knows, there are three ways of reducing expenditures and putting dollars forward to acquire the necessary equipment. The socialists on my right are suggesting we should cut the bases in Europe. I want to say that will not happen. Our continued commitment to NATO and the people there

at this time and the numbers in Europe will be maintained.

**Some Hon. Members:** Hear, hear!

**Mr. McKnight:** In reducing operation and maintenance costs and in reducing capital and bringing into balance expenditures in the Department of National Defence, to personnel and capital, we can then provide the equipment that is necessary for the men and women who serve Canada.

**CALL FOR ALTERNATIVE ECONOMIC MEASURES**

**Mr. Fred J. Mifflin (Bonavista—Trinity—Conception):** I want to zero in on the original question. I want to ask the Minister, in view of studies that have been carried out, what alternative economic measures are being considered by the Government to compensate the 13,000 people of Portage La Prairie for the devastating effect this loss of \$120 million will have?

**Hon. Bill McKnight (Minister of National Defence):** Mr. Speaker, no one takes pleasure in closing military bases. The necessity of those actions are when \$2.74 billion are reduced from a Department. We must look at operation and maintenance, capital, and personnel.

The Portage La Prairie Base is used for preliminary training. That base will maintain itself until we have an opportunity to explore the options of contracting that training to commercial enterprise. They may very well choose Portage La Prairie for an operations base if that is the direction the Department takes.

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**THE BUDGET****CUTS IN REGIONAL DEVELOPMENT SPENDING**

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, my question is directed to the Minister of Finance. "We are in the process of building two Canadas, one which is rich and promising, and another which is underdeveloped and underemployed". Those were the words of the Prime Minister on March 17, 1987. In light of the Prime Minister's words two years ago, I wonder how the Minister of Finance can justify a cut-back of 21 per cent in spending on regional development from this fiscal year to next fiscal year? How does he justify the slashing and cutting of 21 per cent in the poorest parts of Canada?