

*The Budget—Ms. Callbeck*

Prince Edward Island was thrown into a state of disbelief when it was confirmed that CFB Summerside was slotted for closure. One cannot image the impact this decision had on the Prince Edward Island economy. It appears that every aspect of our life will be seriously affected by the closure of the Summerside base.

The Canadian Forces Base at Summerside cannot close. The Government must be held accountable for this decision. The process whereby this decision was made is as questionable as the end result. There were no consultations. There were no warnings. Islanders were stunned by this news, and as the reality of the decision hit home, so did the reality of the cost.

The base closure will remove over \$50 million annually from the economy of Prince Edward Island. The job losses will be astronomical. In fact, 1,300 jobs will be lost or 10 per cent of the whole Summerside and area population. The figure of 1,300 refers to jobs directly affiliated with the base. Another 2,000 indirect jobs are at stake if the federal Government closes CFB Summerside.

As my colleague, the Hon. Member for Egmont (Mr. McGuire), asked in his question to the Prime Minister last week, how can the Prime Minister possibly justify the closure of the only military base in the province? Is Prince Edward Island, a province within Canada's federation, not entitled to participate and fairly share in the economic activity generated through the defence efforts of our country? CFB Summerside is the only military base in the province, and to remove it as proposed is effectively to say to Islanders that the Government does not recognize its obligations. My colleagues from the Island and I are determined to recognize our obligations and to represent the interests of our constituents. The decision to close the Summerside base is completely unacceptable.

The federal Government has devalued life on Prince Edward Island. After the news about the base was out, property values plummeted overnight. Numerous property deals have fallen through and the phones in Summerside real estate offices are now painfully silent. The burden that has been placed on Islanders is monumental.

• (1210)

This Government must be made to understand that it cannot pull tens of millions of dollars out of the Prince Edward Island economy without any thought for the people that it will so drastically affect. It is the Canadian people who my colleagues and I on this side of the House are most concerned about. Like all Canadians, however, Islanders are forced to deal with the Budget realities as they affect the individual. We must deal with them in conjunction with our economic disparity and the pending doom of the CFB Summerside closure.

The Island's three major industries will be affected by this year's tax increases and budget cuts. Farming, fishing and tourism will all suffer because of the Budget. The changes in the personal income tax, the federal sales tax hikes, the unemployment insurance program changes, the reduction in transfer payments, cuts to regional development programs will all contribute to make life more difficult for the individual Islander.

One of the hardest hit industries is agriculture, the main industry in my riding. It remains the most important sector of the Island's economy. Yet the Government has chosen to attack this industry. In Prince Edward Island, the Government's slashing adds up to enormous losses in revenue for the farmers. To give you some examples, the elimination of the interest subsidy on the Advance Payments for Crops Act amounts to an annual rebate loss of \$350,000 to the farmers of Prince Edward Island. This program provides producers of storable crops with interest-free government guaranteed loans at harvest time. The objective is to ensure that producers can obtain cash in advance from lenders on the strength of their marketable crops.

Just this morning, Mr. Speaker, I received a letter from the Prince Edward Island Vegetable Growers Co-operative. They are very concerned about this amendment to the Advance Payments for Crops Act. I want to share some of those concerns with this House, and I quote:

The ACPA is the tool that provides the necessary financing to the producer allowing them to store product rather than placing it on the market at harvest time and depressing prices at that time and during the rest of the season. Since government supports orderly marketing and import replacements, it should not abandon a program that has been instrumental and successful in achieving these goals.