

### Oral Questions

regional development funding cut back, their taxes go up, and then the final blow, the closing of the Canadian Forces Base in Summerside.

I want to ask the Minister does he realize that 1,300 jobs will be cut out of Prince Edward Island with the closure of this base? Does he realize that \$50 million annually will be taken from the economy of the province?

If he does realize these things, why did the Government decide to close the Canadian Forces Base at Summerside?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am sure my colleague, the Minister of National Defence, would like to address part of the question, but let me be quite clear: The Hon. Member has just said we are going to cut the established programs financing for Prince Edward Island. It is going to go up by \$5 million in 1989-90, and another \$5 million in 1990-91. That is a five per cent increase. The equalization program that we have not changed will go up \$12 million in this current year and another \$10 million next year. Surely the Hon. Member should not be distorting the facts by saying that we are going to cut this funding. The funding is going to continue.

The Hon. Member refers to a range of issues that relate to Prince Edward Island. She could make those same comments about a range of issues that affect a number of provinces, all the provinces. We know that the Budget itself is going to have an impact on all parts of the country, but that is the nature of the debt problem that we have and the fact that 35 cents of every tax dollar is now going to pay the interest. That is more money than we spend on old age security, family allowance, medicare, and social assistance.

Surely we have to get that amount under control so that we can maintain these programs which are so important to people right across the country.

#### IMPACT ON PRINCE EDWARD ISLAND

**Ms. Catherine Callbeck (Malpeque):** Mr. Speaker, the Minister's own papers show that the province of Prince Edward Island is going to receive less money than promised. My question to the Minister is the following.

The Minister stated that we have to reduce the deficit. We all have to take part in shouldering this burden. Why does he expect the province of Prince Edward Island to shoulder such a large and unreasonable part of this burden?

Will the Minister stand in the House today and admit that the closure the CFB base at Summerside is unfair to the people of Prince Edward Island?

**Hon. Bill McKnight (Minister of National Defence):** Mr. Speaker, my colleague has addressed some of the concerns expressed by the Hon. Member from Prince Edward Island. I would not like to leave people with the understanding that this new found interest by her and her Party in national defence is for any other reason than a provincial election being held in Prince Edward Island.

The people who have the ability and the requirement of the service and a commitment to this country, the men and women who serve in the military today—I see Members in the Liberal Party smiling—the men and women who serve in the military today deserve more from the people of Canada than to be located in regions for economic development. What they deserve is the ability as Canadians to share the load in getting the debt down.

By restructuring the military, we hope to be able to bring into proportion the Operations and Maintenance and the personnel in order that we can provide the equipment necessary for the men and women who serve all Canadians.

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## THE BUDGET

### PERSONAL INCOME SURTAX

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, my question is directed to the Minister of Finance. Once again, Canadians are seeing another broken promise by the Government. During the election the Minister said that the surtax on personal income tax would come off when the sales tax was imposed. How are Canadians supposed to believe the Government when temporary is now permanent, \$10 billion is not \$10 billion, revenue-neutral is not revenue-neutral?

Yesterday the Minister indicated that the temporary surtax on personal income would not necessarily be removed with the imposition of the sales tax. Will he confirm that he does not intend to keep his promise and the personal income surtax is now a permanent feature of the tax system?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I will tell the Hon. Member that the promise that I definitely will keep is that we will continue to provide good financial economic management for this