

placed on them. They have had to lay off people in order to pay for this regressive additional workers' tax that has been imposed by the NDP Government in Manitoba. That fact should have been included in the motion. The federal Members in the New Democratic Party should also be protesting that tax in Manitoba and asking that the Manitoba Government remove it.

Another reason for the difficulty in creating employment for youth, or anyone else, is the disastrous National Energy Program which was supported by the NDP Members in the House. As a result of the National Energy Program there was a loss of approximately 60,000 jobs across Canada. These nationalistic schemes do not create employment; they only chase investment money out of the country. This is what is occurring with the nationalistic and socialistic Governments led by the NDP and the Liberals. They are not attracting investment but driving it elsewhere.

Finding out whether a Government is good is very simple because a good Government attracts investment and does not chase it from the country with programs such as the National Energy Program.

Let me elaborate on how this workers' tax has affected businesses in Manitoba and how it will affect the young people in that Province, which is the subject matter of the motion today. This Manitoba payroll tax is just an unnecessary added burden on businesses in Manitoba, which are having a difficult time as it is without any additional taxes being imposed upon them. When this tax was first introduced, higher interest rates were in effect and consumer purchasing was down. Businesses could not pass this 1.5 per cent payroll tax on to the consumer. The only things this tax produced and stimulated was inflation and unemployment. Therefore, this is a rather facetious motion from the NDP, condemning as it does this socialist Government here, when its brothers and sisters in Manitoba are implementing exactly the same regressive type of monetarist policies. Hundreds of businesses have been stopped from hiring as a result of that payroll tax.

For example, in order for businesses in Manitoba to cope with this tax they would lay off people employed by their business to cover the amount of payroll tax they had to pay to the NDP Government in Manitoba. This tax discouraged businesses from investing in Manitoba, so they went to the Provinces that did not have this payroll tax. As well, farmers had to pay this payroll tax, as if they did not have enough problems to contend with.

The NDP Government in Manitoba is removing the five-year hydro freeze that was put in place by the previous Progressive Conservative Government. That five years has not expired and, as a result, hydro rates will increase by 9 per cent. This is another added burden on businesses and consumers in Manitoba. Increased hydro rates will result in businesses and farmers being unable to employ more people as it is an added cost to the operation of their businesses.

This NDP motion should have condemned the NDP Government in Manitoba for increasing the hydro rates and not letting the freeze remain in effect for five years. This increase

Supply

in hydro will be another shock for businesses and farmers because Premier Pawley had promised in his election campaign that the freeze would not be lifted. So much for NDP campaign promises. Today's motion should have included a mention of the effects the increase of hydro rates has had on employment in Manitoba and the fact that it is a reason why we cannot find jobs for youth.

Kimberley Clark has left the Province of Manitoba and is now expanding in Ontario where there is no 1.5 per cent payroll tax. Shell Oil has closed its plant in Manitoba because it is just too expensive to stay in business there under the NDP Government.

The NDP raised questions in the House today about lay-offs at the Sherritt Gordon Mines. The workers' payroll tax was certainly not helping Sherritt Gordon to stay open. That should have been mentioned in the motion of the Hon. Member for Winnipeg-St. James. It is not only the taxes and monetarist policies of the Liberal Government but the regressive monetarist policies of the NDP Government in Manitoba as well that are affecting businesses and causing them to lay off people and not hire youth as apprentices. That should have been included in their motion.

This is one of the best articles I have read on this payroll, or workers' tax as it is referred to in Manitoba. It is an article written by Mr. John McCallum in the *Winnipeg Free Press*. He said:

There are five other reasons why the payroll tax should go. First, unemployment is by far our greatest single problem at the moment, and the way to deal with that problem is not to put a tax on those who would put people to work.

Second, the payroll tax promotes bad labour relations.

It causes serious problems for businesses when they have to lay people off so that they have enough money to pay the NDP Government this workers' tax.

● (1630)

He continued:

Third, we are very definitely competing for jobs with Ontario, Saskatchewan and Alberta. None of these jurisdictions has a payroll tax.

He went on:

Fourth, the payroll tax is a very unconventional tax, and an employer looking at Manitoba would probably say to himself, if they are willing to do that, what else might they do?

That is right. What else might an NDP Government do to business? The NDP Government is against business and it is against profit. It does not encourage investment. The NDP Government chases investment out of the Province. Because of opposition to the private sector, the New Democratic Party Government cannot attract business investment into the Province. You are on a treadmill going backwards with a socialist government in power, either provincial or federal, Mr. Speaker.

Mr. McCallum's article continues:

Fifth, some contend that because Quebec has a payroll tax, that somehow makes it okay. This is a very bad argument. Quebec's finances are not regarded as being run even close to well, and claiming that what you do is right because it's done in Quebec is not likely to impress anyone.