

*Supply*

provinces. What has happened since the Conservatives won the last election is that the funds going to the Province of Manitoba from the federal Government have been sharply reduced.

**Mr. Minaker:** They have not.

**Mr. Orlikow:** The Hon. Member says that they have not. The fact is that the Government has limited the transfer payments under the EPF and a whole host of other programs. The other thing is that Manitoba, like nine of the provinces in the country, has its income taxes collected by the federal Government. Those exemptions and those loopholes in the income tax structure which I talked about, put into place by members of the Liberal Party when they formed the Government, and which have been extended by the Conservative Government, such as the \$500,000 exemption on capital gains, are built into the system by the federal Government. The Government of Manitoba, like every other provincial Government in Canada, except Quebec which collects its own income taxes, has to build its tax program on the federal tax system. So of course the Government of Manitoba had to do a number of things which it did not like to do. But it had to do them because of the way the federal Government has treated the Province of Manitoba. The alternative to that was not to increase taxes and to impose Draconian cuts in services which we see have been implemented by the Conservative Government of Saskatchewan.

I make the following challenge to the Hon. Member for Dauphin—Swan River. I will come up to his constituency and the two of us can talk about the Budget presented by the NDP Government of Manitoba and what it has meant and the Budget presented by the Conservative Government of Saskatchewan with its major cut-backs in services and the lay-off of 2,000 civil servants. I will take my chances that there will be much more sympathy for the Manitoba Government than there will be for the Government of Saskatchewan.

**Mr. Redway:** Mr. Speaker, here we go again. Once more all we hear from the Hon. Member this afternoon are more words of fear. He is here to sow fear on behalf of his Party. He is here to sow fear in the minds of average and ordinary Canadians. His Party was created on fear and it continues to exist on fear. I refer not to the fear of realities but to the fear of myths, the fear of suspicions which the Hon. Member and members of his Party try to sow in the minds of other Canadians.

One thing that is a reality and about which we know is the fact that before the last Budget there was a federal sales tax on certain, what we might describe as, junk foods. The Hon. Member spoke about the extension of the federal sales tax to other junk foods during his remarks.

I have in my riding a company by the name of Wrigley which produces chewing gum. It complained to me and to the Minister of Finance (Mr. Wilson) about the fact that the federal sales tax prior to the last Budget applied to it but not to its direct competitors which produced potato chips and things of that sort. That was a disadvantage to Wrigley that was

driving it out of business. That was threatening to put its 300 employees, some of whom I suspect were supporters of the Hon. Member's Party, out of work and onto the street. In fact, the last Budget imposed a sales tax which applied fairly to competing products in this area.

Based on what the Hon. Member says I have the impression that he thinks we should do away with sales tax on this type of food. Can he tell us whether or not he would remove the federal sales tax, not only on things such as potato chips, a measure which was included in the last Budget, but also on Wrigley's chewing gum? If that is his position and the position of his Party then will he tell us whether or not the following resolution passed at the 1977 NDP federal convention is still the policy of his Party?

Be it further resolved that a surtax shall be placed on junk foods to make them very expensive.

**Mr. Orlikow:** Mr. Speaker, let me begin by saying that if the polls showed that the NDP was still at 18 per cent we would not have Conservative Members of Parliament digging out resolutions passed at NDP conventions 10 or more years ago. I thought I made it clear in my reply to the last question I was asked that we do not believe that we can get rid of all sales taxes which are now in place. What we are saying is that we will not have a more fair system by broadening sales tax and by including more items.

I want to tell the Hon. Member for York East (Mr. Redway) that when the former Conservative cabinet Minister from Ontario, Mr. Norton, came to see me this morning to plead that we not put sales tax on potato chips I wished I had known what he felt. Had I known that, I would have told Mr. Norton that he was wasting his time, he should go to see the Hon. Member for York East.

I wish to say something about spreading fear. This morning in the course of asking a question the Hon. Member made it very clear that he is opposed to marketing boards and supply management for agriculture. In talking about fear, if that is the policy of the Conservative Government, then Conservative Members of Parliament from rural areas, and I see the Hon. Member for Assiniboia (Mr. Gustafson) in the House, should really be frightened. I say that because if there is one thing that the farmers of the country know it is that the only way they can survive in almost every commodity which they produce is by having marketing boards and supply management. If we are talking about fear, then that is really something to fear.

[*Translation*]

**Mr. Deputy Speaker:** Resuming debate. The Hon. Member for Trois-Rivières (Mr. Vincent).

• (1550)

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I welcome the opportunity to take part in this debate, after the comments by the Hon. Member for Winnipeg North (Mr. Orlikow), and I hope I will