western towns of Lloydminster, Grande Prairie, Fort St. John, Dawson Creek and Peace River. They described the auction yards in Edmonton filled with equipment salvaged from bankrupt companies. They told us that the oil and gas industry is taking an incredible bath. They told us that they are losing their trained personnel. They told us that they would lose their equipment and their technology. Who else should be developing the technology in the Mackenzie Basin to work offshore, to work in the Canada lands? Why is the government shutting down this industry and cutting off the lifeblood supply of cash? Those are some of the questions that we were asked when we held our hearings.

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In Calgary we also heard from HUDAC, which represents the house builders. They told us there is lots of housing available in Calgary. In fact, there are enough homes to house everyone moving in who can afford to buy a home. In order to qualify at today's interest rates for the average home in Calgary, a buyer must have an income of $45,000 a year. HUDAC estimated that 80 per cent of the apartment starts in Calgary were undertaken through the benefits provided by the MURB legislation and similar tax deferrals.

I think at this point I should indicate my intention to move another subamendment, which I am certain will meet the requirements of the NDP and of the Chair.

I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the amendment be amended by adding thereto the following:

and that

"(c) One year after the date of coming into force of these measures the government shall review the said measures to ascertain their effect."

May I speak to that, Mr. Speaker?

The Acting Speaker (Mr. Blaker): Yes.

Miss Carney: Mr. Speaker, I think it is clear from my description of the impact of some of these budget measures on the people and the industries in western Canada why we feel that a review after a year should merit the support of the NDP, the House and the Chair. For instance, just dealing with the withdrawal of the MURB legislation, it ensures that Calgary will lose 4,000 apartment and 2,000 rural housing starts. That is a loss of 6,000 units each year, capable of housing 10,000 people. In contrast, the Council of Forest Industries in B.C. told us that the federal government's program to provide 7,500 interest-free loans for some 15,000 units would keep one large plywood mill operating for about two months in B.C. and one large sawmill operating for three months. That is the effect of the government's housing program.

Finally, the major recurring theme throughout our hearings was the consensus that the timing of this budget could not be worse. Inflation, high interest rates, and previous government policies have put dampers on the booming western economy. The many harmful budget measures will only ensure that the recession will deepen.

In British Columbia, where the depressed economy has been created by market conditions rather than the federal government's interventionist energy policy, the frustration is just as deep as in Alberta. We were told by the interior lumber manufacturers that the Canadian lumber industry is facing the worst market slump in more than 30 years. We were told that at least one fifth of the forestry workers are on temporary or permanent lay-off. We learned that price levels for lumber are the same as they were six years ago, and for many operators they are operating at below cost. There is no clear indication if any recovery might be expected or the extent of the recovery.

If conditions do not improve, some companies will face bankruptcy and more lay-offs will become permanent. That is why the forest industry is concerned about a number of budget measures which will affect its economic viability. These include the 12.5 per cent dividend tax—the minister asked for specifics and we will give him some—the elimination of employee incentives, such as deferred profit-sharing plans for shareholders, capital cost allowances, loans to non-residents and restricted interest expense.

Of particular concern to British Columbians is the proposed taxation of employee benefits, such as room and board in remote camps. The International Woodworkers of America say that this measure alone will add $18 a day to the tax of loggers living in a remote camp, which will make it very difficult to attract skilled workers to remote work sites.

They say that this will force loggers to pay an additional $3,600 in income taxes for the privilege of living in logging camps.

The Vancouver Board of Trade told us that the extra cost to a mining operator for employees earning about $38,000 a year in the north would be about $18,000 in payroll costs to compensate for the housing and transportation subsidies.

Similarly, the measures to tax social benefits, such as extended health and dental care, will encourage people to opt out of these plans, which will create further burdens on the health sector of the economy in the future.

The whole issue of the taxation of employee benefits is expected to generate labour unrest in most heavily unionized provinces in the country. Many union leaders told us that these benefits have already been won by unions at the negotiating table, and their members will likely seek to recover any additional income taxes they are forced to pay from the employers themselves.

This will create a stormy environment for labour negotiations since the large resource industries of B.C. are unable to pass on the costs in their severely declining markets. This is acknowledged by responsible labour leaders in the resource industries. Similar pressures on the public sector are emphasized by John L. Fryer, President of the National Union of Provincial Government Employees.

Mr. Fryer says that as a result of the budget measure to tax social benefits, 95 per cent of the provincial government employees who have some form of health and dental plan