Miss Carney: Mr. Speaker, earlier I was talking about our Conservative task force visiting 16 cities to talk with people about the budget. I was reviewing some of the themes which had been brought to our attention about the budget. Also I was reviewing the assessment of the Alberta Cattle Commission that "the budget has chosen the wrong target, the wrong weapon, and at the wrong time." I outlined some of the reasons for that in discussing the themes which emerged from our hearings with Canadians. Another theme which emerged was the perception that under the direction of the Minister of Finance the government simply did not know what it was doing when it introduced some of the measures. This perception has been heightened by the forced retreat of the government on such measures as ending the MURB program which, of course, threw thousands of workers off the job and shut down construction sites.

In British Columbia representatives of the Interior Forest Labour Relations Association told us:

> The budget is a prime example of the impact of a change in government policy and the failure to understand the impact before implementing the policy.

I think this viewpoint was stated in its simplest terms by the Ontario dairy farmer who said:

> The perfect tax system is one which I don't even have to hear about, let alone think about. It is incredible that a family farm has to hire a tax consultant just to stay farming.

A major complaint about the budget regards the retroactivity of its measures. These have been well documented in the House by my colleagues. These measures affect the retirement plans of ordinary Canadians, the investment decisions already made by Canadians, the construction and equipment plans of Canadian companies, just to give some examples.

The Vancouver Real Estate Board appeared before us in Vancouver and made the point that taxpayers who have relied on well-established government policy as set out in the Income Tax Act should be morally entitled to proceed with their plans without being forced into crash programs to rearrange their affairs because of the proposed sweeping changes. Of course, that is what they have been forced to do. It is generally conceded across the western region of the country that the transitional measures proposed by the Minister of Finance do not resolve the problems which he created. The issue of taxation of employee benefits is of particular concern to the west because the booming western economy must be able to attract skilled workers if it is to develop its potential.

One man appearing before our town hall meeting described how his job had taken him to four different centres in the last two years and how adversely the budget measures could affect him in the future, particularly in regard to the proposal to tax housing loans made by employers to compensate employees for the high cost of shelter in the west. The Vancouver Real Estate Board indicated:

> The minister proposes in one fell swoop and without warning to use a sledge-hammer to kill an ant. Countless employment arrangements are being disturbed without warning in the name of equity, and the small amount of the tax which would be collected is insignificant in relation to the unhappiness and unrest which have been created.

Labour unions and organized labour groups have attacked the failure of the budget to deal with job creation or to offset rising unemployment which is causing so much misery in the country. In British Columbia, unemployment increased last year by nearly 50 per cent, to 115,000 people. I would have thought this statistic would have been of some interest to my colleagues across the House.

Another recurring theme was the interventionist philosophy which the budget represents. One alarm bell was rung by the British Columbia & Yukon Chamber of Mines which wondered out loud whether the government was deliberately hammering the mining industry particularly by discouraging investment in order to promote an excuse for government participation in a "Mineral-Can" to stimulate the industry. The chamber suggested that the budget paper which outlined an economic development study for the eighties hinted that the government may want more direct involvement in the resource industry than is necessarily prudent or desirable. The chamber of mines pointed out that the experience of the mining industry is that its survival is not dependent upon any direct government action other than deregulation of legislation which has inhibited the industry's ability to be competitive.

This concept that the federal government will set the goals, the federal government will provide the investment vehicle, the federal government will be the operator and manager of job creation and resource exploitation, is particularly repugnant in the west. Of course, one reason is the depressing effects which the national energy policy has had on the petroleum industry in Alberta. The Canadian Petroleum Association told us that in 1981, following the introduction of the National Energy Program, exploration and capital expenditures fell by about $3.5 billion from their forecast level. The CPA indicated that this sharp decline in the level of activity was a reaction to the realities of the pricing and taxation regimes introduced in the National Energy Program in October, 1980. One result was the decline in the industry's cash flow by 35 per cent in 1981 and, as independent operators told us, cash flow is the industry's lifeblood, particularly for smaller companies which have no other profit centres from which to draw their capital requirements.

The negative impact of the NEP was further explained by the Petroleum Services Association of Canada which represents the service and supply sector of the petroleum industry. Its survey showed that 32 of the 85 companies which responded will have to close down if activity does not pick up. It estimated that nearly 8,000 people, or 20 per cent of the work force, will be laid off.

I should like to explain to hon. members that we are not talking about the oilmen who hang out at the petroleum club or the ranchmen's club in Calgary; we are talking about the people who build airstrips, drilling pads, roads and usually their trucks from the frames up. They are the lifeblood of the entrepreneur of the west. They estimate that 20 per cent of their work force will be laid off, particularly after spring breakup at the conclusion of this winter's drilling program. They described the impact of the slowdown in activity on the