

*Income Tax Act*

that our laws give equal benefit to the person who carried a box lunch or to the ordinary farmer as is given to the person who lunches on caviar and champagne.

**Mr. Evans:** Mr. Speaker, the Hon. Member made some interesting comments about the tax loads of different groups in our society. Is he aware that the average tax rate paid by the agricultural community is less than 10 per cent? He said that small business typically pays 36 per cent.

● (1230)

**Mr. Nystrom:** I am not sure what the Minister of Agriculture would say about this.

**Mr. Fisher:** What do you say?

**Mr. Evans:** It is the lowest of any industrial category in our country.

**Mr. Nystrom:** The farmers do have some tax breaks, Mr. Speaker. However, once again, if you look at the breakdown, you will find that the farmers with the biggest breaks are the large farmers, the large ranchers in this country. It is not the small guy who lives in my riding. That is why the Liberal Party made a promise in 1980 to change the valuation date concerning capital gains. I am sure the Minister of Agriculture will confirm this. That kind of change would help the ordinary person. That is what I am interested in.

I was elected to this House believing in the principles of fairness and equality and I believe we are here to make sure the ordinary citizen gets a better deal. Just because the big farmer or rancher has all kinds of benefits under our tax system does not mean the ordinary person has. I come from the riding of Yorkton-Melville, Mr. Speaker. According to the census statistics there are more people in my riding who live on low incomes than any other riding in Saskatchewan. Therefore, this kind of problem affects me in my riding more than it affects any other riding in the province. That is why, when it is said that farmers do not pay very much in taxation compared to their income, that may be true for some of the wealthy people in parts of Alberta and Saskatchewan, but for the ordinary citizen in my riding it is not the case at all. Those people are overtaxed.

**Mr. Evans:** Mr. Speaker, that was not the point of my comments at all. If the Hon. Member is saying that the tax system is in disarray and needs to be reformed, I would tend to agree with him. I have said so publicly. However, Mr. Speaker, the point is that taking statistics and pointing out average tax rates of this group or that group, and saying that big business only pays 24 per cent, small business pays 36 per cent, and talking about the person who is getting dividend income of \$200,000—and I would wager you could count them on one hand—does not lead to productive debate in this House.

Average tax rates can be terribly misleading for many reasons. Governments have put in place incentives to achieve objectives. The agricultural community does pay around 8 per cent average tax rate. It is the lowest of any industrial group in

this country. Is that bad? I am not saying it is bad. The Government has put incentives in place to assist agriculture and because we have assisted agriculture we have been able to achieve very high rates of growth and productivity. That is what we receive for allowing an 8 per cent average tax rate in agriculture.

The same thing applies in other areas, Mr. Speaker. Is it fair and proper simply to throw around average tax rates for different groups and say that somehow this is unfair and unwise, that it is not good for the country, without really saying why it is that those groups have been allowed to pay lower than average tax rates? What additional contribution are they making to this country as a result of the fact that they are not paying the money in tax to the federal Government? They are doing other things in the national interest. Certainly, policies made by this Parliament were made to achieve national objectives. Those objectives are reflected in those average tax rates, Mr. Speaker, and I think it is grossly unfair for Hon. Members of that Party to stand up and pillory people who have been doing what this Parliament said was in the national interest to do, and as a result the statistics reflect a lower than average tax rate for that particular group.

**Mr. Nystrom:** Mr. Speaker, it is not necessarily what all the people in this Parliament believe. We have now a majority Government. That is what it believes in. That is what it implemented. Its own Royal Commission, the Carter Commission, said we had one of the most unfair tax systems in the whole western world. That is the difference between our Party and the Party opposite. I believe our tax system should be changed so that the ordinary person would receive a much better break. Those of us who are able to pay—and I include myself in that category—ought to pay more of the load. Perhaps that is a philosophical difference. But there is a philosophical difference between the democratic socialist party and the one opposite. I do not apologise for that, Mr. Speaker. That is why we are here. I believe we should reform the tax system to give the ordinary person a bit of a break.

When the Government abolished IAACs, the income averaging annuity contract, that did not hurt the large, wealthy farmer as much as it hurt the little guy. If you talk to chartered accountants—

**Mr. Fisher:** Are you kidding?

**Mr. Nystrom:** What do you mean, "Are you kidding?"

**Mr. Fisher:** Both of them got a better break.

**Mr. Nystrom:** If you talk to accountants in the small towns in Saskatchewan where the small farmers are, you will not get that story at all. That is the difference, perhaps, between our Party and the Party across the way, Mr. Speaker. But I would love to have the Minister of Agriculture rise and say a few words and tell us his Party is going to keep the promise which it made in 1980.

**Mr. Whelan:** Mr. Speaker, I would like to ask the Hon. Member for Yorkton-Melville (Mr. Nystrom) a question. I