

*Oral Questions***THE BUDGET**

EFFECT ON RETIREMENT INCOME OF FARMERS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Minister of Finance. On November 24 I sent a statement to the Minister of Finance from a firm of Saskatchewan accountants who argue that under his budget would be the elimination of annuities for farmers, which really means the elimination of a great deal of their retirement income so that the average farmer in Saskatchewan would lose around \$6,000 or more dollars per year, and in the year of sale he would see his taxes increase from \$5,000 to over \$70,000. In view of the fact that the minister has not replied to the information, nor to the questions we and the Federation of Agriculture and other people have asked on this issue, I wonder if the minister can confirm, in the spirit of Christmas, that later today or very shortly next week he will announce the reinstatement of the IAAC for farmers and small businessmen, or certainly an exemption that would cover the main concerns of the small farming community in this country?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, I cannot confirm that I will be making any such announcement. I believe that the hon. member has, I am sure unintentionally, not fully understood the comparative advantage of the forward averaging system—

Mr. Mayer: No one understands it; that is the problem.

Mr. MacEachen:—in comparison with the income-averaging annuity contract. Hon. members may be interested in knowing that recently representatives of the cattle industry came to Ottawa to express their concern about the elimination of IAAC, as they are called, and the substitution of the forward averaging. After an examination of the two alternatives, they concluded that probably the new system was better for the farmers. When they returned to the west they issued a statement to that effect and said that, "Yes, indeed, we think that system is probably better for the farmer".

An hon. Member: It means that people will pay more taxes.

Mr. MacEachen: Madam Speaker, may I say that the hon. member has raised a particular case and I am trying to get a letter off to him today that is on a very complicated example. I hope that will further our common understanding of this problem.

QUERY RESPECTING POSSIBILITY OF CHANGES

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I have with me the comparison made between IAAC and forward averaging that was worked out by 12 accountants of a very respectable firm in our province. I should like to ask the minister directly whether or not he is stating to the House

today that the door is absolutely closed with regard to any changes that may pertain to small farmers, and small businessmen not large cattle ranchers, who depend on the sale of their farms for retirement incomes?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the door is never closed at all. The hon. member will have an opportunity to state his case, if it is required, when the budget resolutions are before the House. I can assure the hon. member that I will be listening very carefully to any views that are put forward at that time and, indeed, as I have been listening to views up to the present time.

ANNOUNCEMENT OF CHANGES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister of Finance has heard several more representations from this party today for changes in the budget. Will the Minister of Finance indicate to the House whether he intends to introduce or to announce any changes in the budget before the House of Commons adjourns today?

An hon. Member: You already know the answer to that one.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is my intention, as I have indicated informally, to indeed make some announcement today. I would make the statement on motions at the present time, but it is necessary that I make this announcement when markets close. If I get consent, Madam Speaker, I would be prepared to come into the House at four o'clock and make a statement and table some documents, so that the House of Commons would be fully apprised of the announcement before it recesses.

Mr. Nielsen: You have it.

Mr. MacEachen: Madam Speaker, I want to assure you that I have attempted to get these announcements put together before the House rose. That is why I have met the deadline today.

Hon. Erik Nielsen (Yukon): Madam Speaker, I simply want to indicate to the minister right now that he has the consent of the official opposition to make that statement at four o'clock.

EFFECT ON BENEFITS PROVIDED FOR BRITISH COLUMBIA LOGGERS

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Minister of Finance. As the minister knows, in the forest industry in British Columbia there are certain benefits that can be considered deemed benefits, in terms of room and board for people working in outlying logging and timber operations. Will the minister advise the House whether he has yet responded to any representations from the forest industry or the unions in