

● (1815)

In view of the major resources of agricultural organizations, I want to make an appeal now to all Members on the Government side that the Horticulture Council be given the sincerest possible congratulations for the way it has defended Canada's needs in this industry. Those congratulations should be extended to potato organizations and the Governments of Prince Edward Island and New Brunswick and there should be a special grant to the Canadian Horticulture Council which has exhausted its reserves and will end up seriously in debt in the protection of trade for Canada as a whole. I believe this should be the responsibility of the federal Treasury from some Department, under the leadership of the Minister of Agriculture (Mr. Whelan).

I hope that I will not be answered with a prepared text but in a businesslike discussion on the subject matter of the question and the remarks I have made tonight.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Hon. Member has pointed out that I come from Ontario, and of course he comes from New Brunswick. He could have gone on to say that I am a Member of the Government and he is a Member of the Opposition. Despite those differences, I would like to extend my personal congratulations to him for the concern he has shown over this issue and the activity he has undertaken. He has stated his case well. I understand that he personally has travelled to Washington—

Mr. McCain: Only to Portland.

Mr. Fisher: He has travelled to Portland, he says, and I appreciate the chance now to give him an updated report on the Government's activities.

Ministers have, on a number of occasions, expressed to their American counterparts the Government's concerns about continuing American actions aimed at limiting potato imports from the maritime Provinces and about the consequences for Canada of the current anti-dumping investigation.

The United States Commerce Department issued an affirmative anti-dumping determination of November 4 which cited higher anti-dumping margins than those in the Department's preliminary determination of July 26. The interdepartmental team that has been working on this case for Canada since its conception, met with the Canadian Horticultural Council and with the New Brunswick, and P.E.I. Ministers and Deputy Ministers of Agriculture. We expressed our collective concern over the final anti-dumping determination and agreed that we now need to focus our energies on the injury case.

The Government sent a team comprising officials of the Departments of External Affairs, Agriculture and Finance to the U.S. International Trade Commission's injury hearing in Portland, Maine, on November 18. Indeed, as I mentioned, the Hon. Member himself also attended the hearing. The reports on this important hearing are encouraging. Mr. Ince, our Washington counsel, made a strong and persuasive interven-

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tion. The Government remains convinced that a good case will continue to be made that Canadian exports of the type of potato under investigation are not injuring the U.S.A. industry. The U.S. Department of Commerce must make a final determination of injury by December 19. If its decision is negative, the investigation will be terminated.

May I again compliment the Hon. Member for his obvious concern for his constituents and for the industry generally.

FINANCE—CAPITAL GAINS TAX AMENDMENTS. (B) TREATMENT OF STOCK PURCHASERS. (C) APPLICATION OF TAX TO SPECULATORS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on October 3 last, the Minister of Finance (Mr. Lalonde) tabled in the House detailed ways and means motions with respect to the indexed investment security plan. You will recall that I raised this matter in the House on a number of occasions. I was rather disturbed by the text of the ways and means motion which was tabled. That is why I raised the matter in the House with the Minister on October 6.

Briefly, the indexed investment security plan is one in which a person decides to make his stockmarket investment behind a plan administered by his broker. The capital gains tax is only paid on the actual real capital gain, inflation aside. Losses are deductible on a formula in the plan.

It is a detailed ways and means motion that explicitly sets out for the House the terms of the proposed change to the Income Tax Act. The problem is that we are not really dealing with investments in the way the ways and means motions sets out the case. We are dealing with such things as stock options. Imagine a put or a call or an option agreement being treated somehow as an investment? On a matter of that nature, there is no investment whatsoever. What a person does is to pay a fee or an option price to take an option on some stock. If the stock goes up in value, a profit is made. If it goes down, there is a put, you can also make a profit. You are speculating on the market.

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Until now that has always been deemed as an adventure in the nature of trade. It is a business activity. It has nothing to do with investment at all. Not one nickel goes into the till of the company. Not one nickel is put up to create jobs in Canada. Not one nickel is put up to improve the investment picture, the capital of a corporation in the country. It is merely a method whereby this Government enables those people who are speculators in the market to escape not only income tax on their trading activities, but capital gains tax as well, except to the extent that there is a real gain in terms of a real gain after inflation being taken into account.

It is abominable that under the guise of trying to increase equity investment as set out by the Minister, the Minister should allow this class of activity to be buried under the indexed investment security plan.