

Adjournment Debate

tance and value of this project to the economic opportunities which there could be in Cape Breton.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, the Scotia Synfuels proposal in Cape Breton has considerable potential to benefit economically the eastern Nova Scotia region.

I wish to reiterate some of the points which the minister responsible for the Atlantic Canada Opportunities Agency made last week in this Chamber.

The Government of Canada has been trying to enhance economic opportunities in the Atlantic region by considering every alternate employment opportunity that will help to diversify the economy. The creation of the Atlantic Canada Opportunities Agency is a manifestation of this government's commitment in that regard.

It should be pointed out that while the hon. member has pressed for the approval of an investment tax credit for the synfuels project, it is Industry, Science and Technology Canada rather than ACOA which has the lead role for the federal government in this project. The Atlantic Canada Opportunities Agency, as the development agency for small and medium size businesses, can play an advocacy role.

That being said, I wish to point out that federal officials have devoted a great deal of time to looking at the long-term economic viability of this project and its potential to create long-term employment. I also wish to point out that under the Canada-Nova Scotia-Straits of Canso area development subagreement ACOA and the provincial government together funded \$650,000 or 50 per cent of the cost of the technical feasibility study completed in November 1989.

As has too often been the case prior to 1984—and my colleagues opposite just have to look at the track record of their party when in power to confirm this—governments have often been eager to invest in projects in the Cape Breton area simply as a quick fix. This government wants to be certain that an investment of public funds results in durable and viable jobs for the long term.

With respect to Scotia Synfuels, ACOA and Industry, Science and Technology Canada officials want to be sure that this project, valued at well over \$400 million, is sufficiently viable to justify the substantial expenditure

of public funds which would be required for an investment tax credit.

While the number of jobs this facility promises to create is certainly impressive, there is still more study required before any decision can be made.

AGRICULTURE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, I rise on a question which I raised in the House on May 2, respecting the future of agriculture in this country. At the time I raised it there was a lot of concern in this country with respect to agriculture and the future of agriculture, particularly in western Canada.

I would like to highlight some of the areas where there are concerns. Farmers are concerned because of FCC rates. The so-called farmers' bank has increased rates a number of times this year, which is causing problems. High interest rates are a killer for producers as they are a major problem for businesses throughout this country. The Economic Council of Canada has predicted this year that incomes will be down by some 87 per cent. That is an increase from earlier predictions but a drop in income of 87 per cent, which is astounding.

The future of the Canadian Wheat Board is in question with respect to the movement of oats because of the free trade agreement and the fact that next year certainly grain and possibly wheat and barley will come cross the Canadian border unrestricted. We have the government failing to use Article 701.4 of the free trade agreement. Article 701.4 indicates that whenever either Canada or the United States is entering into agreements with third parties, that it is a violation if the agreement affects the ability of the country to trade.

• (1815)

Certainly, that has happened with respect to the U.S.S.R. and the announcement that the United States is going to sell some 12 million tonnes of grain to that country, subsidizing a third of that. This will have a direct impact on our sales to the U.S.S.R. Although the government has admitted it is a problem, it has not taken an extra step to put some muscle to the statement. It exists under the free trade agreement.

The U.S. farm bill continues to have a problem going through. The new farm bill will be virtually the same as the last farm bill. At the same time, we have a government that is cutting support for our producers. The at and east bill, dealing with export grain through the ports