

again come to the rescue and provide a bail-out so our fellow Tories can continue their mismanagement of the economy in that province.

Times are tough in other sectors of the Canadian agricultural economy and farmers in all provinces need help. Farmers in Alberta, in Manitoba and in Ontario need help at this critical time of year when they are gearing up for planting. I ask this government to now make food security in Canada a matter of national security. I ask the government to act now to save this once vibrant agricultural community so that Canadian consumers will have an abundant quantity of good, wholesome, high-quality Canadian food available to them.

I ask this government to dissociate itself from the current manipulative free market system of our neighbours to the south, where the commodity exchange is being sued by American farmers for manipulation of prices, where their export enhancement program puts downward pressure on world prices. In fact, their acreage set-aside program and target prices actually impact very heavily on our world prices.

I ask this government to give notice of withdrawal from the free trade agreement and recognize that nature alone dictates that there is no level playing field.

I ask the Minister of Finance to withdraw this budget, prepare a new one, one that recognizes the importance of our resource industries that have been decimated by the policies of this government, a budget that will ensure the availability of those resources for future generations of Canadians.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I listened with a great deal of interest to the hon. member for Lambton—Middlesex, particularly when he spoke about the credibility of the projections of the Minister of Finance and pointed out that three years ago the Minister of Finance projected that the deficit would be something like \$14 billion and now it is \$28 billion. It is very easy for the minister to give glowing assessments of what he is going to do four and five years in advance but they never seem to materialize.

The Budget

The hon. member is an experienced member and I am rather new in this House. I would like him to comment on the fact that, if my memory serves me, the Minister of Finance based his projections for the budget deficit on an interest rate of 10.5 per cent. Unless I have missed something in the last two or three weeks, I think that the actual bank rate is in excess of 13 per cent.

When one looks at the implications for the economy of a 3 per cent interest rate miscalculation by the Minister of Finance, the difference between 10 per cent and 13 per cent is a 30 per cent miscalculation. What impact does the hon. member feel that that has had on the deficit? What impact does he feel it has had on the farm community, particularly on farm debt, farm operating costs and farm borrowing? In fact, are many of the problems that farmers now have not due to the miscalculations of the Minister of Finance?

Mr. Ferguson: I want to thank the hon. member for the question, Mr. Speaker. He is absolutely right. The terrible mistake by the Minister of Finance and his miscalculations are such that we should demand the resignation not only of the Minister of Finance but his advisers, because this is at the root of the problem with the rural economy. We have interest rates that are 5 per cent higher than those in the United States. Our input costs on production costs alone are so much higher than those of the United States. When the interest rates are added on, it puts us in a position where we simply cannot compete as effectively for the world markets.

I strongly suspect the government is trying to keep the interest rates up to appease the corporate structures that want a higher dollar, and whether or not that is part of the free trade agreement we will probably never know. However, if the dollar is allowed to float down to perhaps the mid-seventies, then our exports will be far more competitive on world markets and—

The Acting Speaker (Mr. Paproski): I regret that the hon. member's time has expired.

• (1250)

Hon. William Rompkey (Labrador): Mr. Speaker, I am very pleased to take part in this budget debate today. This budget is just the latest wedge that widens even further the gap between the two Canadas. There are two Canadas growing in this country and they have been growing since this government took office. I am not talking about linguistic groups. I am talking about the