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provincial and federal. Unless there is co-operation and co-ordination between these levels of Government, there will never be an effective program of research and development in the area of land degradation and soil conservation.

I believe it is essential that the Minister of Agriculture (Mr. Whelan) table the document in this House and refer it to the Standing Committee on Agriculture for consideration. At the same time it is essential that the Minister enter into discussions immediately with his counterparts on the Prairies to develop a program of co-operation which is so important if we are to have an efficient and effective program of research in this field.

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NORTH-SOUTH RELATIONS

CONSEQUENCES OF UNITED STATES ECONOMIC POLICIES

Mr. Bob Ogle (Saskatoon East): Madam Speaker, yesterday in Bonn, Germany, Ex-Chancellor Brandt, Ex-Prime Minister Heath, and Sir Shridath Ramphal, Commonwealth Secretary General, issued a statement on North-South relations which carries back to their commission's work of two years ago. In this statement they indicate that the recession they predicted in their report of two years ago is now slipping toward a world depression unless there are immediate steps taken to curtail it. They point out that U.S. Reaganomics is one of the major reasons for there not being an economic upturn around the world and why Third World countries have fallen into an even greater and more difficult situation than they were in before.

I would like to call the attention of this House of Commons, of the Prime Minister (Mr. Trudeau), and of the Government and the people of Canada to the fact that the report of two years ago should be seriously looked at again, that the new recommendations made yesterday be looked at, and that we take the serious and important step of seeing that they are put into effect, otherwise the world could, as they indicate, fall into a depression.

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EXCISE TAX

IMPACT OF NATURAL GAS TAX ON FARMERS

Mr. Gordon Taylor (Bow River): Madam Speaker, the enactment of the excise tax of 63 cents per gigajoule, which is approximately one million BTUs, was ill-conceived and counterproductive. It reduced the sale of natural gas and products made from natural gas. Thus it did not produce the desired amount of revenue, and reduced the amount of income tax. It assisted greatly in the rapid rise of farm bankruptcies in the last two years. It is forcing and has forced farmers to limit the use of fertilizers and chemicals, and compelled producers to increase summer fallow. It has seriously increased the cost of producing food, thus adding to inflation.

The excise tax adds 63 cents to the field price of \$1.72 for natural gas, plus the 14 cent Canadian ownership tax and the five cent PGRT. This is excessive taxation, is increasing the cost of food for everyone, and is therefore inflationary. Any tax which increases the cost of food and discourages farmers from producing is ill-conceived and wrong. I recommend that the Hon. Minister of Finance (Mr. Lalonde) remove this burdensome tax in the forthcoming budget.

ORAL QUESTION PERIOD

[English]

FINANCE

SIZE OF FEDERAL DEFICIT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, in the absence of the Minister of Finance and of the Minister of State for Finance, my question is directed to the Prime Minister. I am sure he is aware that this week's Government bond issue has been a total failure and that this is a clear signal that investors are expecting interest rates to rise again. Practically every pre-budget submission received by the Minister of Finance has stated that interest rates must come down in the near future or the economic recovery and increase in employment that we desperately need just will not happen.

Since the failure of this bond issue is directly related to the fear that Canadians have about the size of the Government deficit, which is out of control, will the Prime Minister respond to this concern by telling the House what order of magnitude the deficit is going to be in the year just ending, and next year?

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Madam Speaker, I am quite happy to correct the Hon. Member and tell him that today the Bank of Canada rate dropped 15 basis points. That has to be good news.

Some Hon. Members: Hear, hear!

Mr. Fisher: The Hon. Member indicates that interest rates are going to be a key factor in economic recovery, and the Minister agrees. We have seen a continual drop in interest rates since last June. The Minister has indicated to all the business and labour people who have come to see him during his consultations that we will continue to put an emphasis on lower inflation and lower interest rates as key elements in our economic recovery.

As for the bond sale, I am happy to tell the Hon. Member that we expect that to continue in a normal fashion, and we expect the bonds to be sold today.

Some Hon. Members: Hear, hear!

Mr. Wilson: Madam Speaker, if that Member had been in touch with the bond market he would have been told that the reception for today's issue was the worst in history. That