1981 census, 87 per cent of Canadian farms were operated by sole proprietors and 9.3 per cent were partnerships. Less than one half of 1 per cent were owned by corporations whose shares were not held by single families. Two-thirds of operators owned all the land they farmed. Including the processing, wholesaling, and retailing sectors, food and agriculture account for more than a quarter of all economic activity in Canada. Approximately 500,000 Canadians are directly employed in agriculture, and approximately 1.5 million people are employed directly or indirectly in agriculture and food. Last year agricultural exports generated $9 billion in foreign exchange. After subtracting imports of $6 billion, Canada had a positive agricultural trade balance of $3 billion. Agricultural exports last year were equal to an average of $28,000 per farm, and farm cash receipts in 1985 totalled $20 billion.

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However, there is also bad news. On paper the average farmer had an equity of $416,945 in 1984. However, the paper value of a farm will not buy groceries, furniture or children's clothing. In that same year the average income from all sources for farmers was $15,596. This means that an average farmer could more than double his or her total income simply by selling the farm and investing the proceeds in long-term government bonds. Although people might be inclined to point their fingers at grain farmers when the price of bread goes up, the farmers' cash receipt from a 24-ounce loaf of bread is barely enough to make a sandwich.

At the end of 1984, farm debt totalled $21.6 billion. The annual number of farm bankruptcies rose from 125 in 1979 to 551 in 1984, an increase of 341 per cent. Last year the number of farm bankruptcies declined by 8 per cent to 508, but that is still far too high. Total farm equity fell from $100 billion in 1981 to 95.6 billion in 1984, a decline of more than $4 billion.

Significant gains have been made in agricultural productivity over the past several years. The high productivity of our agri-food system means that Canadians on average spend less than 16 per cent of their income on food, the second lowest percentage in the world. As you can see, agriculture is important to all Canadians, not just western Canadians and those involved in agriculture.

A western farmer told a reporter recently that he worked on the farm to feed 90 people and his wife works in town to feed him. I think that is a sad irony and an all too common tragedy which has forced many farmers and farm families off the farm, and Canada cannot afford to lose productive farmers.

The reason for all of this is a total upheaval in the international agricultural economy. In recent years world agricultural trade has been strongly influenced by debt repayment problems in developing countries. There have been protection policies, export incentives for surplus production, and increased production in many parts of the world. In fact, many of the countries we used to export to are now net exporters themselves. These factors have created tough competition for export markets and driven down world prices for many farm commodities. As a result, farm income from market sources is declining.

Prairie grain producers, who have been particularly hard hit by low commodity prices, have also suffered low crop yields due to drought, flooding and grasshopper infestation. Based on expectations of growing export markets and higher prices, many farmers borrowed to finance farm expansion and modernization in the 1970s. These heavily-indebted farmers were crippled by high interest rates in the early 1980s and many have subsequently been unable to meet their financing costs. Thus it is quite apparent that our prairie grain producers are innocent victims of an international trade war. This Government understands the situation. It has assisted and it intends to do much more.

What has been our record over the past two years in response to the needs of agriculture? Many of the initiatives I will mention are in direct response to the commitments we made during the 1984 election campaign. Since coming to office this Government has brought forward over 235 separate initiatives which will benefit Canadian agriculture at a cost of more than $5.1 billion. I want to mention a few important examples.

Through a system of rebates the Government has effectively removed all federal sales and excise taxes from diesel and gasoline farm fuels for an average annual saving of almost $200 million for our producers. In fact, the elimination of the fuel tax was announced by the Prime Minister on April 30 as part of his western initiative. The Prime Minister, by his actions then and now, has confirmed his personal commitment and that of his Government to agriculture.

When was the last time any Canadian saw a Prime Minister of Canada stand up and speak on behalf of Canada's farmers? I feel that our Prime Minister has his finger on the pulse of Canadian agriculture. In the past all we got, most of the time, was just the finger.

Legislation has been passed to set up farm debt review boards composed of people who have knowledge and experience in farming and financial matters. Farm families who have no choice but to give up farming because of financial difficulties can look to the Canadian Rural Transition Program for assistance. The program is worth over $46 million. Charges that this program will force families off the farm are totally ludicrous. Being self-employed, farmers have generally not been eligible for this type of federal assistance and this program is only one part of a total farm policy package as developed by Agriculture Canada and Employment and Immigration Canada after consultation with provincial Governments and farm organizations.

However, despite all that has been done, serious problems still exist. In the words of our Minister of Agriculture (Mr. Wise) in a speech he gave on August 28: "I would be the first to admit that despite all of our initiatives problems in agriculture persist. At one time the measures we have taken would