The Government has never really given the agriculture industry much priority. We have seen a number of legislative updates but we have not seen any real measures directed to the agrifood industry in the last 10 or 15 years. Regardless of this Government's indifference, the agrifood industry is the most basic and vital industry in this country. It is an industry on which all life and all sectors depend. Canadians, and indeed civilization throughout the world, can do without just about everything except one thing, and that is food.

• (1540)

Some of my urban friends may wonder why we are taking the time we are today to debate agricultural legislation. Some of our urban friends might ask what is their place and their involvement in the agricultural industry. The very simple answer is that if you eat, you are involved in agriculture.

In Canada there are about 300,000 farmers. That number continues to diminish. Those 300,000 farmers provide direct employment for nearly 500,000 people. That is a tremendous number of jobs. There are about 1.5 million Canadians out of work, so it represents a significant contribution toward employment opportunities and job creation which is not being fully utilized. There are approximately 4,000 food and beverage establishments in Canada and they employ over 200,000. That is more jobs. In fact, this sector is the country's largest single employer. Quite often we think of the automobile industry as the largest sector in our economy as far as job creation is concerned. That obviously is not the case.

It is recognized that the agrifood industry constitutes about 40 per cent of Canada's economy and employs about 25 per cent of all Canadians. In 1980 we exported $8 billion worth of food products and imported about $5 billion. This gave Canada a trade surplus of about $3 billion. However, approximately $3.5 billion of the $5 billion worth of imported food could have been replaced by Canadian-grown produce. Consequently, the lack of any real import replacement program has resulted in a loss of economic activity to Canada and a loss of jobs in Canada during a time when we need them most.

The cost squeeze has decreased farm incomes. This in turn has substantially reduced the farmer's buying power. This has forced farmers to reduce their purchases, increase their borrowing, sell off their assets and has caused a bankruptcy rate of 65 per cent, comparing September of this year over September of last year. Many have been forced out of business. Others have simply left their businesses. In fact, in the first nine months of 1982 there were some 316 bankruptcies.

If the present rate continues, this year bankruptcies in the agricultural industry could well reach 500. This sharp decline in net farm income is having a drastic effect on business activities in the downtown areas in every city, town and village across this country. Just talk to the downtown merchants, the boards of trade, chambers of commerce, for verification of this loss of business, Mr. Speaker.

This decline is taking its toll as well in the farm supply sector. Sharp declines are expected in fertilizer and chemical sales and in the supply sector of the industry in 1983. Farm tractor sales are down some 35 per cent; combine sales are down 56 per cent. Dealers are filing bankruptcies and our major farm machinery manufacturers are fighting for survival. Why? Because net farm income is dropping. Profit margins are diminishing. Interest rates remain too high. Market prices for a number of commodities are below the cost of production. Consequently, farmers are not buying machinery because they simply cannot afford to buy. The ripple effect is lost income, lost business activities and lost economic opportunities for thousands of Canadians.

I said earlier that this Bill goes in the right direction. However, in view of the magnitude of the problem, it will simply not do the job. What we need is, first, a moratorium of short duration on farm bankruptcies, foreclosures and powers of sale. The Minister recognizes this to be a problem; a number of his colleagues do as well. They have spoken in support of this moratorium. However, nothing has been delivered.

We need a greater infusion of capital into the Farm Credit Corporation. I have not said exactly how much money would be required. I know it is more difficult to secure funds from the Consolidated Revenue Fund at a time when you have a $23.6 billion deficit. It is much more difficult than if you had a $10 billion deficit, there is no question about that. The CFA has indicated on a number of occasions that it would require at least $1 billion.

We need an interest rate subsidy greater than what we have provided in Bill C-134, applied on a selective basis for the consolidation of debt. As I look at this Bill, my calculation indicates that there are $216 million in the program, $116 million of which is a reshuffle. If you apply that under the normal lending formula of the 4 per cent interest rate, if the funds are fully lent and the 4 per cent rate is applied, the interest rate subsidy would be about $16 million. We are suggesting a more adequate amount would be in the neighbourhood of $300 million.

How do we reach that figure? It is fairly straightforward. We have approximately $17.6 billion or $18 billion in total farm debt. It is estimated that about one-third of that would be at unmanageable interest rates. When it requires $50 million to lower the interest rate by five percentage points on a billion dollars worht of debt, the final calculation indicates it would require about $300 million to provide adequate funds to reduce that interest rate by five percentages points on that $6 billion.

I talked earlier about the agribond concept. I am encouraged to the extent that the Minister is still talking favourably about it. However, if he takes his direction from the blue chip committee or the Lortie Commission, they brought down a ruling recommending against a policy of this kind. The Minister should remind his colleague the Minister of Finance that the membership of the Lortie Commission does not include one farmer.

We need rationalization and stabilization. As the Minister indicated, the provincial Ministers are meeting at this very moment in Regina. If the Minister could deliver on that