seats and the WCC was completely wiped out of the Legislature.

He also made a reference to the worthiness of the agribond concept. I was certainly encouraged to hear the Minister respond favourably with respect to it because I really think it is the only way to go, the only route which would provide sufficient financing at the lowest possible cost to Government. Losses to the Consolidated Revenue Fund would be minimized and it would supply sufficient funds to assist the farmers who find themselves in severe financial difficulties.

There has been some debate as to who should claim credit for the agribond concept. I am sure the Minister has tried to lay claim to it, as did my colleague earlier today. As I understand the situation from my reading of history, that concept was born out of a farm meeting held by a group of farmers in the Province of Saskatchewan and was brought to our caucus by the Hon. Member for Swift Current-Maple Creek (Mr. Hamilton). Rather than the Minister or myself taking credit for it, I think we should give credit where it is due. As with most good agricultural programs, this one had its origin at the grass roots level.

• (1530)

I welcome this opportunity to comment on Bill C-134, Mr. Speaker. As Members of the Government will understand, it is not traditional for critics to be overly complimentary but I want to indicate that I am somewhat encouraged by the priority given this Bill by the Government House Leader. Of the three agricultural Bills among the 18 or 19 on the Government's list, the choice of Bill C-134 for debate today is quite proper and a step in the right direction.

While the concept is a good one because it recognizes the problem, the amount of money made available to tackle a problem of this magnitude falls far short of what is needed to do the job properly. The Government knows that when legislation that will assist the agricultural community is introduced, it can expect to receive our co-operation and support. There are many examples of our co-operation on legislation of this type.

Having made those comments honestly and sincerely, Mr. Speaker, I do not want to leave the impression that this rather limited measure will do a great deal to resolve these problems that have plagued the economics of the agricultural industry, particularly during the last 24 months. Throughout this debate, my colleagues and I will demonstrate, by fact and example, that the agricultural industry in Canada is experiencing the worst economic crisis in four decades. Indeed, some knowledgeable people will recognize that the current dilemma in the agricultural industry is probably the worst since Confederation.

Last fall I was invited by the Ontario Federation of Agriculture to serve as a member of a small task force organized to deal with this emergency in agriculture. I accepted the invitation for a number of reasons. I was aware of, and concerned about, the serious financial conditions that were beginning to develop in the industry in the early part of 1981. Last fall, the most seriously affected people were young farmers with sizeable debt loans and those in the red meat industry. Some improvement had taken place in the red meat industry by this fall, but unfortunately it could be short-lived. Certain actions taken by the U.S. Government will exert a downward pressure on beef prices. The increasing number of hogs being produce in Canada means that there will be a greater number on the market within six or eight months, and that will have a depressing effect.

This year, the financial crisis has spread to the cash crop farmers. Three factors have combined to create this impossible situation. First, high interest rates; second, increased input costs; and third, declining market prices. If one examines the history of agriculture it will be seen that one of these factors can usually be found at any time, but when all these factors are combined for an extended period of time, it creates an impossible situation.

It will be recognized that interest rates have declined but, given the traditional and historic profit margins associated with the primary sector of the agricultural industry and our current economic conditions, they remain too high. There has been a dramatic increase in the amount of total Canadian farm debt. In 1960 it was $1.6 billion; ten years later, in 1970, it had increased to $4.2 billion; 9 years later, in 1979, it had increased to $13 billion; in 1981 it was $16 billion; and this year it could go as high as $18 to 20 billion.

Servicing this debt at an interest rate of 8 or 10 per cent, with improved market conditions, could be possible; however, the cost of servicing the debt at today's interest rates is impossible for a large number of Canadian farmers to meet. In 1981, farmers paid out $2.2 billion in interest payments alone. This is almost $600 million more than was paid in 1980. Farm input costs have risen to the extent that net farm income will decline this year by at least 17 per cent and a further decline is projected for 1983.

Statistics Canada estimates that the 25 per cent increase in energy costs will be the major factor in the decline of net farm income. We have to recognize that energy is vital to Canadian food production, Mr. Speaker. In Ontario, about one-third of the total cost of operation of a cash crop farm is taken up by energy. In the greenhouse industry, energy takes about 22 per cent; in the dairy industry it accounts for about 14 per cent, and in the production of beef it accounts for about 7 per cent of the cost.

Some examples of declining market prices include the price of corn. I am sure the Minister is aware that this year corn has been a reasonable crop, selling at about $2.50 per bushel. One has to apply drying charges, of course, which are extremely high. The cost of producing a bushel of corn is not $2.50 nor $3.50, but is closer to $5.50. Large crops of soybeans are produced in Essex County in the Minister's riding, so he should know that soybeans are selling for something in the neighborhood of $6 per bushel when the cost is closer to $8 or $10 per bushel. Other examples could be cited for Ontario grains and for grains grown in western Canada.