

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
December 13, 1982

EVENING SESSION

ADJOURNED DEBATES

SECOND READINGS

Bill No. 46 (continued)

MR. ENGEL: — Mr. Speaker, just before the Deputy Speaker who ably served this House on quite a trying day today, I might congratulate him on handling a full day's session.

SOME HON. MEMBERS: — Hear, hear!

MR. ENGEL: — The galleries were full, and I was saying before we adjourned that there are more than a thousand reasons why we need to move this bill into the committee. And those thousand reasons . . . (inaudible interjection) . . . That's fine. The Minister of Finance, Mr. Speaker, wants to contribute to this debate from his seat, and I know he can speak standing up. Some of his colleagues can't. I haven't heard him speaking standing up, but I know the Minister of Finance can speak standing on his feet.

And if he is so sure that there was somebody sitting in the gallery here that had 36 sections of land, I am happy that there are people like that in Saskatchewan who care about their fellow young people that are trying to get into farming. I am glad that there are people who will drive into Regina from all the way out in your constituency and tell you people, "Look, this is a piece of legislation that you better give us a chance to be heard on." The points were made very adequately that the farmers want to be heard. They want this bill moved into a committee where they can make their points known. And I think a farmer with 36 sections of land has reason to try and get through to the minister and let him know why this bill should be moved into committee.

So the point I want to make very emphatically is: the member for Weyburn talked a long time about this bill that was acted as a land grab bill. I don't believe that's the case. I think we should sit down in a committee and review just what kinds of land purchases we mean. And let people come in that sold their land to the land bank and tell us why they sold to the land bank so somebody else could rent it.

I think we should take a look at it, and I think there's a lot of evidence saying that we need to look at it and give people a chance to be heard. Surely, surely these people got a message through the different members that represent rural communities. I didn't think the Minister of Finance would be so sensitive to seeing some of the big farmers and the small farmers in here. But I'm glad he's aware of that. I'm glad he took note that there are farmers that aren't just land bank tenants, that there are other farmers here trying to make a point. I had people from my riding that aren't land bank tenants in today, I noticed in the crowd. But there were farmers there that wanted to maybe sell their land to land bank, or had their sons that were tenants, and they came in and made a point. They came and made a point.

I just heard the last part of the minister's remarks. I'm sorry that I didn't get out and hear all your remarks, Mr. Minister. But by the time you were winding them up, the farmers weren't that anxious to hear you. You did a good job of finishing your remarks in spite of

calls for you to shut it down, and they wanted to hear somebody else. And I think that that should be obvious to you, that you are railroading a piece of legislation through, using your ramrod, using your large majority without giving public hearing. So consequently, Mr. Speaker, I would plead with the Minister of Finance to take gamble. Give the farmers a chance to be heard. Give them a chance to make their points known and present their briefs, if you're not going to go the route that we did when we introduced the land bank, when we had public hearings all over the country where thousands of people's opinions were brought forward. Don't do it in that grand style. All we're saying is, set it up into a committee of agriculture where there's room to have these points made. I'm sure that the points will be well taken and that you will have some good ideas on how to implement your program of planned purchase and let it live side by side with a good program that has established a 10-year track record that's fantastic. It proved it today by having half their members in here. Half the members that took part in that program, Mr. Speaker, came in today — not even half — and yet the galleries were full. There were a thousand people around here making the point . . . (inaudible interjections) . . . 850, Mr. Speaker, signed the register over at the Centre of the Arts. That might be a laughing matter. There are more than 150 who didn't bother going over there but came straight to the building.

So, I think it was a good demonstration of faith in the parliamentary system. We went off to Ottawa with the Deputy Speaker and the member for the Morse constituency. We studied: is the parliamentary system effective? Is there room in the parliamentary system so that land bank tenants could be heard? Is there room under our system, Mr. Speaker, where people that are interested in making their views known on the implementation of a bill that, should this bill be transferred . . .

The mechanism is there. We have an agricultural committee in place. We have the committee established. The names on the committee are listed. The chairman and all the committee members are there. All we have to do is refer the material of this bill to that committee to do a review. That simple.

It only takes a couple of days longer, and yet it would give the farming community a chance to say, "Here is a government that we can trust." Like the minister said, "Trust us; trust us." He's asking for their trust. Portray just an ounce of trust, just one little degree of trust and make an opportunity for some people to be heard, not all the people, just a few on the land bank legislation. Show us that you are a government that can be trusted, and we'll have to sit back and say that those are the people that are elected to represent the farmers.

If they are, do so. If not, I guarantee you that the day of reckoning is coming sooner than you think and the minister, in spite of the uniform he's wearing even if he doesn't wear the uniform of a Roman, will still not be able to wash his hands of this piece of legislation where he's taking the opportunity to farm away from so many young people.

Mr. Speaker, I've made my point, and I will now take my seat and hope that you people will vote with us, and that this will be moved into the committee on agriculture. Thank you.

Amendment negatived on the following recorded division.

Yeas — 7

Blakeney
Lingenfelter
Shillington

Thompson
Koskie

Engel
Lusney

Nays — 31

Muller
Berntson
McLaren
Currie
Smith (Swift Current)
Sveinson
Parker
Rybachuk
Maxwell
Folk
Johnson

Birkbeck
Muirhead
Garner
Duncan
Hampton
Petersen
Smith (Moose Jaw South)
Caswell
Embury
Myers

Andrew
Sandberg
Klein
Schoenhals
Weiman
Glauser
Martens
Domotor
Dirks
Zazelenchuk

Motion agreed to on the following recorded division, bill read a second time and by leave of the Assembly referred to a committee of the whole later this day.

Yeas — 31

Muller
Berntson
McLaren
Currie
Smith (Swift Current)
Sveinson
Parker
Rybachuk
Maxwell
Folk
Johnson

Birkbeck
Muirhead
Garner
Duncan
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Andrew
Sandberg
Klein
Schoenhals
Weiman
Glauser
Martens
Domotor
Dirks
Zazelenchuk

Nays — 7

Blakeney
Lingenfelter
Shillington

Thompson
Koskie

Engel
Lusney

COMMITTEE OF THE WHOLE

Bill 46 — An Act to repeal The Land Bank Act and to make Certain Temporary Provisions for Lessees

HON. MR. BERNTSON: — Yes, Mr. Chairman, On my right is Jim Webster, chairman of the land bank commission and the fellow that will be heading up the farm purchase program. Right behind me is Ron Hewitt from the Attorney General's department.

Clause 1

MR. ENGEL: — I have a number of concerns with Bill 45 that I wish to raise at this time. I suppose, basically, when I heard you were introducing this piece of legislation and using the farm credit corporation as the vehicle that was going to implement the program, I thought, that's not bad. My first impression of the legislation was that here is a bill that the banks won't be profiteering from, here is a situation where young people who have difficulties can pick up a mortgage.

But some of the concerns that I think we should talk about at the outset are the criteria that is in place by farm credit corporation. The criteria that is in place by farm credit corporation for a young person or a farmer of any kind to pick up alone, on one hand, and then the mix you added into that transmission and that movement of things that says you have these restrictions and limits on (and farm credit corporation tells me they are not changing or amending their legislation to accommodate your bill), leaves a lot of farmers up in the air and quite concerned: how is that going to apply to me?

If I need to have this block of backing to get a loan, to get a \$350,000 loan which isn't even able in the first place . . . The question I have is: since when did farm credit corporation say a farmer can borrow \$350,000? My understanding of the legislation is that he can only borrow \$300,000. Where do you propose to get the extra \$50,000? So maybe I'll just let you answer that part of the question first, and then we'll continue from there.

HON. MR. BERNTSON: — Mr. Chairman, number one, we have been given the assurances of the chairman of the farm credit corporation that that change will, in fact, be made and, number two, a couple, right now, under the farm credit corporation can get up to \$500,000. So at least in the case of a married couple it's already covered off under the present situation.

MR. ENGEL: — I can understand that for a joint operation where a couple of brothers in tandem or a man and his wife farming two separate units can qualify, but basically you didn't spell that out. The other aspect and the other question that I was raising earlier is: what about the criteria that farm credit corporation requires that will act as a detriment to getting the assistance from you people?

In order for me to get \$350,000 with my wife . . . If I want to make a loan from farm credit corporation to pick up a parcel of land that one of these land bank people might not be able to hang on to or hold, and I want to buy, and I want to get a loan from farm credit corporation, I'm going to have to put up some backing and a considerable amount of security to get a \$350,000 loan, even in a joint loan application. That automatically disqualifies me from any kind of a benefit with your program because my assets would be far about \$350,000. Or \$300,000 is your limit?

HON. MR. BERNTSON: — I don't know where the member is getting his information, because under the Farm Credit Act, today, they can lend up to 100 per cent of appraised value of land, chattels and machinery. And, you know, if you're taking your information from the front page of the *Leader-Post*, it's not a very good source. I am told

by the chairman of the farm credit corporation that they can, in fact, today, lend up to 100 per cent of appraised value of the land, chattels and machinery.

MR. ENGEL: — I think that that information which the minister provides is correct. But, if the minister follows that scenario through, you will find that the persons, in fact, to whom they will make a loan of up to 100 per cent of what they are buying and go to \$350,000 on their purchase would be a young fellow who has a block of land that he has a contract with. He's leasing land from land bank, and it gives him a working capital position. He then can write up a program and say that this is his potential for earning. If he goes on a part 3 loan he actually is saying to the farm credit corporation: look, I've got 5 quarters of land bank land; I'm buying 3 quarters of land which is worth \$350,000 with my wife as joint title. On that basis the farm credit corporation would actually give the guy \$350,000. But, in your case, you've overshadowed that and you've put a whole cloud over that situation saying that that person isn't going to qualify.

The only person who I can think of who could get a loan without having a chattel backing or something would have a long-term lease on a decent sized farm operation, where he has five quarters of lease land, and he's borrowing \$350,000 for three new quarters of land. He would then qualify with just the land he's buying, because of the confidence that has been developed with farm credit corporation of young guys who have land bank land. And you are throwing this monkey wrench into the works and saying that person isn't going to qualify for the 8 per cent money.

HON. MR. BERNTSON: — Here's another monkey wrench, Mr. Deputy Speaker. Under section 33 of the farm credit corporation, it provides for a five-year phase-in period for people who have no land. And every applicant under section 33 has to demonstrate, to the satisfaction of the corporation, both his intent and his ability to become principally occupied in farming. If farming is not his principal occupation, he must convince the corporation that he intends to make farming his principal occupation within five years, so he has, in fact, a five-year phase-in period, and he doesn't have an acre of land until he talks to farm credit and gets his loan to buy new land. So, you know, I just don't share your concern. The policy goes on, but I think it is covering a lot of the things that you raised and I just quite simply don't share your concern. I think the program will touch lots of young farmers who in fact today don't own an acre of land.

MR. ENGEL: — Has the minister re-evaluated his assessment of how many people are going to get into . . . He was trying to convince this legislature that there will be 5,000 and some people in the first 20-some months of the operation of the program.

Now that he has made it plain that half of these, or more than half of these, will likely be people that are presently engaged in farming, but are land bank tenants (peasants, as you call them) . . . (inaudible interjection) . . . You did, in this House . . . (inaudible interjection) . . . Yes, you did, because the new program is going to be carried on the backs of the sale of land bank land. Both pieces of legislation refer to blocking into the funding of it, that is, the sale of land bank land. Now, if you are going to carry that (and I believed you when you told us in the budget debate that there will not be any new money introduced into this program in this year's budget), and I can understand now why, because as land bank land sells it will be funnelled into your land purchase program. So, consequently, how can you justify that there will be 55, or 5,000 plus (I don't remember the exact number, but I think you said 5,500)? How can you justify that there will be 5,000 new farmers entering the agricultural scene because of this program?

HON. MR. BERNTSON: — Well, no, you are not quite right. We said there would be 5,000 plus people touched by the program, not necessarily new farmers. And it was based on the assumption that the average loan would be about \$100,000. If you take \$100,000 and divide it into the 150 million of loan capital we agreed to write down for the remainder of this fiscal year, and the 200,000 for each of the next two years, it works out to about 5,500 people that would be touched by the program.

MR. ENGEL: — Now, Mr. Chairman, I appreciate that new wording “touched by.” I suppose there will be close . . . (inaudible interjection) . . . No, I am aware of that, Mr. Minister. You don’t want to buy everybody’s six sections right off the bat. But possibly the scenario that I painted the night I spoke on this piece of legislation, that the people with six sections will benefit more from this program than the people that have no sections at all, I think is coming to light more all the time. And it concerns me.

The thing when you are talking about how many people are touched by it . . . You will recall that last summer when we were here and approved of your home mortgage plan, we supported that plan. Mr. Chairman, you will note that our caucus supported it in second reading and in third reading, didn’t they?

There is a reason, Mr. Minister, that I would like you to inform your staff, that while we supported that plan, let me tell you why I’m having some concerns with this legislation this time around. I believe in the principle that interest is too high. I made the point on the price of land going from \$50 some dollars an acre — your staff is well aware of what’s happened over the last 10 years — to where today it’s over \$400 an acre average price, that land bank commission even paid for the land. And so young guys starting have a very, very rough edge to get over to try and get into farming on that high-priced land. Consequently even 8 per cent interest is going to be a big hurdle for them, and we appreciate that hurdle.

Also, Mr. Minister, what about those guys that are strapped with interest rates, that have that same problem of existing and trying to stay in farming, that have small operations where they are strapped with high interest. There are people signed up with farm credit corporation. I got the numbers from the . . . They ran a computer search and came up with some answers for me on how many young farmers were involved in farming that took out loans at the high interest rate since the first of May. There are people strapped in with a large debt load because they couldn’t follow through on a land bank commitment that the government had made with these farmers. Not the NDP said, “When this money is available we’re going to proceed with your application.” They took that letter and went to the credit union, or bank, or whatever, and strapped themselves with a large loan. Some of them got involved with farm credit corporation, and I don’t have those numbers with me tonight. We can bring them at another time. But why are we penalizing those people?

Your home mortgage assistance plan helped. Our own Premier said, “It’s going to help me.” The Premier’s own house was on loan that’s more than the 13.5 per cent interest, and he was going to do an application. He was going to qualify for a loan, along with a lot of other city folk. Not those that bought a house after July 1. Not those that started new house construction which would have aided and been a real boom to housing. It helped everybody that had a high loan. Now what I’m saying . . . Let me tell you something. And that’s why we supported that piece of legislation.

Now what I'm saying is: there are some young farmers, there are some young farmers out there, lots of them. I've got their number in my office and if one of my colleagues takes over after a while, I'll go and get those numbers and I'll go and get those numbers and I'll share them with you.

Mr. Chairman, if I could have your undivided attention, the point I'm making here is: you have a piece of legislation that doesn't apply equally. It just applies for those that waited for the rest of this year out, those that were able to make terms or conditions and say, "Don't sell your land until this new program is completely finalized and announced."

Anybody that made a land transaction even after you were elected, even after they heard your commitments and promises, that made that land transaction prior, or since May 1, but prior to January 1, 1983, they're stuck with a high interest rate that is going to drag them under. That is too big a load to carry on the size of operation they have, because they calculated it on the basis that they were going to get an 8 per cent loan.

Why can't this legislation cover everybody that qualifies, number one, under the \$200,000 to \$300,000 net worth, that can come in and bring their net worth statement to you exactly like a new applicant can? He can bring in his statement and say, "Here, I made this loan on this parcel of land. Here's my net worth. Here's my income over the last three years." And he qualifies for the program in all the areas like you're spelling out, the \$200,000 to \$300,000 net worth, but the only mistake he made is he listened to your promise; he believed you that you're going to implement your program. He went out and purchased that half-section or that quarter-section or those three quarters of land.

Why can't they qualify? What is there about this legislation, and what is there about their action that is any different than the home mortgage plan that everybody qualified from before and after?

HON. MR. BERNTSON: — One of the reasons, Mr. Chairman, is that most folks only have on principal resident. And under the program, the MIRP program that you're talking about, they can qualify up to \$50,000 on their principal residence. It's a little different with land, unfortunately. We made, from the very first day we took office, all kinds of public statement telling folks not to anticipate this legislation, not to enter into deals in anticipation of what this program may or may not contain. Quite frankly, the reason that the program is not retroactive is to eliminate as much as possible the loopholes that could have existed for speculative purposes. The program is designed to help people own land, not for speculators to get into the speculative market.

MR. ENGEL: — Mr. Chairman, the minister made two statements here that I think need following up on. He says we made all kinds of pronouncements not to proceed. Can he produce one such piece of evidence that he made that announcement at least once in public? Just one announcement where you said, "Don't proceed, because if you do you're going to get caught. We are not making the 8 per cent loan retroactive." Tell me once when you said that, because if I would have heard that I would have advised my constituents accordingly.

HON. MR. BERNTSON: — Well, I don't know if they keep the tapes, but any talk show that I've been on, that's exactly what I said. Not that any legislation would not be retroactive, but I made it very clear that no one should be making deals in anticipation of this program. I don't know how many talk shows and how many interviews I've had where I've said that very, very same thing.

MR. ENGEL: — I haven't got a copy of a Progressive Conservative Party of Saskatchewan with Grant Devine and Gary Lane on. I haven't got a copy of a press release from them. I don't have a copy of a press release that's before April 1981. I don't have a copy, anywhere an account since April or May 1, 1982, where government information services would have released even a one-line hint, just a hint, that you or any members of the inner circle made a statement saying that this legislation is going to exclude you if you deal before we pass the legislation. Even a hint of that would have helped some young people. Show me one line where you even hinted at it, either in a political statement through a Progressive Conservative document or in a news services document. Tell me the number where you made the announcement. If we overlooked it, that's tough bananas. But if you didn't make the statement, Mr. Minister, cough up and prove where you made it.

HON. MR. BERNTSON: — Will you make up your mind? First, you said it was a great plan. The only problem was that it was not here last spring. Now you're saying that the plan is lousy; nobody wants it; it's terrible. Will you make up your mind? Which way are you going to go?

I'm just a little puzzled by the member opposite. The name of the bill is An Act to establish a Program to Facilitate Financing the Purchase of Farm Land. It has been very well received wherever we've been. We have made it very clear, every step of the way, that deals should not be arranged in anticipation of the legislation. I'm sorry if the member opposite didn't receive or hear of those particular statements but that's the way it is. I apologize that I didn't hand deliver something like that to the member opposite.

MR. ENGEL: — Mr. Chairman, not only didn't you deliver that information to the member opposite, you didn't deliver it to the members of the farming community, period. I'm making a point that I've made up my mind. This legislation would be perfectly good if you'd take into account what I've been saying all these days, ever since this legislation has been introduced. If that legislation would be retroactive and applied, there would be no room for speculation. The guys that bought their land that qualify under the terms, they'd be covered. But all you're saying is, "It's tough luck, boys. You didn't wait until we got our little baby delivered.

How come you didn't do that with the home mortgage plan? You told us in July that it's applicable to everybody that had a loan. These young farmers are in just as big a trouble that bought their land in April as are going to buy their land in January. I'm saying that I made up my mind. I said they all need help; it's too little too late, is what I said. And I don't change my mind. It's too late because it should go retroactive to the time you killed the program. If you really believe in small farmers you'll make it retroactive to include everybody who is . . . (inaudible interjection) . . . Please, Mr. Chairman, can I be awarded the respect of this House so that the minister can hear me?

MR. CHAIRMAN: — Order, order! We'll let the member carry on with his debate.

MR. ENGEL: — Mr. Chairman, the point I'm trying to make, when I said it was too little too late, is that the plan should cover every young farmer or old farmer, including yourself. If you, as a chairman, qualify under your \$200,000 or \$300,000 net worth and if you have a farm credit corporation loan in excess of 8 per cent, you should get the help for five years because we want you farming just as badly as we do the new guy.

And I think that's the point of this legislation. When you advertised and when you made your public announcements . . . (inaudible interjections) . . . Mr. Chairman, can you keep order in this side of the House at least? I don't care if the guys on that side talk, but the guys on this side bother me immensely and considerably.

Maybe it's a joke to the members opposite that we should be concerned about people who are on the farm and are paying in excess of 8 per cent interest. They have a program here, and it's piggybacked on the back of farm credit corporation, and that is the sole agency that they're piggybacking — just farm credit corporation. Why not provide the 8 per cent interest to all the people who supported you in the last election and were saying, "We're getting 8 per cent money." It's just that simple.

HON. MR. BERNTSON: — Mr. Chairman, I've said it once. The program was not made retroactive because we decided that we were not going to allow speculative activity to take advantage of this particular program. If I accepted your argument that we should make it retroactive back to April 26, then I would also, I suppose, have to accept the argument of the next one who stands up and says we should make it retroactive for the previous 10 years while you boys were in power over here, when they didn't have any program of this nature to help the young people get on the farms.

So, you know, you can't have it both ways. We made the determination that this program was coming into effect on the day of assent, and not April 26, and that's the way it's going to be.

MR. ENGEL: — The minister says that because a young person is on a farm . . . Mr. Rousseau, if you want to ask a question, I'm sure the chairman will allow you to, because you've been away for two weeks and the Minister of Industry and Commerce doesn't know what this land bill's all about. So if he wants to get some information maybe we can give him that information.

But the Minister of Agriculture stands up in this place in this House and he says that a farmer who is paying in excess of 8 per cent interest is now all of a sudden a speculator. Now he's a speculator, somebody that had a lot of commitments from the Government of Saskatchewan; not the NDP party, from the Government of Saskatchewan. He had a commitment. He went out with that commitment to his credit union or bank, and said, "I'm selling this land to the land bank for my son, and I need so and so much money for it to transfer it across. Land bank's going to buy it." He got his money for it at 20 and 19 — 20 per cent interest. That's the interest he was paying so that his son could . . . (inaudible) . . . Now you call that a speculator. Is that the ones you are saying are speculators?

HON. MR. BERNTSON: — Clearly not, Mr. Speaker, or Mr. Chairman, and while we are talking about that it shouldn't have come as any surprise to anyone, when this government was elected to office with a fairly healthy majority, that there would be no more purchases of land bank land. That has been our position since we became a viable force in Saskatchewan in 1973. Our position has always been that government should not be in the business of banking land, and our policy has been that. And when we were elected on April 26 we didn't buy any more land through land bank. And I suppose, had anyone anticipated the election, that, you know, they maybe would have planned differently. I don't know.

The other point I would make is those who went out and borrowed money since April 26

presumably had to demonstrate serviceability to the lending institution they were dealing with, and if they were able to do that, I suppose there is nothing I can do about it.

MR. ENGEL: — So the argument you use for not making this bill retroactive is you said that's the only way you could prevent speculators. And I had the question down here, "So you call a farmer a speculator." So number one now you said that those guys got caught half way through a land bank transaction and got turned down, and were put on hold, and finally were told they were not going to get it, they weren't speculators, you told me. I am happy you assured me that those farmers aren't speculators. Now you told me those guys that bought some land in-between anticipating your new program, and were able to qualify under the higher interest rates, and borrowed their money at the higher rate of interest, they are not speculators. Who are the speculators that you are worried about? Please give this House this information. You said you can't go retroactive because you are going to prevent and avoid speculation. So if those two classes of farmers aren't speculators, tell me who is. Which ones have we missed?

HON. MR. BERNTSON: — Obviously we won't have any, because we didn't make the legislation retroactive.

MR. ENGEL: — Mr. Chairman, he's avoiding my question completely. That is not the point. Obviously you won't have any because you didn't make the legislation retroactive. I think by not making the legislation retroactive you are allowing the guys to be speculators. You are telling me you hold up your transaction, until all the money is available, and then the seller can say, "Come and get it boys," and 5,000 farmers in Saskatchewan think they are going to qualify for that \$350,000 and bid each other up. You are actually encouraging speculation, is what I'm trying to say, and the whole point I'm making is: if you don't put the land and the chance to get this mortgage assistance back to all the guys that are involved in it, you are actually encouraging speculation. I would like you to answer that charge.

HON. MR. BERNTSON: — It seems to me, at least if I were going out to buy some land, whether it was with 8 per cent money or 12 per cent money or 20 per cent money or whatever, I would be getting it at the best possible deal. I would have to demonstrate serviceability to the lending institution, wherever. I admit that any new player in the market place is going to have some influence on the price of land, but I don't think that this program will have any significance influence on the price of land.

MR. ENGEL: — Now, surely the minister is trying to deceive this House. If you are saying that this farm purchase legislation is not being a speculative one, and if you don't have here the prime piece of legislation that is going to influence the price of land more than any other way could . . . There is not another way I can think of that could influence the price of land more than a character holding it out to young farmers and saying, "Here is \$350,000 each."

The difference between this and the land bank . . . I could make a two-hour speech and I could repeat it on that; I have done it before. I could make a two-hour speech, if you have the endurance to listen to it, telling you why the land bank isn't speculative in nature, why the land bank wasn't speculative in nature compared to this one, because it wasn't used as means of bidding. Can you hear me over the top of that noisy guy over here? I'm glad you can because I can't hear myself think.

There are other questions that I am really concerned with . . . (inaudible interjection) . . . I am not. I haven't repeated myself yet, have I, Mr. Shillington? And that's one thing

about this committee that the rules should be written into, that a person shouldn't repeat himself.

Some of the things the rules committee studies is that the vain repetitions that was going on when I was sitting on the government side isn't going to be the case with this opposition. You'll find that we are here to prove a point and to make a point and once we have made a point we will move onto the next topic.

But just finishing up on this aspect of making the loans retroactive, the question that young people ask me . . . I was asked to come to meetings, to young land bank tenants' association meetings, to two different ones this weekend, and the number one question they were asking is: if this land doesn't go retroactive, can we rewrite our loan or go back to the farm credit corporation and rewrite so we qualify for the 8 per cent interest? If they take out a new loan on an existing parcel of land, will that facilitate them to be able to get involved under Bill 45?

HON. MR. BERNTSON: — The program is designed to facilitate a net increase in the land holding on net improvement, and new land acquisition is one of those methods. I suppose selling a quarter 10 miles down the road and buying one closer to home could be considered improving the holding.

To comment on one of your earlier statements, you said that this legislation in fact is going to be a tool for the speculators. Now that seems to run a little counter to what you said earlier when you said that the legislation wouldn't provide for anyone to qualify, so you can't have it both ways. Either it's going to work for someone, or its going to work for no one. You can't have it both ways.

MR. ENGEL: — Mr. Minister, you've missed a key point in this legislation. You missed a key point in this legislation and before I touch on the key point, I will comment on improving a holding. I will comment on improving a holding. Here we have a young person. He's committed to a 15.25 or 15.375 per cent loan that he had with farm credit corporation. He's making large payments — \$40,000 a year on a three hundred-and-some thousand dollar loan is an actual example. He's a got a \$40,000 a year annual payment to make. If he could get that loan under your program so that the new loan would be written up effective after January 1 or whenever you declare this piece of legislation, he would substantially improve his loan position because it would not only be made under the farm credit corporation's 13.25 or the new program (it's 13.25, isn't it?), 13.25 per cent loan, but he will also get an additional 4.24 per cent for the first 5 years which would save the guy 23 times 5 or over \$100,000/

That is an improvement of his holding. Let me tell you, that's going to make the difference whether that person is on the farm or he's working and looking for a job. Now, I call that improving a holding.

Under your terms if the guy is improving his holding you said he's going to qualify, so will that kind of reference qualify? If it does, then why not make it retroactive and save all these lawyer fees? Do you know what it costs to rewrite a loan through the farm credit corporation? You have to go to the farm credit corporation's select lawyers and they are just friends of the Liberal Party, and consequently, it's a great big, long drawn out affair. You're making a lot of work out in the country for just a few people for your blood brothers.

So I would suggest, rather than go through that hassle . . . (inaudible interjections)

. . . Yes, your bed partners if you want an accurate description because this isn't a farm purchase program; this is a loan subsidy program. It's not a farm purchase program at all. Because there is no way, shape or form that a guy like that, and I made the point before . . . This brings me to the key point I was talking about.

The key point is that you said, or you were quoting me as saying that it wasn't going to help anybody, and if it isn't going to help anybody, how can it help somebody? Well, let me rephrase that. It isn't necessarily going to help anybody, the little guy, the peasant, but it's going to help the somebody, the guy that . . . [inaudible interjections] . . . I'm talking about the peasant in terms of how your minister describes the farm tenant. I'm talking about the land bank tenant that you called a peasant and a sharecropper in this House. Now, the point I'm making is that the only somebody who is going to be helped by this program — like I said before and for the benefit of your key players in this program are constituents of mine who have in excess of 40 and 50 quarters of land. They're going to be the net benefactors of this program.

One person who talked to me has three sons between the ages of 19 and 25 and he can set up those three boys with exactly \$200,000 of net worth. They can come in and apply first buying from him three quarters each so they can get the maximum loan. They'll qualify exactly with farm credit corporation. You are going to give that person a cheque. Form the farm credit corporation he's going to get a cheque for 1 million bucks — 350 times 3. And then he can buy out my farm, wipe me right out of farming because then he has the bucks — cash — to buy, and he gets that money at an 8 per cent interest rate. That family will be award of this state from year one to five. Three guys times 25 is \$75,000 a year in interest abatement. Those are the guys you are helping.

I'm saying the guys that need help can't find it in this bill. The guys that need help can't find it and the guys that don't need it are going to get larger holdings. It's just that simple.

HON. MR. BERNTSON: — Well, I take it the member will be voting against this bill in third reading. And, I was going to talk about the relationship of the party opposite and the Liberal Party, but I find the discussion of incest rather distasteful, so I'll stay away from that. I would also point out, once again, to the member opposite that in fact there is a phase-in provision in farm credit policy today, and there are going to be lots of young people helped over a five-year phase-in. And quite frankly, I don't share the concern of the member opposite. I think the program will work well. I think it will be well received, and I invite the member to vote against it if he is not satisfied with it.

MR. ENGEL: — Mr. Chairman, when the minister, in section 5, is going to authorize person to look at records and extracts of records at any time, at any place, and in any matter the minister considers appropriate, will you look at the situation the young person comes from? If his father, in actual fact, has a holding and an operation he's running that uses three four-wheel drives (and I don't care if they're Steigers or Versatiles) that has 60 to 70 or 80 quarters of land, will you look at those records and say "Maybe, young fellow, you don't need the help"?

When the Minister of Education looks at an application for a student loan or a student bursary, he looks at that situation; he examines the records. He looks at the records of the father to see how much income the father is making. Will you assure this House that you are going to make sure, in fact, that farm credit corporation uses those special provisions? (I'll wait till he listens to me, because it doesn't pay to lose my voice.)

Are you going to make sure that farm credit corporation uses those special provisions

you have under 5(3) where they can, in fact, grant loans to people that have no security, so that the money won't be gobbled up and chewed up by those kinds of situations I pointed out earlier? Are you going to use the same kind of records as the Minister of Health normally does under his student review programs, where the father's records are looked at?

AN HON. MEMBER: — Education?

MR. ENGEL: — I said education. I'm sorry. I meant education. I was looking at education.

HON. MR. BERNTSON: — Mr. Chairman, you were talking about section 5, and I'm prepared to deal with it now if you want to go down to section 5. The general question is specific to section 5, but the purpose of that section . . . Farmers are not being asked to keep special records in any way, shape or form. Records on hand will only be requested where there's fraud or some wrongdoing that is suspected.

MR. ENGEL: — So in other words, this loan will be applicable to the sons of large farmers that have the boys employed in their farm unit and don't actually have them as owners yet. They will be able to qualify to buy land from the father that might have 100 quarters of land?

HON. MR. BERNTSON: — I suppose that's true. We try not to discriminate either against the wealthy or the not-so-wealthy, as land bank did not discriminate against, for instance, Hazen Argue and his vast holdings.

MR. ENGEL: — So you're not going to discriminate. You're suggesting that we support the bill. I suppose a large measure of that will depend on what happens with some of the amendments we have in place that we will be dealing with. Before we move into clause by clause amendments here, I'll let my colleagues ask some questions that they may deem necessary.

MR. LUSNEY: — Thank you, Mr. Chairman. I have one question for the minister. During the course of my colleague's questioning he referred to the \$150 million as being loan capital that they were putting up. Is this true?

HON. MR. BERNTSON: — Did you say loan capital that we were putting up? We've said that we would write the interest down from whatever the rate is — it happens to be 13.25 per cent at farm credit today — to 8 per cent on \$150 million of loan capital. We've also said that if farm credit on their traditional lending (and they've committed to stay at a traditional level outside of this program) . . . and we've said if they had trouble finding the money, which they don't anticipate, that we would, in fact, as a government lend them that \$150 million of loan capital.

MR. KOSKIE: — I just want a couple of clarifications, Mr. Minister, in respect to a number of question that were asked. In respect to the farm credit corporation, I take it that there is going to be a limitation of the amount of funds that will be available for a given period of time. I know that you have indicated \$150 million. First of all, can you indicate for what period of time that allocated \$150 million covers?

HON. MR. BERNTSON: — We've said we would write down to 8 per cent on loan capital for up to \$150 million for the remainder of this fiscal year, \$200 million for the following fiscal year, and \$200 million for the following fiscal year. We have not

projected beyond that.

MR. KOSKIE: — Just in respect to the number of anticipated applications, does the minister expect that the number of applications that will be made will in fact exceed the amount of available funds, and the write down that you are prepared to do?

HON. MR. BERNTSON: — How would you know? We've got no history to base it on. The program is brand new. We've said that we'll go as high as \$150 million in the remainder of this fiscal year, and I think that's fairly generous. We've said we would go \$200 million for each of the two following fiscal years, and I think that's a fairly generous injection into the agricultural community in Saskatchewan. Remember, this is over and above the traditional lending limit of farm credit in Saskatchewan.

MR. KOSKIE: — In respect to the farm credit corporation, I take it that they will in fact be deciding on who in fact is going to qualify and there could be more applicant than they can process. Now I take it that in the past farm credit corporation would get a number of applicants, and obviously what they would do was to seek out those applications which provided the greatest amount of security for the loan. In other words, I am asking you: is it not a fact that under farm credit corporation and their criteria, did not in fact a number of individuals who applied in the past, in fact be rejected because of the fact that they didn't have sufficient security, or indeed, did not have an economic unit? So what I am saying to you is, is it not a fact that the farm credit corporation are going to do as in the past, to seek out those applications which have the greatest amount of security, and process them ahead of those with less security, as they have done in the past?

HON. MR. BERNTSON: — No, I don't know if they've done that in the past. I think that the understanding we have with farm credit is that their 13.25 per cent will go to a specific target group, those people that would qualify normally under their particular criteria. Our 8 per cent, of course, touches a group who would have a little more difficult qualifying, but the 8 per cent is calculated in the serviceability, and as relates to another concern — I don't know if you raised it specifically, but I read it into what you were saying. Farm credit has in fact gone to some length and are now gearing up to handle the backlog of applicants that may show up, you know, as a result of this program coming in, and there may be some problem with dealing with all of the applicants prior to the end of the fiscal year, but we have absolutely no problem with rolling whatever is left of that 150 loan capital that we would write down into the following fiscal year and adding it the 200 that would be available then.

MR. KOSKIE: — I just want to indicate to the minister my discussion with respect to the bill, talking to a number of farmers in respect to the previous experience, and the previous experience of a number of young farmers in the constituency. In fact, a number of them in the example that was given to me, had a half-section of land, went to the farm credit corporation and were refused a loan from the farm credit corporation on the basis that the half-section did not in fact establish them as an economic viable unit and therefore they would not loan additional money to purchase. In fact, they had to go to the credit union.

It seems to me that that surely is one of the group of people that we are definitely wanting to help here. I don't know what you're saying that is going to change that approach by the farm credit corporation. You seem to indicate that you have some kind of an agreement. Perhaps you could explain to us what criteria has changed with the farm credit corporation as result of your agreement with them that wasn't in existence

previously.

HON. MR. BERNTSON: — I can't speak for farm credit, obviously, but I think a large part of the change has been the availability of money. Back when money was rationed and money was tight and they couldn't get the money, they had a limited amount to put out, thus a limited number of applicants were dealt with. Now that the legislation has been changed to allow farm credit to go to the money markets, now that money is a little easier for them to get ahold of, I think likely this will be reflected in the way they do business in the farming community.

MR. ENGEL: — In farm credit's process of evaluating the criteria of applicants, what interest figure are they going to use as an in for an applicant to be able to float a loan with farm credit corporation? Are they going to use a criteria of 13.25 per cent interest, or are they going to calculate on a basis of 8 per cent interest for the first five years?

HON. MR. BERNTSON: — I believe I indicated to the member who just sat down that serviceability will be calculated on the 8 per cent and the 12 per cent, as it relates to . . .

MR. ENGEL: — the second part of that question then is: are you going to have staff available that are going to be on the consulting or the continuing consultation process with farm credit corporation to review the applicants that are being processed, or do they have to go from one and then be put on hold until you decide? Have you got a joint team effort there were they're going to be processed?

HON. MR. BERNTSON: — On the marginal cases or the cases where there might be some question as to qualifying or not qualifying, yes, we will be having staff that will liaise with farm credit and make those kinds of decisions.

MR. ENGEL: — I'm surprised then, if that is the case, that the minister was concerned about some earlier remarks we made where you and the federal Liberals are jointly involved, directly united in doing the farmers in, if that's a nice way of putting it . . . (inaudible interjection) . . . I am against a young person, Mr. Minister of Finance, taking on an obligation with no certainty as to where it's going to go.

What I want to know how is: how are you going to be writing these regulations? Are they going to be similar to the regulations that were introduced along with the land bank legislation that made the regulation in fact as strong a piece of legislation as if it were an act itself? Are you developing those kinds of regulations, that are going to spell out the 8 per cent and the 12 per cent over that first 10-year period, in statute or in the regulations that will be tabled along with those that would have to take legislation to change them? Or will you be able to change that 8 per cent interest, as time progresses, with the uncertainties of the money market and the world interest rate?

HON. MR. BERNTSON: — It will be firm in regulation. Each client who applies for a loan through farm credit will know, when that loan is approved, what the interest rate will be — 8 per cent for the first five years if he qualifies and the prevailing farm credit rate if he doesn't qualify, and 12 per cent for the second five years. I am rather distressed to hear that the member opposite is in fact not in favor of farm credit. I am somewhat shocked and amazed that the members opposite would want us to run this program through their friends, the big multinational banks.

MR. ENGEL: — The minister is trying to play games. What you're saying in the first part

of your statement was that, when a person writes up a loan on January 3 or 4 or 5 or whenever the office is open for a new loan, his loan contract will specify the interest at 8 per cent for the first five years and 12 per cent thereafter. That will be in his loan; that can't be changed during the life of that loan if he makes his payments?

HON. MR. BERNTSON: — What it will say is: 8 per cent for the first five years, assuming he qualifies, and 12 per cent for the second five years, assuming he qualifies. After the 10 years (the two terms of five years), it will be the prevailing farm credit rate, whatever that might be. And I suppose that their interest rate is locked in for the term as well, I don't know.

MR. ENGEL: — That locked-in feature isn't spelled out in this legislature. The locked-in feature that you're guaranteeing to those people now - -that you don't have in legislation — will be in regulation and you cannot change that through cabinet or by order in council? You're assuring this House? I would prefer you answer that, rather than shake your head.

HON. MR. BERNTSON: — That's in regulation and the regulation will state that the interest rate on the contract will be 8 per cent for five years, and it will be 12 per cent for the next five years.

HON. MR. BLAKENEY: — A clarification on that. A member made a statement that I was trying to sort out. I'll sit down if you wish to speak. We can alternate in this committee. I'm just trying to get the point now. Are you saying that the leases will be . . .

AN HON. MEMBER: — Mortgage loans.

HON. MR. BLAKENEY: — Loans or mortgage loans then will have a specified 5-year 8 per cent, 5-year 12 per cent provision in the mortgage document and that that is not changeable in respect of a specific mortgagee after it's signed? Next year, under this legislation we might change those figures from 8 per cent to another figure and 12 per cent to another figure; that's possible to do. But that if you did it wouldn't affect a mortgage already signed by a mortgagee which has the 8 per cent and 12 per cent figures in it?

HON. MR. BERNTSON: — Yes, that's right.

MR. KOSKIE: — A further elaboration. With respect to your department or whoever (and we aren't sure who "whoever" is) involvement in so far as interpretation of qualification, to what extent and what staff are you going to have which is going to be doing and overseeing and looking at each applicant to determine, or are you going to allow it to be done within the framework of the criteria set out in the farm credit corporation?

HON. MR. BERNTSON: — Well, obviously the vast, vast majority of the applicants will be dealt with directly by farm credit and the only ones that we would ever see in the normal course of events are those who may marginally qualify or marginally don't qualify. And since we are the people that will be writing down the interest rate, farm credit then will send that over to our people to make the determination as to whether they should go or not.

MR. KOSKIE: — This certainly leaves it open to a very political interpretation given a specific application which the farm credit corporation may say, "We don't think it quite

qualifies on the basis of the act or on the basis of the qualifications within the farm credit.”

You’re saying that you, then, or someone in your government will be advising the farm credit corporation then?

HON. MR. BERNTSON: — As I’ve said, only on those marginal questionable type cases, and I don’t think that you can accuse the likes of Mr. Jim Webster of making political decisions. And I think it’s a little unfair that you would even suggest that. I think, Mr. Chairman, that the savings through administration by using the vehicle of farm credit will be very substantial and more than offset the . . . well, far more than offset had we used any other vehicle such as setting up on our crown corporation, for instance, or going through the various other lending institutions. I just don’t share the concern of the member opposite. But if you want to get into this political decision thing for awhile, I’ll touch on a couple of items a little later if you like.

MR. KOSKIE: — I just want to say that this is sort of the first indication by the minister that he is going to continue to have his hand in on who qualifies. Up until this time, certainly, it was going to be turned over to the established body which the farmers of Saskatchewan have been dealing with for a long time. This is news now that really the minister is, in fact, going to be supervising who, in fact, qualifies.

It’s an interesting revelation . . . (inaudible interjection) . . . I still have the floor. And I think that this is a key point, and I think that the farmers of Saskatchewan should have been told that at the outset that the minister was going to have his hands in determining who, in fact, he’s going to approve the loans for.

HON. MR. BERNTSON: — Obviously the member opposite either chooses not to understand, or can’t understand, what we are saying. We do not, in fact, approve the loan. Farm Credit approves the loan. In those questionable cases as to whether he fits our criteria . . . (inaudible interjection) . . . Farm credit. Whether or not the individual would fit into our criteria to receive the 8 per cent write down, or the write-down to 8 per cent.

MR. KOSKIE: — But you’re going on farm credit corporation’s . . . (inaudible) . . . criteria.

HON. MR. BERNTSON: — Farm credit corporation will make the determination as to whether an individual would qualify under, firstly, their criteria and, secondly, our criteria. If they qualify under our criteria for the write down to 8 per cent, great. If there is some question as to whether they would qualify for the write down to 8 per cent, they would send that file, I presume, over to our people in the farm purchase program to make that determination.

MR. KOSKIE: — Basically, what the minister is saying is that you have to qualify in two instances. One, you go to farm credit to see if whether or not you can qualify under farm credit, and then whether or not you qualify under your program is going to be your determination . . . (inaudible interjection) . . . That’s what you said.

HON. MR. BERNTSON: — No, I didn’t. You surprise me with your grasp of things. Firstly, an applicant will meet farm credits’ criteria or that’s the end of it. Once farm credit has made the determination that they meet that criteria, they will then see if he meets the criteria set out by our program to receive the write-down to 8 per cent for five years and

12 for the next five. If he meets those criteria, that's the end of it. We never see it except when we send them the rebate cheque.

MR. KOSKIE: — I think it's very, very, very clear what the minister is saying. He is saying that there is going to be a political arm which is going to be overseeing what has been established as a basic program under farm credit. You have indicated that that's the criteria. You have indicated that they can, in fact, in the large majority of them under your program, determine it, but you're leaving it open that you're going to be able to come in and say, "Farm credit corporation, our interpretation is a little broader than yours. This individuals qualifies." Sign it by the minister. "We would like to see you reconsider that" — which is a specific direction from the minister.

HON. MR. BERNTSON: — That is not a specific direction from the minister and I think that the member is acting in very poor taste when he would accuse public servants of this government, who have been here some of them for over 40 years, of acting in a political way because those . . . (inaudible interjection) . . . Well, the minister would never see the files so I don't know what you're talking about.

MR. KOSKIE: — Mr. Minister, just for a little further clarification. You indicated that a number of people with no land would indeed be qualifying under this program. I guess what I ask: could you generally indicate a little more specifically what you mean by that statement? Can you spell out those with no land who are likely to qualify?

AN HON. MEMBER: — Could you repeat the question again. I'm sorry I was reading something important here.

MR. KOSKIE: — Well, you have said that a number of people with no land are likely to be able to qualify and receive assistance under this program. We find it very difficult using the farm credit criteria, to believe that statement. Can you outline here — illustrate by some examples — how you expect that, in fact, to come to be?

HON. MR. BERNTSON: — To pose one example would be intergenerational transfers from father to son . . . (inaudible interjection) . . . What? I suppose another one would be under section 33 of the Farm Credit Act. I don't know what you would have to be, whether it was a plumber or a school teacher, or a banker or whatever, under section 33 of the Farm Credit Act, there is a provision for a five-year phase-in.

If farming is not his principal occupation, all he has to do is convince the corporation he intends to make farming his principal occupation within five years; if farming is not now his principal occupation, demonstrate through a plan of farm operations and development of his own design to the satisfaction of the corporation that he can in fact and will be able to make farming his principal occupation within five years.

When an application for a loan under section 33 is received from a married couple, both spouses will have a title interest in the mortgage land and both will sign the section 33 covenant to the mortgage.

The necessary qualifying criteria outlined above may be met from the combined experience, abilities and resources of both partners in the marriage. Thus either spouse may earn off-farm income, be the spouse who phases into farming, provide the experience, knowledge and ability to successfully operate the farm.

So, you know, under section 33 of the Farm Credit Act I think it provides lots of opportunity for lots of new people to get into farming.

MR. KOSKIE: — I am very pleased that the minister demonstrated that he can read. And I would like the minister whether he has made a check, over the years, with that provision of can the minister indicate whether he has statistics of the percentage of loans that were granted by farm credit corporation using this provision of the phase-in under section 33?

HON. MR. BERNTSON: — I have no statistics at my fingertips. I point out again, Mr. Chairman, that during the period when there was limited availability of funds for farm credit, I would suspect that perhaps that wasn't one of the target groups. I would also suspect, now money is relatively easy for them to get hold of, that their trust would change somewhat.

MR. KOSKIE: — A final point on this. The minister also indicated that there is a provision within the farm credit corporation whereby they can take up to 100 per cent of the appraised value on a given piece of property. Has the minister had an opportunity to check the records of the farm credit corporation to determine how often they have in fact invoked that provision?

HON. MR. BERNTSON: — Again, I don't have that kind of data at my fingertips. But if the member is very seriously desirous of having it, I will try and get it from farm credit corporation and provide you with it at some mutually convenient time.

MR. KOSKIE: — I would like that information as soon as possible . . . (inaudible interjection) . . . No, I didn't say tonight. But as soon as possible in the terms of the minister can mean three years hence and then you won't be around and it wouldn't help me.

Very seriously, Mr. Minister, the application of section 33 and the application of the 100 per cent appraised value (taking a mortgage up to 100 per cent of the appraised value) are two aspects which are vitally important to a young fellow that wants to go into farming, but doesn't have, for instance, a father who owns 30 quarters of land. In other words, if he was working at the potash mine and is now laid off, and he indicates that he has been a farmer and a farmer's son and what he'd like to do is get into farming because there is no future in potash, so accordingly what he wants to do is to qualify because there is no future in potash, so accordingly what he wants to do is to qualify under your program, there are two things that are particularly important to him — using the 100 per cent of the appraised value, and also section 23 which you indicated, the phase-in. And the problem that I see here is that you haven't really, I don't think, addressed yourself as to the extent that it's likely to help that group of people, and they are going to be frozen out. And that is our basic fear of your program.

If you would supply us with concrete indications of the number of young people with no land, but with no father with 30 quarters or a number of quarters that are likely to qualify, or the people that were able to get land bank, and now that's wiped out . . . Is that group going to be totally left out in your program? And I don't think that you have assessed the program in order to supply us with that information, and I'm surprised and disappointed in the minister.

HON. MR. BERNTSON: — Mr. Chairman, the provision is there for the five-year phase-in. The provision is there for the lending of 100 per cent of the appraised value of the lands, the chattels, and the machinery. And the most unkind thing that farm credit or a

bank or a credit union or anything in the nature of lending institutions can do to a young farmer is to lend beyond his ability to repay. So I would suggest to you, Mr. Member Opposite for Quill Lakes, that farm credit would likely be operating under section 33 and the other section, whatever it is, relative to 100 per cent of the appraised value, assuming serviceability by the client was there.

MR. KOSKIE: — In closing this area of questioning, you indicated to my colleague that you seem to have an agreement or a contract with the farm credit corporation which really clarifies and allows this program to fit into much better. Would you specific in indicating, what kind of arrangements or agreements you have and what are the terms which are so specifically beneficial to which you constantly refer without being specific?

HON. MR. BERNTSON: — I suppose, in a very general sense, we have an agreement with farm credit that they will administer our program in writing the loans down to 8 per cent from, today 13.25 for the first five years. They will administer it as zero cost. They will administer the second five years at 12 per cent. They will do this with their existing hardware — computer, etc. — and they will provide us with the information needed to get the rebate cheques out. I suppose, in a general sense, that about covers it.

MR. KOSKIE: — Just one final question. With respect to the rebate cheques, is my understanding correct that that's going to be paid directly to the farm credit corporation?

HON. MR. BERNTSON: — The rebate cheques go directly to the client, Mr. Chairman, upon receipt of payment to farm credit corporation.

MR. LUSNEY: — That brings up, Mr. Minister, another line of questioning. You were saying then that farm credit will figure out the interest or the mortgage payments according to their 13.25 per cent (or whatever it happens to be at the time of the loan), and then, when the purchaser makes his payment to farm credit, he has to apply to you for a rebate on that?

HON. MR. BERNTSON: — No, no. What I said was: assuming a client went to farm credit and he borrowed \$300,000, only \$200,000 of it was for new land acquisition. So the \$200,000 that he borrowed for machinery of whatever, doesn't qualify under the program, obviously, because it is not new land acquisition. But they have the capability in their computer to break that out and the \$100,000 that qualifies under our program, that information will be pulled off the computer, handed to us and the cheque will go out automatically to the client from farm purchase program people.

MR. LUSNEY: — After the initial contract is written, the purchaser no longer has to apply to the government for that rebate? Another question then, Mr. Minister. When the applicant goes in and makes application to purchase some land, are you going to have the regulations with FCC where they will make the decision as to whether he qualifies or doesn't qualify and they make the loan on that basis, or do they have to contact you to find out if you're going to let this individual qualify?

HON. MR. BERNTSON: — As I told the member for Assiniboia-Gravelbourg and as I told the member for Quill Lakes, those decisions will be made by farm credit corporation, except where it may be just a little fuzzy as it relates to a client qualifying for the 8 per cent criteria. In that instance the file will be sent to the farm purchase people, Government of Saskatchewan, and they will make that determination.

MR. KOSKIE: — Mr. Chairman, with respect to those fuzzy ones, I am wondering if the minister can give us his assurance that he will give us a record of those which his department was required to make the interpretation for the farm credit corporation.

HON. MR. BERNTSON: — No, I will not. See, I'm not hiding a thing except the confidentiality of the clients. And I don't intend in any way, shape or form to ever see one of the files. I happen to think that we have some very competent people that are going to be running this particular program, and they can make that decision. And quite frankly, we don't intend to participate in the political gamesmanship that the previous administration messed around in.

I want to give you just a small example of what I'm talking about. I have here a staff activity report that reads as follows:

Received a phone call from Reg Gross from his constituency office re the possibility of transfer or land by crown lessee (and I won't give the name), R.M. 136. Gross wanted to know the details as to whether or not it would be possible to make the transfer. Undersigned informed MLA that application would be required. Topic of work units came up. Note was passed onto a lands branch rep, who in turn contacted Gross's office. While on telephone, topic of how staff was doing in region came up. Undersigned advised MLA that possibilities of transfers of staff between three offices in the region were being contemplated. There was also discussion as to the unsatisfactory appointment of two ag. reps. (who I won't name). They are both Tories was the assessment by Mr. Gross.

Mr. Speaker, we don't intend to engage in the political gamesmanship of the government that preceded us, and I have confidence in the public servants of the Department of Agriculture to handle the program very well, without bias, with complete impartiality, and dealing with the facts.

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — Mr. Chairman, I just want to note how offended and how sensitive the minister is that out of the series of questioning we now know that he is going to have his political hand in the decision making. As to who qualifies, there is no doubt about it, he has indicated it. And all we want on this side is if, in fact, the minister is going to be making political decision on who qualifies, that we would like to know not the details of who he made the decision for and the names and the description of land, but I would like to know whether the minister could simply provide us with the number of applications which have had to be referred to him for interpretation. Could he give us the number of each year?

HON. MR. BERNTSON: — Well, I'm not going to give that commitment. Ask me in agriculture estimates next year how many happened. I'll give it to you; I have no objections to giving you the number. But I'm not going to give you the commitment here, because all I have to do is remember it until next year to give it to you.

MR. ENGEL: — Mr. Chairman, I have a question for the minister. He talks about parts of the . . . As far as the answers, or as far as the questions . . . I've got a problem with some of the answers you have given us, and depending on who is asking the question

we've got two stories here. Number one, you tell me that when the farmer makes his payment he sends you the bill, and you will send the individual applicant a cheque for the difference of the 8 per cent. Is that what you said?

HON. MR. BERNTSON: — No, I said when the farmer makes his payment the print-out comes out of farm credit corporation, and is forwarded to the farm purchase program at which time the rebate cheque is mailed to the client.

MR. ENGEL: — The client being the farmer or farm credit corporation?

HON. MR. BERNTSON: — The client being the farmer, Mr. Chairman.

MR. ENGEL: — Well, okay, that gets me back to the original line of questioning when I talked about the loans. You expressly told me tonight that the farm credit corporation is going to write up the loans: year one to five is at 8 per cent, year 6 to 10 is at 12 per cent, and thereafter the farm credit corporation's loans. Now if the loan is written up on those interest rates, where do . . . You have to make a subsidy payment to him, because he's only paying his loan debt at 8 per cent, and that's the words you told us tonight earlier in the answer.

HON. MR. BERNTSON: — Okay. I'm sorry if the members opposite misunderstood earlier.

AN HON. MEMBER: — That's not a misunderstanding.

HON. MR. BERNTSON: — Well, obviously it is. In fact the effective interest rate will be 8 per cent in the first five years. The effective interest rate will be 12 per cent in the second five years, and in response to the Leader of the Opposition, if there is any change in that regulation, no change can affect any contract signed previous to a change in regulation. So it's fixed for 10 years — 8 and 12 — five each.

Serviceability will be calculated on the basis of an 8 per cent of the 12 per cent, whichever five years they happen to be in, and the rebates will be sent directly to the client, being the farmer.

MR. ENGEL: — But in effect what you are really saying is when the farmer makes his annual instalments if they are annual, or semi-annual instalments if they are semi-annual (and I imagine most of them will opt for annual instalments), when the farmer makes his annual instalment he will be making payment for one year one at the 13.25 per cent interest.

HON. MR. BERNTSON: — In effect he will be paying his payment based on the calculation of 13.25 per cent, and he will receive the rebate writing that down from 13.25 to 8 per cent.

MR. ENGEL: — No when the loan is calculated at 13.25 per cent payments, is not his application in fact going to have to be made on the basis that he can make a 13.25 per cent payment?

HON. MR. BERNTSON: — No. No, it's not at all. As I've said several times this evening, the application . . . Assuming he qualifies for the farm purchase program, serviceability will be calculated on the application on the basis of 8 per cent for the five years, and 12 per cent for the second five years.

MR. ENGEL: — Putting myself into the boots of these young farmers (and I think I'll have less trouble doing that than the Minister of Agriculture will), when that payment comes due . . . Let's say his payment will be on September 1, just for a good figure, so September 1, 1983 the young person is going to have a payment due for \$43,000, but in effect it should only be \$26,000.

Now, you are going to get a computer print-out of his \$46,000 payment or whatever number I said at the start. I should have written these numbers down. He's going to get a bill from farm credit corporation saying that due on September 1 is 40-some thousand dollars. You will get a copy of that invoice at the same time. That will likely be sent out at least a month ahead of time.

Will you get that cheque payable to farm credit corporation in the name of the tenant or the purchaser, Joe Blow? Will you make a cheque payable to Joe Blow for farm credit corporation for that payment so he has that payment on September 1 to make his payment? Or is he going to have to scratch up \$20,000 of capital just before harvest time, to borrow it some place to make that payment, and hope and everything else that that payment will come through in time before the bank throws him in jail or whatever happens? How are you going to calculate this? You are going to promise that fellow this is not going to be a hardship because you told me that he's going to calculate his loan on the basis that he can only pay 8 per cent.

HON. MR. BERNTSON: — The farm credit corporation reports to us monthly. The minutes that we received that report the rebate cheque will go out to the clients who have made payments during that month. The rebate cheque will be prorated over whatever portion of the payment they made, whether it was a 50 per cent payment, a 100 per cent payment, a 75 per cent payment. The rebate payment will be on a prorated basis and I'm quite sure the member wouldn't have us sending the rebate cheques out in advance of the payment.

MR. ENGEL: — Look. If you are standing up and saying that we are promising an 8 per cent loan, why not make the first half of the guy's payment? Why not, when that payment is due on September 1, make the interest payment that is your portion so that he can scratch up the money for the balance? And if he's going to be a little bit in arrears, and if things are going to be tough, and if he's had some frost, or if there is some delay in harvesting or wherever, then he only has to borrow what he needs to make his payment. Why does he have to borrow your portion of it? You are telling him: you can calculate the loan at 8 per cent, but you better find a way of collecting the 13 per cent. You better have that rich father-in-law or that rich dad to help you make that payment, or buddy, it's tough sailing for you. Because I know how tough you make that payment, or buddy it's tough sailing for you. Because I know how tough it can get for these young guys.

So, if you want to make a commitment to the guy, saying that his rent interest is 8 per cent for the first five years, why not make the payment?

HON. MR. BERNTSON: — Well, I suppose that the member advances an argument that deserves some consideration. It's not one that we gave a lot of consideration to. We decided that we were going to handle it in the way that I've just set out. And the people that we have talked to are satisfied with that and they tell us that it sure beats the 18 per cent they were paying while you were in government.

SOME HON. MEMBERS: — Hear, hear!

MR. ENGEL: — Well, I would suggest the minister would have taken a few minutes longer, and he would have gone to the Centre of the Arts or something and talked to at least 1,000 guys who were in Regina today, who were having some problems.

AN HON. MEMBER: — 300

MR. ENGEL: — 300? When 850 signed the register? Now . . . (inaudible interjection) . . . Maybe it does, maybe it does. And maybe you would like to laugh off and shrug off how many people came to Regina today who were concerned.

But the guy with 35 quarters of land, from the Minister of Finance's constituency, who we saw in the gallery today, that person with the 35 quarters of land could quite nicely accommodate his son (if he has one) to make that payment way beyond what he calculated to do. But if you really consider it, Mr. Minister, here these guys are strapped in and you said that the loan is going to be calculated at 8 per cent. You said the loan is going to be calculated at 8 per cent and if it's calculated at 8 per cent, there is no earthly way where he is going to have enough cash to make a payment that is twice as big. It is actually going to be very close to twice as big the first five years. Where is he going to get the extra 20,000 bucks line of credit? That's more than I've got, and I'm not a starting farmer.

HON. MR. BERNTSON: — I'm sure, Mr. Chairman, that a great number of the people in rural Saskatchewan don't share your concern, but as I stated earlier, he may pay . . .

AN HON. MEMBER: — Great number! The guys with 60 quarters and over, there's a great number I know, but they're not the ones who are applying for this loan, Mr. Minister.

HON. MR. BERNTSON: — How many times did I interrupt you? I've been a gentleman all night, but I'm about to change.

But he may pay, I suppose, any portion that he is capable of paying and receive the rebate on that portion and apply that to the payment. Well, I suppose he may; I don't know. But I can tell you this: the people we are talking to are more than pleased with the way we've set it up and they are quite happy and they tell us. They also tell us that it is by far a better program than the 18 per cent they were paying when you were in power, sir.

MR. ENGEL: — Well, Mr. Minister, there were close to 1,000 people here today that disagree with that statement. These guys were here today because they weren't that anxious that you do away with the program that they were locked into. And I'm not sure if the minister from Arm River's son was up there or not with the land bank tenants, but there were some land bank tenants here today who are land bank tenants because they couldn't qualify and they didn't have the money to make payments to make farm credit corporation.

The simple truth of the matter is that your program isn't a purchase program at all. It's a mortgage assistance plan. You haven't a plan in place at all that is a new purchase plan, and the mortgage assistance you are offering isn't mortgage assistance for the guy who needs mortgage assistance. You're not making mortgage assistance available to the guy who needs it; you're just making it available to the guy who has got it and can make his payment. So the guy who makes his payment on time gets his cheque — his 8 per cent — but the poor guy who is having trouble and only makes half his payment only gets one-quarter of his assistance. He only gets one-quarter of his assistance. And the

program you have set up is in fact fooling a lot of farmers because if you would make the payment like you told me you already did, that you are calculating the first five years at 8 per cent and you would make the payment for everything over 8 per cent on the day it is due, then you would have yourself a good program.

HON. MR. BERNTSON: — I appreciate the fact that you have finally admitted that the program has only that one weakness.

I want to point out to the member opposite that the Saskatchewan Federation of Agriculture is pleased with the program. Other agriculture groups in Saskatchewan are please with the program. The National Farmers' Union, in fact, is in support of the program, and I can only assume that by reading from their farm policies for the '80s when it says, "Immediate action must be taken to reduce farm credit corporation interest rates." And we have, I think, gone a long way toward doing that.

It also says, "The NFU calls upon federal and/or provincial governments to develop a policy for beginning farmers which will provide reduced interest rates on the cost of capital." And, Mr. Chairman, we have done that.

So there are at least two groups that support us on this legislation.

MR. ENGEL: — The point is coming home to me tonight because of the revelations that the minister is making. The one that seriously distresses me is that young people are strapped for cash. Young farmers came in, drove into Regina today, and lots of them came a long way. I talked to people that are here from more than 1,300 miles. The only reason they drive all the way down from your riding, Mr. Chairman, is because they are strapped for cash. They are hard-up for cash. And here you are coming out with a glorious-sounding program, the best and most innovative piece of legislation ever, and you are not helping them. You said, "If you've got the bucks, fellow, we'll hand you a nice cheque; we'll hand you a little bonus of the first 4.5 or 5 per cent if you earn it; but if you haven't got it, you are not going to get it. If you can't make your payment on the full amount, you don't get the cash." So basically, rather than get people into a predicament where they can't make it, why aren't you honest with them, and why didn't you let the farm credit corporation calculate the interest after going 13.25 per cent so the guy would have the bucks to make his payment? Then he would have a little surplus cash around.

But what are you doing here is you are sucking him in at an 8 per cent program but you are forcing him to buy 13 per cent. That's exactly what I have been telling you for hours and hours and hours in this House. And you don't seem to get it through that . . .

HON. MR. BERNTSON: — I take it then, and I think it is clear for all to see, that you won't be supporting this legislation.

MR. ENGEL: — Well, why don't you answer my question? Are you going to give some consideration to accommodating the fellows when you promised that you are going to make the first five-year calculations on the basis of 8 per cent? Why make it on 13? You're actually making the calculations on the first five years at 13.25 per cent interest, because that's as much money as they have to have in place before they get their dividend.

HON. MR. BERNTSON: — Serviceability calculations for the first five years will be

calculated on the basis of 8 per cent interest. For the second five years serviceability calculations will be at 12 per cent interest. We did give some consideration to the course of action that you've set out. We decided against it. We are reacting to the information provided us by farm credit corporation. When the payment has been received we send out the rebate cheques.

MR. LUSNEY: — Thank you, Mr. Chairman. Mr. Minister, you have been telling us all evening that the loans will be approved on a 8 per cent repayment capability, even if it means a 100 per cent loan on whatever the individual is buying. Now if they calculate it at 8 per cent and 12 percent for those first 10 years and the loan is approved on the capability of the individual to make a repayment on that basis, then when his payment comes up once a year farm credit is not going to send him a payment notice at 8 per cent or at 12 per cent but they're going to send that first notice (which he expects will be coming in at 8 per cent) at 13.25 per cent (which is the rate now). On a \$100,000 loan, instead of him paying \$8,000 which he expects to have to come up with at the end of the year, he has to come up with about \$13,000 for that loan. Where is he going to find this extra \$5,000 when his capabilities are only at 8 per cent?

HON. MR. BERNTSON: — I'll say this. I'm quite sure that, under the circumstances, almost any credit union or bank would provide that bridge knowing full well that the rebate was coming from government. I am quite sure that that service would be provided by those people.

MR. LUSNEY: — But the ones who can least afford it are going to have to borrow. This individual is going to have to go then to the credit union or the bank to look for additional funding, while he waits for one or two or three months for the government to send him this rebate cheque. In the meantime, he may have an operating loan with the bank, which may decide to tell him: "Look, we can't give you additional money because you already have an operating loan here." And the individual is then in a position where he can't make his farm credit loan and the government is not prepared to say to farm credit when that individual is approved: "You send us the statement that he has made his payment at 8 per cent. We will forward you the money immediately to cover the balance of it."

HON. MR. BERNTSON: — You're dealing in all kinds of wild hypotheses. We don't anticipate those sort of problems. We are going ahead with the legislation and the program as it is. We have given some consideration to the suggestion you've put forward and since we haven't accepted them I would expect that we'll be voting against the legislation.

MR. LUSNEY: — Mr. Minister, as has been suggested, it's getting more and more difficult for us to vote against a bill when we can see many of the young farmers, the starting ones whom you are apparently directing this program at, being in a position . . . (inaudible) . . . You are putting these farmers in a position where they are going to have some financial difficulties and they don't realize that at this time. They expect that somehow their payment is going to be calculated at 8 per cent the way you have been telling them. But that's not the case. Their payment is going to be at 13 per cent and they are going to have to find additional funding to make that payment. That, Mr. Minister, I think is what you should be addressing in this bill and trying to clear up, or go out there and tell the individuals that when you are making this loan, your loan is not going to be \$8,000 on a \$100,000 loan, but is going to be \$13,000 and you had better be prepared to pay it.

MR. LINGENFELTER: — Just to follow up that line of questioning: for example, a person who will be eligible and has received the \$350,000 loan at 8 per cent would pay \$28,000 in interest. But what you are asking them to do is to find \$46,000 to make the payment at 13.25. I am wondering how in the world, if you are using serviceability criteria to determine the loan payment, do you expect them to find \$20,000 a year extra to do that? Where are they going to get it?

HON. MR. BERNTSON: — Well, I guess you weren't listening. I suppose one easy way to do it would be to make an assignment of the rebate payment to the bank. It's quite a simple procedure. It's done all the time.

AN HON. MEMBER: — They would still have to pay interest.

HON. MR. BERNTSON: — The member hollers across, "They would still have to pay interest." Eight, compared to 18 when you were there. Our rebate turnaround, I would expect, would be far less than 30 days. I don't think they are going to complain about it too much.

MR. LINGENFELTER: — Mr. Chairman, I just want to clarify that for the record. The minister is saying, "a turnaround of less than 30 days." I wonder if he would confirm that? I'm wonder if the minister will confirm that the turnaround time on that money will be far less, as he mentioned, than 30 days?

HON. MR. BERNTSON: — We receive a monthly report from farm credit. As soon as that report is received, the process will begin. I can tell you that I was probably being a little optimistic when I said 30 days, but I can give you the assurance that it will be as quickly as it can possibly be turned around.

MR. LINGENFELTER: — I wonder if the minister can be more clear than that on how over-optimistic he was? Can he give the assurance of a two-month turnaround?

HON. MR. BERNTSON: — Well, I think with ease I would say, probably in the neighborhood of six weeks.

MR. KOSKIE: — I just want to ask the minister, in respect to the payment method is he prepared to confirm that those least able to pay will be the ones which will be penalized under his program of having to go and make other financial arrangements, where as those who are in a very good financial position will need not go to banks, borrow money, or make arrangements for interim financing? Is that in fact the strength of your program?

HON. MR. BERNTSON: — You really are a joke. I can't believe this. Mr. Chairman, I've said it before. The folks that I'm talking are very, very pleased to receive this 8 per cent write-down, or the write-down to 8 per cent. And it's a simple matter to make an assignment to the bank on the rebate that's coming to the client. And quite frankly, they're quite excited about the program being in place, period. I quite frankly don't expect a whole lot of people to be taking advantage of the program that have truck loads of money hanging out of their pockets. The program is to a large extent designed to help those who aren't able to qualify under this 13.25 criteria, or the 15 or 16 criteria at the banks. That's why, when they calculate serviceability, they calculate in the rebate down to 8 per cent, as part of the revenue generated by that particular individual so they can, in fact, help the people that are less able to pay.

MR. KOSKIE: — Could we obviously get around the difficulty, though, that some will encounter in making the payments at 13.25, by having them make in fact the amount which under the contract they legally have to, to farm credit? Once they have done that, on the serviceability on their capacity to pay, pay that to farm credit corporation, and then you send the cheque over to the farm credit corporation, and there's no transaction of having to go to the banks and get interim financing. Why couldn't you do that?

HON. MR. BERNTSON: — Well, I just talked about that a while ago and I said we gave it some consideration and we've decided against it. We've decided that administratively, this was the way that we were going to handle it, and I didn't know how many times I have to set that out,

MR. ENGEL: — Mr. Minister, you suggested that the interest on this person's loan is calculated at 8 per cent. But in effect, in the example you used earlier, isn't his first payment calculated on a basis of 13.25 per cent? When the person's making a payment, what is the effective interest rate that he actually has to scratch up to make that first payment? He pays the full 13.25 per cent.

HON. MR. BERNTSON: — Farm credit corporation writes a contract at 13.25 per cent today. Payment to farm credit are on the basis of 13.25 per cent. The farm purchase program sends a rebate cheque to the client to write down that interest from 13.25 to 8 per cent for the first five years, and to 12 per cent for the second five years. It's a program that has been very well accepted in rural Saskatchewan and, with any luck at all, it will be the law of the land tomorrow or the next day so that our young farmers can start taking advantage of it.

MR. ENGEL: — Thank you, Mr. Minister. An hour later we finally get a statement. This is going to make for very interesting reading in *Hansard*. It is going to be very interesting to read your statement over the last hour because when you started out (I was making notes) you said the rate is going to be calculated at 8 per cent. Now you're saying that the farm credit corporation calculates the payments at 13.25 per cent. So, basically the point I'm trying to make is that the person who qualifies for this loan has to qualify on the basis that he can make a 13.25 per cent payment, and if he can't make a 13.25 per cent payment farm credit corporation isn't going to give him a loan.

HON. MR. BERNTSON: — That's the biggest bunch of nonsense I've heard since you've come into this building. Serviceability is based on the 8 per cent — the write-down to 8 per cent — and farm credit has given us that commitment. They base it on the fact that the guy will be getting a rebate which is in fact a revenue to that guy and enhances his ability to pay. That is the calculation they used to determine serviceability. As it relates to the question of farm credit and their 13.25 per cent calculations on the repayment schedule, quite simply, farm credit cannot treat one province different than another, and that is one of the reasons the 13.25 per cent must apply across the country.

MR. ENGEL: — Why didn't you tell us right at the outset tonight that farm credit corporation wouldn't make any special deal with you? That is, basically, what it took us till now to get — that you never made any different deal with the farm credit corporation than any other province; they're not going to use one iota of different criteria to establish loans than they will in any other part of the country; and that our young people here are going to have to qualify for a 13.25 per cent loan. You called that a piece of nonsense earlier, but that's exactly, in fact, the effective interest rate that person is going to have to make.

HON. MR. BERNTSON: — Okay. You may not call it a very special deal — that was your word, not a very special deal — but I think it's quite significant. I think it's quite significant that the farm credit and the Government of Saskatchewan were able to cooperate on this to, in fact, provide effectively 8 per cent money to young farmers for five years and 12 per cent for the following five years. I think that's a pretty good deal, and I think a whole lot of the young people out there in agricultural Saskatchewan think it's a pretty good deal as well.

MR. ENGEL: — I hope the young fellows qualifying for this loan realize this. What time are you going to counsel these young people to make their first payment? Because, they're going to have to make some money from something. Are they going to stall their local co-op on their fuel bill? Are they going to stall on their fertilizer bill in seeding? What bill are they going to have to hold back to pay, so they can make their interest payment which is calculated on a basis of 5 per cent higher than they are able to pay? When would you recommend they make their payment, so they have this additional cash to make it?

HON. MR. BERNTSON: — What makes us different from you fellow is that we don't tell them what to do. We afford them the opportunity to do what they would like to.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BERNTSON: — And, as I've pointed (I think twice of three times now), it's a very simple matter to assign to the bank the rebate cheque that would be coming to the client in any event, and sure some small costs for six weeks or whatever of interest on that balance, but he's still pretty darn pleased to get that right down from 13.25 per cent to 8 per cent.

MR. ENGEL: — Certainly he's pleased and certainly he's looking for that write-down. Are you going to make letters available when . . . (inaudible interjection) . . . Are you going to provide a recipient with the terms and conditions of the payment he's going to get so that he can use that as security to borrow his money?

Here's a young person; he's made his \$46,000 payment. He's going to get a \$20,000 rebate. Are you going to inform this young farmer in advance that he's going to be getting this \$20,000 rebate once his payment is made so he can take this letter to his bank and use it as security against the money he's going to get? Are you at least going to provide him with that kind of service?

HON. MR. BERNTSON: — Well, when he makes his loan application, at that time he will know what his rebate will be and whether it's semi-annual or annual or whatever. He will know at that time what his rebate will be and he can make the assignment to the bank on that basis.

MR. ENGEL: — You didn't answer my question. Will you be providing him with written documentation of the amount of money that you are responsible for? It's more than one-third of his payment. On the original loan the payments for interest are a lot more than they are for principal. So, the first five years of the loan will be basically interest payments on a 29-year farm credit corporation loan and you are accepting the responsibility of that block of that third of his payment. You are writing into it that it's calculated on a basis of 8 per cent so you are actually responsible for the difference. Is

he going to get a certificate or some kind of a letter that he can take to the financial institution he deals with, so he can get a line of credit on that amount of money that he will have due after he makes his payment? What kind of documentation are you going to give him for that?

HON. MR. BERNTSON: — Well, it's quite a simple thing. The contract that he signs with FCC will, I suppose, set out what the interest rate is, whether or not he qualifies, and what portion will qualify under the farm purchase program. And that calculation is there. If he qualifies for the program, he can very easily figure out what will be coming to him in the form of rebate from the Government of Saskatchewan.

HON. MR. BLAKENEY: — With respect to the matter of the payment of the rebate to the farm credit corporation or alternatively to the client, you could have chosen three methods. You could have chosen to pay it to the client after he has indicated payment to the farm credit corporation and has proved it, and that's the one you have chosen.

You could have paid the money to the farm credit corporation — your share of it, if I may put it that way — when the farmer's was due and left him to pay his 8 per cent as the case may be when he could or when it was due but not require him to make his payment prior to your payment. A third option would have been to pay it to the farm credit corporation directly upon the farmer paying his 8 per cent, and that would achieve, no doubt, the desired result by the farm credit corporation of an added incentive to the farmer to make his payments promptly and on time and would at the same time relieve the farmer from the obligation of financing this short-term cash bulge.

The one seemed to make a fair amount of sense, the last one whereby the farmer would pay his 8 per cent and you would immediately pay your 5.25 per cent, if I may assume 13.25. That wasn't chosen. You've already commented on that saying that administratively you preferred the other.

My question essentially is this. Are there other reasons that you can tell us? Are there tax implications, income tax implications for the farmer? Is it possible that he would be able to pay the whole 13.15 per cent and claim that as a deduction? Is it possible that your refund to him would not be income? Is there any possible benefit to the farmer from the method you have chosen over and above other methods?

HON. MR. BERNTSON: — No, but I can tell you that we did explore all avenues to help the farmer in any way legally possible to keep from paying any income tax possible and I think that the short answer to the question, why did we go this way?, is I think, based on discussion with farm credit corporation. They simply were reluctant to enter into any arrangement relative to interest rate levels that would be different from the way they treated any other part of Canada, and so after some discussion we decided that this was the best way to handle it by working it out together.

HON. MR. BLAKENEY: — If I may, without attempting to put words in the minister's mouth, would it be fair to say that because of the preference of the farm credit corporation for the method whereby they are collecting the full amount from their nominal client, the mortgager, because of their relatively strong preference for that method, it being the method they use everywhere else, that you made the decision to go that route rather than the one of having the farmer pay the 8 and you pay the 5.25 almost simultaneously?

HON. MR. BERNTSON: — Now the federal minister made it clear that although he was

willing to co-operate to put this thing together, he was reluctant to enter into any different interest arrangement here than in any other part of Canada, so we'll work this out. I think it will work and we're prepared to go with it.

MR. LUSNEY: — Mr. Minister, I think it's becoming quite obvious now that . . . (inaudible) . . . is going to be making a loan with farm credit at 13 per cent interest or 13.25. There's going to be nothing in his agreement that says that he is going to get any kind of subsidy from farm credit. The agreement he makes with farm credit is at 13 per cent and he is going to have to make his payments according to that.

The government is saying that they are going to rebate him a certain portion of that money. When that individual makes his payment he is going to then have to rely on the government to pay him that rebate when there is nothing in this bill that guarantees that he is going to get a rebate down to 8 per cent, nothing in this bill whatsoever. He is going to have to rely on some regulations that the government is going to put forward and he has no indication of what's going to be in them. Regulations can be changed from year to year.

The individual who makes that agreement with farm credit makes a 13.25 per cent loan agreement with them, and next year or the year after he could be paying that full amount with no subsidy from the government, because there is no guarantee in legislation that he is going to continue to get that subsidy.

HON. MR. BERNTSON: — As I understand it, Mr. Chairman, when the client goes to farm credit and is approved, firstly, as a farm credit client, secondly, there is the enrolment form for the farm purchase program. Once that is accepted, that is in fact a commitment, a legal and binding commitment, that that interest rate will be 8 per cent for the first five years and 12 per cent for the second five years and there's nothing that can be done to change that.

MR. LUSNEY: — This is fine when we're hearing that from you, Mr. Minister. Where does it say, in the act or anywhere else, that there is going to be a legal document at farm credit stipulating that the client is going to get 8 per cent mortgage money for the first five years and 12 per cent thereafter? This is something that you are telling us, but we won't see it anywhere. What type of document is this going to be and who is it going to be drawn up by? Is it one that you are going to be preparing or is farm credit going to be preparing something that says, "You qualify for 8 per cent. Now you have to go to the government to get that money"?

HON. MR. BERNTSON: — Just to go a step further. When the enrolment form comes in on the first report from farm credit, as soon as that is received the farm purchase people will immediately send a letter out to the client confirming that that in fact has been received and that his effective interest rate will be 8 per cent for the first five years and 12 for the second five years. So it's locked in.

MR. LUSNEY: — Just a letter locks something like that in? When a legal document can be broken, like you did with land bank, you're saying that a letter is going to lock this in for that individual for that period that he enrolled, a simple letter saying that you received his enrolment form and then his interest will be so and so, and that's it? There's nothing legal about that contract at all.

HON. MR. BERNTSON: — We've had some pretty talented people draft all these things and pull them all together and I have confidence in them. If they say it's legal and

binding, I agree with them; it's legal and binding. Far be it for me to question people who have been doing this for years and years and years. The folks out there on the receiving end of this program are quite anxious that we should get it in place so they can take advantage of it.

MR. KOSKIE: — Mr. Minister, with respect to the rebate which the government has decided in its political wisdom, to send directly to the farmers. Could you indicate, if the individual farmer is paying on a biennial basis, whether or not you will accordingly make two separate payments or will it only be paid as one rebate once a year?

HON. MR. BERNTSON: — The rebate will follow immediately the report from FCC, and if he is making biennial payments it naturally follows that he will receive two rebate payments during the year.

MR. ENGEL: — Mr. Chairman, the minister read from this little book on the establishment of this program and said that he had 100 per cent of farm credit corporation's endorsement. And he read into the record a part of the clause, and I was wondering why his staff would suggest . . . he would only read that little part there, why he wouldn't read the entire part of section 4, because in the recommendation under (b):

We recommend that reducing interest rates by a national subsidy is necessary on farm credit programs of highest priority, as in the extension of credit to beginning farmers, and that such rate not rise about 10 per cent.

And he made that point, but right down the line . . .

. . . discouraging the indiscriminate encouragement and use by provincial governments of credit for production of farm commodities out of the context of national requirements and goals.

And (d):

In the long term the need for farm credit and capitalizing land bank should be reduced through the establishment of land bank programs by provincial and federal governments.

And (c):

That the federal and provincial governments provide credit guarantees to needy farmers for operating costs. That immediate action be taken to reduce farm credit corporation industries.

So, I think it's quite ironic that the minister accidentally left out the main line — the province's role is land bank and the federal government's loan is cheap interest because they've got the capital. So, that isn't necessarily my question, but I was just going to point out an inherent . . . (inaudible interjection) . . . No, I don't want even to get him to take time because we're running out of time here and we'd like to get some information on the record by the minister.

I was interested in this aspect of you getting involved with the federal government, and I

was just wondering at what level. Are you going to be advising the regional offices? Are you going to go down to the individual offices? Are you going to use your ag. reps? Where is that line of communication between the federal and the provincial governments?

Now, we have farm credit corporation regional offices around the country. There's one at Swift Current, there's one in Assiniboia, there's 8 or more regional offices where they have some decent staff, and they are not that far away. In fact we did a joint funding, the minister knows, that the province of Saskatchewan is involved in. In Assiniboia, for example, we've got a joint office. There's the town office, and there's a complex there where farm credit corporation is renting space in exactly the same office as the provincial people are. So when a farmer comes in he can get some information. Are you going to have the go-between there and if farm credit corporation has a little roadblock he can go right across the hall to his FarmStart or to his ag. rep or something? Is that the level where the contact is going to be, or is there a different tier of involvement?

HON. MR. BERNTSON: — Well, to deal with your first problem first, Mr. Chairman. I wouldn't want anyone to think that I agreed with everything in this book. But I did want to indicate that I like to build on those things that we have in common, rather than those things that would keep us apart.

Having said that, the liaison between government and farm credit, or between the farm purchase program and farm credit will be at the Regina head office level with our people in the farm purchase program in Regina head office level with our people in the farm purchase program in Regina.

MR. ENGEL: — Why wouldn't you make the contact at the level where the farmer is making his original application? Why are you designing a program exactly like I predicted?

Now the other night I took some time, and you didn't take as much time to listen as I did to speak, Mr. Minister, I am sorry to say, because I have to repeat it now at the expense of the clock rolling along here.

But I outlined that in Alberta they cutely design a program that leaves the borders very tight and very small. And then when a person can't get into that program, when a person doesn't qualify for some reason or other, he goes to his MLA and he says, "Hey, I wanted to get that farm credit corporation assistance plan and those guys down there in the Assiniboia office, or in the Swift Current office, or the Kindersley office (or whatever regional office you are going to pick) rejected my application." So the person trots off and gets some political help. This help happens to be at the level of the Regina office where it is nice and close to the minister so he can review his list of memberships, or whatever criteria he wants, and then they decide he qualifies.

If this is not the case, why don't you leave it down at the ag. rep.'s where he can go into one office in Kindersley and he can go to farm credit corporation's office? And if he doesn't qualify he goes across to the ag. rep.'s office and says, "This is the implication. What are the provincial programs? Where am I missing out on the guidelines? What have I done?" And then the ag. rep. can get him a non-political, non-biased argument. It doesn't have to be fuzzy. I think you can leave it clean-cut and straightforward. Why would you want that room to make some political manoeuvres and make some little political deals to maybe buy a few friends?

HON. MR. BERNTSON: — You know I am missing something here. Obviously from your

vast experience you know something about that. But I am afraid I don't.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BERNTSON: — And I have confidence in the ability of farm credit to deliver the program. And I don't anticipate a great deal of need to liaise between the farm purchase program people and the farm credit corporation. In the event that it does happen the vehicle for liaison is there. I don't expect I will ever be talked to about anything that happens over there. But if it is necessary I suppose I will be there as well.

MR. ENGEL: — Mr. Chairman, the minister blatantly flying in the face of anything that ever happened in Saskatchewan before. And you are opening the door. I would like you to get out the farm credit corporation accounts, and you have the member sitting right beside you, and give me a list of anybody that got farm credit corporation land where they could go to the minister's office and put pressure on. Give me some examples. That never happened under the farm land bank program. That never happened under the farm land bank program, but you are designing and building your program around the premise that if you don't come and qualify come and see us in Regina. Come and see us in our office, and we'll see if we can intervene. That's what you're building into this program. I predicted that the other night. I made that prediction that you're going to use your political muscle, and you're blatantly putting it right into the program.

HON. MR. BERNTSON: — You know, this is sheer lunacy, Mr. Chairman. If the member opposite were accusing farm credit of giving favors on the basis of political influence, that's a rather serious allegation, a rather serious allegation. If you, sir, are now saying that this program will be operated on the basis of political influence, that, sir, is a serious allegation.

I don't know how to get this through to you, because obviously you choose not to understand it. The only questions that will ever be referred to the farm purchase program, which is administered by some pretty good people, pretty senior public servants, are those where there may be some question. The ones that are clearly in will be clearly in. The ones that are clearly out will be clearly out. The only ones that we will ever see at all in a farm purchase program are those where there's some question as to whether they qualify or not, and it's certainly not up to me to make the decision. It's up to the professionals in the department who are competent and capable of doing it.

SOME HON. MEMBERS: — Hear, hear!

MR. ENGEL: — If what you're saying is true, and if you reject the charge that I'm making that you are putting in a little loophole there, and a nice little opening for a few friends of the ministry to come in and get some special appeals, I won't say that. I'm asking you the question right in this House. If what I am saying is true, why don't you have an appeal process there for the persons clearly rejected? For the person that's clearly rejected, why can't he go through a normal appeal process? Why does he have to go for political help to get a program? Why does he have to go to the minister? Why don't you have an appeal process like land bank had, or anything else where they could go through an independent appeal board and appeal the decision of the minister?

HON. MR. BERNTSON: — Well . . . (inaudible interjection) . . .

AN HON. MEMBER: — That might be a joke to you; it's not to me.

HON. MR. BERNTSON: — No, that's not the joke, I'm sorry. I just find this absolutely unbelievable that you would stand in your place and accuse the senior public servants who will be administering this farm purchase program . . .

AN HON. MEMBER: — I say, the minister.

HON. MR. BERNTSON: — Well, the minister isn't going to see them ever. I've got more to do with my time than play jiggery-pokery with files. You know, perhaps you're basing your suggestion on activities of the previous government. I don't know. This government will not be involved in that kind of thing. We have competent senior people who will be acting in that capacity, and I'm positive that their decisions will be based on the utmost impartiality, and without bias in any way, shape or form.

SOME HON. MEMBERS: — Hear, hear!

MR. ENGEL: — One more question on this same vain attack. What information do you have in your office in Regina that an ag. rep. wouldn't have at the local scene? What information is available? Why can't the process of deciding whether they qualify or not be handled at the ag. rep.'s office right where they're making their application? The farmer goes in to make his application at a regional office, and if he's rejected from some reasons, he can go to the ag. rep. right in his local town and make his case. What information do you have in Regina that they wouldn't have at an ag. rep's office.

HON. MR. BERNTSON: — Obviously the previous administration functioned, as it relates to leases and land bank, and land branch and all, by making an application. The reason the applications which may be under question are dealt with centrally is in the interest of consistency. I don't think that one area should be treated differently from another area, and that's why they should all come to the professional in Regina who is doing it on a consistent basis. I think that is fair and proper.

MR. ENGEL: — Just before my colleague rises, just one comment. You're saying you're going to handle 5,000 applications or more in the next 24 months. How many staff are you going to have in there to review and give these the special consideration that can't be done with the staff which is already out in the field? That is a tremendous workload that you are trying to funnel through, where they're going to be able to decided on each application.

HON. MR. BERNTSON: — Look, farm credit makes the decision. Farm credit will make the decision on 99.9 per cent of them, right there in their happy little office, and that's the end of it. The only one which may be questioned is the one who may marginally miss in their calculation as it relates to serviceability, or may marginally miss in their calculation as it relates to net worth. In those instances those files will be transferred to the farm purchase program people, and they will make that assessment. I don't see what is so difficult about understanding that; it's really quite simple. Everybody there's got it; everybody here's got it; now what's your problem?

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — Mr. Minister, you keep continually referring to the program as helping a lot of young farmers. My question to you, since the act is incomplete in so far as determination of this, is: will you be providing within the act, or the regulations, at least, protection against corporate farmers owning large parcels of land within the corporation, and then as an individual without assessing their share values in respect

to their ownership in the corporation? Are you, in fact, going to be assessing their net worth on the basis of the shares that they hold in a company if indeed they apply as an individual rather than as a corporation for additional loans?

HON. MR. BERNTSON: — No, that is covered in regulation, and that consideration will be made when the farm credit makes the assessment as to net worth.

MR. KOSKIE: — Are you indicating to us that you have a provision?

HON. MR. BERNTSON: — I'm sorry, can you start over?

MR. KOSKIE: — Have you have a provision? Certainly in the act it's not covered. Are you indicating that that contingency is covered?

HON. MR. BERNTSON: — It will be covered in regulation, Mr. Chairman.

MR. ENGEL: — In light of the fact that the information we received tonight is that you are assisting in the processing of loans, I would, Mr. Chairman, under section 1 move an amendment, as follows:

That section 1 of the printed bill be amended by striking out the words "purchase program" and substituting "mortgage interest rebate."

I so move, seconded by the member for Quill Lake.

Amendment negatived on the following recorded division.

Yeas — 8

Blakeney
Lingenfelter
Shillington

Thompson
Koskie
Yew

Engel
Lusney

Nays — 35

Birkbeck
Rousseau
Sandberg
Klein
Duncan
Hampton
Sveinson
Schmidt
Rybachuk
Embury
Folk
Johnson

Andrew
Muirhead
McLaren
Katzman
Schoenhals
Weiman
Petersen
Smith (Moose Jaw South)
Domotor
Dirks
Myers
Baker

Berntson
Pickering
Garner
Currie
Smith (Swift Current)
Bacon
Glauser
Martens
Maxwell
Hepworth
Zazelenchuk

MR. ENGEL: — We are making some results here, Mr. Chairman. Maybe by the time I get down to my last amendment, the fifth amendment or whatever, we will have full support rather than just gaining one.

If you are looking at the bill, in section 2 I had a number of problems. I was hoping the minister would come up with some amendments of a housekeeping nature of their own at least. Maybe I'll wait to see if you are going to clarify some of the definitions in section 2 before we talk about suggested amendments or what we should do with that one.

Clause 1 agreed to.

Clause 2

HON. MR. BERNTSON: — Okay, here is your question dealing specifically with section 1: (a) is fairly self-explanatory; (b) bona fide farmer. Right? Okay. A bona fide farmer will be defined as: the majority of time running his farm, the majority of income from his farm, five-year phase-in provided if necessary.

MR. ENGEL: — Say that last part — if necessary, again. I'm sorry I missed that.

HON. MR. BERNTSON: — A five-year phase-in is provided under section 33 of the farm credit corporation. Any other questions on that?

MR. ENGEL: — The other problem is . . . You could have said a bona fide farmer (instead of saying that) is a person who engages in the operation of farming, including livestock raising, beekeeping, fur farming, dairy, tillage of the soil, or any other activity undertaken to produce agricultural products — one who makes farming his principal occupation. I mean, can't you come up with a statute like other statutes in agriculture?

AN HON. MEMBER: — Something simple like that?

MR. ENGEL: — Yes, just straightforward. What concerns us is: a bona fide farmer means a bona fide farmer as defined in the regulations. That gets rather dicey if you aren't going to give us the regulations. By the way, when can we expect to see these regulations?

HON. MR. BERNTSON: — Once they are passed by cabinet, they're consented, you will see them then.

MR. ENGEL: — Well, I wish the cabinet would have got their heads together in the process of deciding because it's been a real hooker trying to decide which parts of these bills we are going to support. When you are going to define what a farmer is in regulation in an agricultural province, when all kinds of pieces of legislation had this description of farmers available . . . Surely you could have come up with a solution to that one.

MR. KOSKIE: — The minister indicated that he would be coming up with regulations (I heard him say, at least I think I heard him say) after he has taken them to cabinet. Is he in fact saying that he is talking about, expressing a program which has not even yet been to cabinet and discussed? Is he saying the program is your program alone and has not been approved by cabinet?

HON. MR. BERNTSON: — I'm surprised at his question coming from that member,

because he should know that you can't pass regulations until the legislation is in place that those regulations should be attached to. So you have to have the bill passed before you can pass the regulations.

MR. KOSKIE: — But what I'm saying is that in conjunction, since the definition sections are so devoid of any explanation, have the draft regulations, in fact, been approved by cabinet?

HON. MR. BERNTSON: — You can't approve regulations until the legislation is in place for the regulations to be attached to. That's not the way it works. Have we discussed them? Of course we've discussed them. Have we talked about them in caucus? Of course we've talked about them in caucus. But as to approving them, that can't happen until the legislation is in place.

MR. KOSKIE: — Well, have you in fact, as a government and as a caucus, being satisfied with the regulations as drafted, the final regulations on which you will seek approval, prepared them to that extent? Have you looked at the regulations you are going to be proposing?

HON. MR. BERNTSON: — Of course we have. But I can't tell you here that they're final. We may accept an amendment from you fellows that would require us to change some regulation in some way or other. We may offer an amendment ourselves that will require use to change regulations some way. I don't know, but once the legislation is through, we will deal with the regulations at that time.

MR. ENGEL: — Now you're saying, "Trust us." You told the people on the steps, "Trust me," and they all booed you . . . (inaudible interjection) . . . You weren't out there, I can tell that, or the member would be very, very quiet when it comes to the way the farmers treated our minister. He talks about a simple thing like defining what a farmer is in regulations. What about the section under clause 2 that gave these farmers the most concern? Most of the land bank tenants are really upset about this section, and it is clause 2, section (c), farmland. Farmland means agricultural land in Saskatchewan. Why did you have to put the next section in there, or the next line, "exclusive of any improvement that may be on the land"? Why aren't you willing to offer the same kind of compensation, as the Leader of the Opposition so ably pointed out, that was in the contract they signed with land bank? For example, if they quit lease for whatever reason, they were going to get adequately compensated, fairly compensated, for those improvements they made.

Why would you all of a sudden throw a line like this at them and say that this is exclusive of any improvements that may be on the land? If I'm the landowner, and I lease that land out in the example I used the other night, to the member for Athabasca, and he decides to make some improvements on it, I'll pay for those improvements as an owner. He doesn't have to make them out of his own pocket. When he was leasing from land bank, those improvements were his; he made them and he didn't get compensated for them, but they were his improvements. He was the owner. Now you're saying that this farmland is going to be defined as having those improvements not worth anything. He might have put irrigation on it, he might have done land levelling, or many, many improvements that are part of the parcel. What protection has he got on those improvements if this is the line that is in there?

HON. MR. BERNTSON: — It seems to me, Mr. Chairman, that specifically as it relates to land levelling, that would enhance the appraised value of the land and become part of

the land. As it relates to improvements, irrigation systems, livestock operations, there is another program in place that does provide for them, and that is the FarmStart program. And as it relates to the house, there is another program there that relates to primary residence and that is the MIRP program that was brought in by this government on April 26, or whenever it was.

MR. ENGEL: — You've exactly answered my question. There are all those improvements that the farmer has capitalized and made, they cost him some bucks, and in simple fact now you're saying that according to this act, according to this act farmland means agricultural land in Saskatchewan, exclusive. Why couldn't you have just put, farmland means agricultural land in Saskatchewan, period? If farm credit corporation decides to recognize the value of that and grant them additional funds on that land, why would you say that those funds would not apply when they're buying those improvements?

HON. MR. BERNTSON: — Farm credit will recognize . . . (inaudible interjection) . . . Not as it relates to the rebate, no we don't. But farm credit does, in fact, take a look at it when they're talking about calculating their loans as it relates to the rebate portion of it. Yes, we've said that we wouldn't calculate those in to the rebate portion of it.

MR. ENGEL: — Have you a specific reason why you didn't want to include it? Any reason why you didn't want to include it in relation to the rebate program?

HON. MR. BERNTSON: — It would clearly overlap other programs that are in place to handle those very things, one being FarmStart, one being mortgage interest reduction plan, and we don't want that overlap to be there.

MR. ENGEL: — If this regulation would have said that farmland means agricultural land in Saskatchewan, and if the improvements would have been funded through another government program or something, you'd be saying that, but what about the person who didn't get a FarmStart loan, and didn't get some kind of an improvement where he didn't get a grant on it. Is he supposed to give up his improvements for less than a buck? That's discriminating against the person who has made improvements on land that he has to sell to farm credit corporation in order to qualify for your program.

Clause 2 agreed to.

Clause 3

MR. ENGEL: — In clause 3 we have a definition that I'd like to move, and I think I'll just move my amendment and then we'll speak to it so you'll know what the amendment is: That section 3(1) of the printed bill be amended by striking out the second line and substituting the following:

and he:

- (a) has a net worth, together with his spouse and children under 18 years of age, of less than \$300,000; and
- (b) did not receive, together with his spouse, more than an annual average of \$35,000 in non-farm income over the three-year period immediately preceding his application for an interest rebate;

he is eligible for an

I so move, seconded by the member for Pelly.

Amendment negatived on the following recorded division.

Yeas — 8

Blakeney
Lingenfelter
Shillington

Thompson
Koskie
Yew

Engel
Lusney

Nays — 32

Birkbeck
Muirhead
McLaren
Katzman
Schoenhals
Bacon
Glauser
Rybchuck
Embury
Folk
Johnson

Andrew
Pickering
Garner
Currie
Smith (Swift Current)
Sveinson
Schmidt
Domotor
Dirks
Myers
Baker

Berntson
Sandberg
Klein
Duncan
Weiman
Petersen
Martens
Maxwell
Hepworth
Zazelenchuk

MR. ENGEL: — There are some interesting things. The minister said that if there are some good changes or something he'd consider them. And this big buddy sitting right behind him said that the only reason he voted against it is because we made the amendment and I think the rest of you followed suit. I believe the rest of you followed suit because if you look at the bill as it stand in its naked form, when people can see what's here and just have to evaluate the program by what they painted in this bill, it's a sorry piece of legislation. And we worked hard and we had some staff help us. And we were going to try and help you improve the bill so you'd know where a bona fide farmer (as defined by regulation) intends to purchase farmland (as defined by regulation) and meets the prescribed (as defined by regulation) qualifications (as defined by regulation) is eligible (as defined by regulation) for an interest rebate (as defined by regulation) to reimburse him (as defined by regulation) a portion of (as defined by regulation) the interest payable (as defined by regulation) to him on money borrowed to purchase the farmland.

You know, it's a joke — it's a joke what you're trying to get us to pass. And we moved a legitimate amendment that would clean it up and tell you exactly who can get how much and for how long and you refuse to deal with it.

Now, section 2 is even worse. Section 2 doesn't say anything . . . (inaudible interjection) . . . No, we're not on section . . . section 3, I mean 3(2). For the information of the minister, I just read part 1 of 3. Now I am reading part 2 of section 3 and that's the one that I think is the big one.

That is the one everybody's worried about. What kind of interest? What kind of a program are you going to have? The minister may pay interest rebates and he told us tonight that he wants his little muddy fingers into that one. He's going to decide in Regina who gets those interest rebates who gets those interest rebates, ". . . to a person who is eligible at the rate, in the manner and according to the terms and conditions set out in regulations."

We have a simple little amendment here and it's straightforward, easy to understand. When anybody reads this amendment, they'll know what your Tory promise and your Tory commitment was.

I move that subsection 3(2) of the printed bill be amended by striking out the last two lines and substituting the following:

eligible in respect that the first \$350,000 borrowed by the person to purchase farmland in an amount equal to the difference between: (a) the principal and interest component of the actual annual or semi-annual amount required to be paid with respect to the above-mentioned loan; and (B) the annual or semi-annual amount that would comprise the principal and interest component of the payment on the above-mentioned loan at an annual interest rate equal to (1) 8 per cent for the first five years of the term of the loan; and (2) 12 per cent for the duration of the term of the loan in the manner set out in the regulations.

I so move.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BERNTSON: — Just one short comment, because I don't want to prolong the debate on this particular bill because I know there are a lot of people out there waiting for it to become law, but suffice to say that we followed the example of the previous administration, which was all-knowing and just fell out of favor with the people of Saskatchewan. But as it related to drafting legislation, they were very good at it. I can just read here from The Land Bank Act where it says:

The commission may, upon application, enter into an agreement to lease commission land, chattels or improvements to an individual who meets the requirements established in regulations.

MR. ENGEL: — Mr. Minister, in land bank regulations I would wish you would spell out what the perimeters were. Did we, in the land bank legislation, say that nobody will get more than five quarters of land or \$350,000 worth? Did we say the term and the rental on any kind of agreement? We didn't spell it out. We didn't spell it out. This case here, You specifically spell out. You specifically spell out what the legislation . . . (inaudible interjection) . . . You told me you would interrupt me. Now, if your mike would be on I wouldn't mind you speaking at the same time because I know our staff would be competent to record both of us, but that isn't the case . . . (inaudible interjection) . . . That's *Hansard* staff? I said *Hansard* staff.

Mr. Minister, if you would get down and seriously consider what this amendment says, it just guarantees that the person will have his 8 per cent money for five years, like you said, and 12 per cent thereafter. It's in the act. You can't change it. You told us tonight that once that person signs that loan, he has that guarantee. Prove it to us. Prove it to us that he will have that kind of guarantee for the life of the loan. That's all we're saying. Just put your money where your mouth has been.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I think this is an amendment which is exceedingly sound. Whatever you may say about the land bank legislation, and it's not under debate, I make the obvious point that in the election campaign which preceded the land bank legislation, there were no figures about what the rental rates would be. The elements of the program were described in general terms, and it was not indicated that specific figures would be available, rents at specific figures would be available to farmers. A good deal of consultation was necessary. This was not the case in the last election. Nothing could be clearer than that every member over there campaigned on the basis of 8 per cent for five years and 12 per cent thereafter. There is not a single person who can deny that. It was all over your ads, all over your literature. That was the commitment, the unequivocal and unqualified commitment which you all made.

Now there is no earthly reason why you shouldn't put your unequivocal and unqualified commitment in your legislation. The member for Souris-Cannington, the Deputy Premier, seemed to indicate that that wasn't quite so unqualified and unequivocal; that while it would certainly start at that figure and certainly anyone who signed a mortgage document and an application form while those figures were in effect would get the benefit for 10 years but that he might later change. The agreement that we're saying . . . What we are saying is that we ask you to live up to the commitment you made, that the interest rate would not be higher than 8 per cent for five years, and not be higher than 12 per cent thereafter I don't think there is a single one of you who can say you didn't make that commitment. Therefore, I don't know why you won't put it in legislation.

HON. MR. BERNTSON: — Mr. Chairman, we did make the commitment. We said 8 per cent for five years; we said 12 per cent for five years . . . (inaudible interjection) . . . Well, that's what I'm saying today. It's 8 per cent for five years and 12 per cent for five years. It may be that at some time in the future we want to say 4 per cent for five years and 8 per cent for the next five years. If we're around for 25 or 30 years (I think likely we will be), we will have the economy in such good shape that in order for this program to exist we will have to write the interest rate down even farther than that. While we are talking about that, I notice that in section 36 of your land bank legislation, you are talking about repayment of the principal for interest on loans received from the commission:

. . . interest may be charged on the amount in arrears at the rate of interest prescribed by the regulation

Section 23 of land bank legislation says:

Every loan made under section 22 shall bear interest at such a rate as may be prescribed by the regulations.

I know that that is not right on the argument that the hon. member opposite advances,

but we did say 8 per cent and 12 per cent. That's what it will be, and it will be in regulation.

HON. MR. BLAKENEY: — Mr. Chairman, and, Mr. Minister, may I point out to the minister how attractive it would be if you put 8 per cent and 12 per cent in legislation and then had to lower it, as you would say, to 5 per cent and 10 per cent. Think how attractive that legislation would be. You could bring it in and it would undoubtedly, possibly . . .

AN HON. MEMBER: — We don't like to play those political games.

HON. MR. BLAKENEY: — No, I know. The member opposite suggests that he is far, far from any such suggestions. It's the farthest thing from his mind, I know, Mr. Chairman, of any political considerations. I am not pressing that point. I am pressing the point of just a straight question of having promised the deal. That's what you offered to the people of Saskatchewan. I suggest that's what you ought to give them. I suggest that's what you ought to give them in the most permanent and firm form you can, and I suggest that's in legislation. That's why we are moving an amendment and it makes eminent sense.

HON. MR. BERNTSON: — Mr. Chairman, it has just been indicated to me by members opposite that it's unlikely we are going to finish this for some time yet. If that is the case, I would move that we rise, report progress, and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 10:27 p.m.