



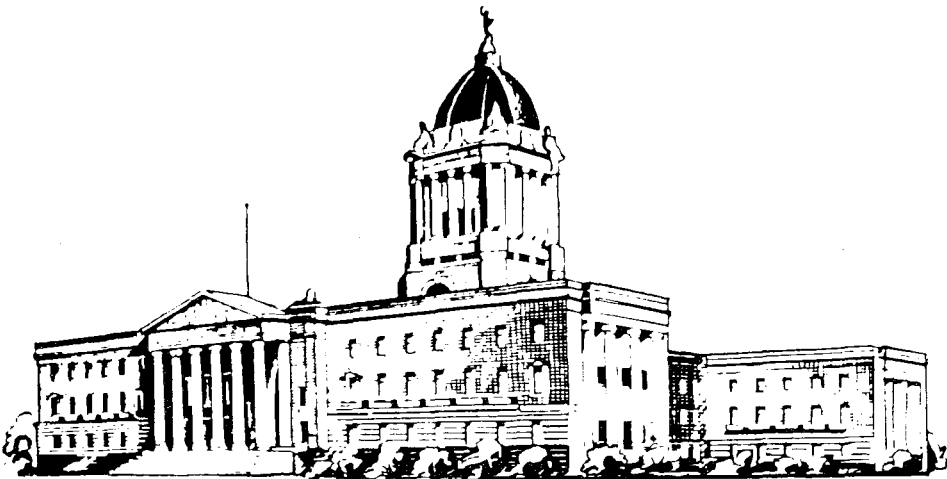
Legislative Assembly of Manitoba

HEARINGS OF THE SPECIAL COMMITTEE

ON

LAND OWNERSHIP

Chairman
Mr. Harry Shafransky, M.L.A.
Constituency of Radisson



Monday, January 20, 1975

THE LEGISLATIVE ASSEMBLY OF MANITOBA
SPECIAL COMMITTEE ON LAND OWNERSHIP
FIRST MEETING, JANUARY 20, 1975

MR. CLERK: Gentlemen, if I may have your attention, we'll call this meeting to order. Your first item of business will be the election of your chairman. Are there any nominations?

A MEMBER: Mr. Shafransky.

MR. CLERK: Mr. Shafransky has been nominated. Are there any further nominations? Hearing none, I would ask Mr. Shafransky to take the Chair.

MR. CHAIRMAN: Good morning. Before we proceed I believe the first order of business should be to establish a quorum for the committee. There are 15 members on the committee. What is your will and pleasure?

A MEMBER: Eight, Mr. Chairman.

MR. CHAIRMAN: Eight members will form the quorum. I notice that there have been a number of dates already established and I understand that it is by mutual agreement between the other parties and the three dates have been set for--well this one today, on the 27th and on the 30th in Brandon and Dauphin.

We have the recording equipment. Is it the desire that we have the proceedings recorded and transcribed?

A MEMBER: So moved.

MR. CHAIRMAN: Moved that we have the proceedings recorded and transcribed. I believe it might be--(Interjection)--Oh, pardon me, all in favour; opposed; carried.

Now the three dates that have been set, it's possible that there might be some desire to have further meetings. Is there any expression on this? Mr. Adam.

MR. A. R. (Pete) ADAM: I would like to move that the Chair be given the authority to call any additional meetings if it deems necessary.

MR. CHAIRMAN: It has been moved that the Chair have the authority to call further meetings if it is deemed necessary. Mr. Jorgenson.

MR. WARNER JORGENSON: Mr. Chairman, the committee is the body that guides its own meetings and I don't know whether I would want to approve of the Chairman being given that responsibility. I think the committee themselves make that decision as to whether or not there are going to be further meetings that would be held. As a matter of fact, the lateness with which this meeting is called has made it, I think, almost necessary that further meetings should be held.

Many of the municipalities who were given this document that we now have before us received it only a few days ago. They have not had an opportunity to hold council meetings to determine whether or not they are going to present a brief, and many of them do because I have received communications from several municipalities who are interested in presenting briefs, and it will require some meetings on the part of those bodies in order to prepare and present briefs.

I would suggest that the meetings be held open long enough so that they will be given at least half an opportunity to prepare the kind of material that they would like to present before us. I don't know why this hearing was delayed so late. The resolution was passed in June last and there has been ample opportunity to hold at least an organization meeting prior to that time and perhaps several other meetings. The difficulty with trying to cram the entire stretch of the meetings into a week or so is that many people who may want to appear before this committee will not have that opportunity, and I think that we owe it to the people who are interested the opportunity to not only present briefs before this committee but be given sufficient opportunity to prepare these briefs.

MR. CHAIRMAN: Mr. Henderson.

MR. GEORGE HENDERSON: Thanks, Mr. Chairman. Well I was going to say something like Warner, but another point I wanted to make was that if there is going to be further hearings, I'd like the southern part of Manitoba considered because this is the area you are talking about quite a bit is around Carman and that area there, where we have right from there to the western border and I think there should be a meeting held in the southern part before this is decided.

MR. CHAIRMAN: Mr. Uskiw.

HON. SAMUEL USKIW: Yes, I think there is a misimpression on the part of the

(MR. USKIW cont'd) Member for Morris. It's obvious that as public demand arises we will want to facilitate that demand so that we wouldn't want to restrict the hearings to three, four, half a dozen or a dozen, and I think that it is presumptuous to think that we can do all of this within a matter of a week as Mr. Jorgenson suggests. It's obvious that if necessary we will have to go for months with these hearings and my suggestion is that rather than the Chair deciding on when and where these hearings will take place that the Chair simply inform the committee as to the desire of communities for this committee to meet in those areas of the province and as to his recommendations as to where we should go and we could proceed in that way. I don't think we want to by-pass the committee but that the Chair should be allowed to raise the question from time to time to propose a schedule of meetings.

MR. CHAIRMAN: Is that agreed? All in favour - Mr. Graham.

MR. HARRY GRAHAM: Mr. Chairman, before we agree on that, I would like to ask the Minister if what he is saying is probably a proposal to follow a forum such as has been established in Alberta where they have set up a land use forum that has been meeting for approximately a year. Is that the intention of the Minister?

MR. USKIW: I should like to respond, Mr. Chairman, to the effect that we have our work very well planned for us by the resolution of the Legislature of the last Session; we know what we must do. And I think only the public participation will determine whether we deviate from the course of action that we have already undertaken; but we're certainly very flexible on the need to have full public participation on this subject.

MR. CHAIRMAN: Mr. Graham.

MR. GRAHAM: A second question: at the present time the federal government is holding hearings throughout the Province of Manitoba dealing with land use in respect to the Riding Mountain National Park and the forum that they have set forward there is a sort of a three phase program where they hold initial public hearings just to more or less acquaint people with the problems then a second round of meetings which is the official presentation, and then after they have made their recommendations, those recommendations are again taken back to the people for the reaction of the public. Is this the type of format that the Minister is intending to follow?

MR. USKIW: Well I think, Mr. Chairman, the Member for Birtle-Russell is trying to presume that the government, the department or the Chair can decide for this committee as to what the recommendations can be in advance of the hearings and I think that we should forego any discussion on that point until after we have had a series of hearings and that there are representations made to further pursue this question either by reference to the Legislature or otherwise.

MR. CHAIRMAN: Mr. Spivak.

MR. SIDNEY SPIVAK: Well I only have one comment to make. The Minister referred to the resolution of the Legislature and I think it should be drawn to the attention of the Chairman and to the Minister and the members of the committee that the resolution is all-embracing. The White Paper produced by the government essentially deals with farm land; the resolution dealt with recreational land and dealt with land in the urban areas. And I think that the objective of public participation is one which the committee would want to adhere to and would certainly have the unanimous support of all.

But I think it must be recognized that of necessity the White Paper will mean that the attention I think of the public will be devoted in the main to the problems relating to farm land - and I think this is necessary and I'm not in any way taking away from that - but I think if we are going to have full public participation there will be the requirement to deal with the issues of land in the urban areas and recreational land as well. And that may very well require additional information being provided to the committee and a fair amount of notice to the community of Manitoba that we are dealing with that area as well.

MR. CHAIRMAN: Mr. Green.

HON. SIDNEY GREEN: Mr. Chairman, I think that with regard to the Leader of the Opposition's remarks, it should be underlined that the paper is not intended to give the parameters of any discussion. The paper is a basis upon which people can discuss those issues that were raised in the Legislature, and raised very forcefully by my recollection, the Member for Portage la Prairie, the Member for Assiniboia, certain members in the New Democratic Party caucus--I can't recall that it was considered - and I say this without criticism--considered a crucial issue by members of the Conservative caucus because I think I took much the same position. But nevertheless I do not think that there should be criticism of the fact

(MR. GREEN cont'd) that somebody prepared a piece upon which discussion could commence and that's all it is. As to whether the committee will have available to it any information, it is always the committee's prerogative to say that they would like whatever facilities are available - which is the bureaucracy, to supply material and I think that that has been co-operated in the past, I think that the Minister has done the committee a service by having something on the table that you start from, but it's not intended to either define or inhibit - and I am certain that it will not inhibit the Leader of the Opposition who has already discussed the differences between ownership by German Nationals as against ownership of the Public of Manitoba as being one of the important issues, he appears to prefer the former rather than the latter.

MR. SPIVAK: Mr. Chairman, on a point of order. You know, Mr. Green has already started a controversy, or attempts to start a controversy within this committee.

MR. GREEN: You made the statement.

MR. SPIVAK: I did not make the statement . . .

MR. CHAIRMAN: Order please.

MR. SPIVAK: On a point of order, Mr. Chairman.

MR. CHAIRMAN: Proceed.

MR. SPIVAK: I think for the benefit of this committee, and I don't think there is anyone in Manitoba who would deny this, that it would be important at this point to know fully the government's involvement in the purchase of land in this province.

MR. GREEN: They're all done by O/C, they're all done by O/C.

MR. CHAIRMAN: Order please, Mr. Green.

MR. SPIVAK: Mr. Chairman, I think as a matter of--the matters may be of public record but so is the information that's essentially contained in the report. The government saw to it that they selectively brought together information that they themselves thought were important, and it would seem to me that there are many people in Manitoba who would consider the policy of the government in not loaning money to farmers but insisting that they must only lease the land by the government buying the land if they are to get a participation by the government, is a policy that could in fact be questioned and certainly should be considered by this committee.

However, Mr. Chairman, I must say Mr. Green in his statement has already deliberately distorted three remarks that have been made by myself. There is no question, Mr. Chairman, of in any way referring to this report in any derogatory way but realistically to assist the committee in its deliberations. And I must say that certainly my office has been one that has been contacted by many who were under the impression that this committee had nothing to do with consideration of land in the urban areas, that this committee would only be concerned about farm land in Manitoba, because the White Paper produced by the government only concerned itself with that. And of course that is not the terms of reference of this committee and I would suggest, Mr. Chairman, that there will be and should be an opportunity for public notice to be given that in fact the urban area problems are to be considered by this committee so that those who have a concern about it are in a position to express it before this committee where all consideration of land use should be undertaken and then a policy which would involve not just farm land but urban and recreational land be undertaken.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes. First of all, Mr. Chairman, I should like to draw to the attention of the committee that this document before us is not a White Paper, it's a working paper; the Opposition keeps referring to it as a White Paper. The second point that was raised by the Leader of the Opposition has to do with the scope of the hearings that we are now contemplating.

I should like to draw to the attention of members here that it is our intent to pursue the urban and recreational questions as well. I don't think that it's advisable to try to get all of this done all at one time, that we should probably not have a mix of representation but we should deal with it by sector; and in this instance the first sector that we want to deal with by this committee and through this committee is the question of rural land ownership and its use. So that the other sectors will be brought before you at a later stage with more information in other documents supplied to the members.

I should like to also address myself to the point raised by the Leader of the Opposition with respect to government policy; I do think that his statement was out of order but I should like to respond accordingly.

MR. JORGENSON: By being out of order too.

MR. USKIW: That's right.

A MEMBER: By being out of order.

MR. USKIW: That the previous administration before 1969 went out of the mortgage business as far as the financing of farm purchases in this province is concerned, so that he should not draw to the attention of this committee that this is the area of negligence on the part of the government since 1969. Their reasons were the right ones--our reasons were the right ones, namely that we didn't want duplication of the financing of farm lands in this province, that is through the Government of Canada and the Government of Manitoba, or that the two agencies shouldn't compete, and in particular because financing from the Government of Canada to the farmers of Canada provided at a much lower interest rate and therefore it made no sense for the province to continue that policy. I only say this because it was raised here as a diversion . . .

MR. CHAIRMAN: Right. You're both out of order on those points. Mr. Johnston.

MR. GORDON JOHNSTON: Mr. Chairman, I think before we start, it would be a good idea if today it could be established where other meetings would be held and when. The reason I suggest that is that there are people here, I notice, in the audience from a distance, perhaps some of them may believe that this will be one of their few chances to have their ideas and their observations recorded. So I would like if you would see fit, Mr. Chairman, to call on the Clerk to tell us when and where he advertised the meetings so that we know what parts of the province have not been covered adequately by the written or the media word and then we could perhaps establish where else in the province we should hold hearings such as we're going to begin here today.

I notice in the resolution that set up the committee that the words in the fourth "whereas" and I'll quote: "The Government of Manitoba wishes to hear the views of citizens with respect to the regulation of property rights and lands within the province." Now my understanding of that paragraph is that it is not necessarily related to farm land, it's related to urban property, farm property, Crown land and all the uses put to such properties. So I think that while in the beginning some members thought that we were dealing strictly with the use of farm land and the ownership thereof, we're really dealing with all aspects of land ownership and that the urban people--this should be made known to them. I don't think it has been properly.

Before the meetings were held I received a call from the Minister's office asking me for some suggestions of areas where we should hold such meetings and I made a few suggestions, I felt that not only the southern parts of the province but also the western parts of the province and also as far north as at least Swan River. And I notice, with some disappointment--I received another phone call from a gentleman from the Minister's office and he stated that it was the view of one of the other parties that the scope of meetings should be restricted to Brandon, Winnipeg and Dauphin; and I wish at this time to object to the line that has been taken and the fact that only three meetings have been called in those centres and other centres have been ignored.

I think Swan River should be included. The area around Russell should be included; perhaps Carman and Altona area; Portage la Prairie; the Interlake area where the problems we are about to discuss is a problem up there. I think that the hearings should be made known to every citizen who has any interest whatsoever whether it be in the urban area or the farm land area or recreational area, so that all groups, wildlife groups, farm groups, people interested in urban affairs, should have the opportunity to appear before this committee.

And I would repeat again, Mr. Chairman, that today I believe that it would be an idea worth considering to establish the areas where the meetings are going to be held, give proper advertising to those areas so the people don't have to come 100 or 150 miles and then only on very short notice. I am astounded to hear that Mr. Jorgenson reports that some of the councils have only recently - very recently received copies of the government's working paper. I think this could be corrected by setting some meetings in the other areas well in advance. Thank you, Mr. Chairman.

MR. USKIW: Mr. Chairman, I should raise a point of order here . . .

MR. CHAIRMAN: Mr. Uskiw on a point of order.

MR. USKIW: I think the comments by Mr. Johnston are well taken with one exception, and that is the implication on one of the political parties that they somehow did not want to proceed with more than three meetings. I think to correct that impression I should like to

(MR. USKIW cont'd). . . . indicate to Mr. Johnston that a member of the Conservative Party indicated to me that while they could agree with the initial three, that the calling of future meetings would have to depend on the decision of this committee, so that really they were quite generous in facilitating the calling of the first three meetings without having to convene the first meeting and I think we should be fair in that respect.

MR. CHAIRMAN: Okay. I believe, gentlemen, you have a motion with regard to future meetings based on that information which will be coming forth from the various areas. Then we can establish those dates. Mr. Spivak.

MR. SPIVAK: This arises out of Mr. Uskiw's earlier statement that the document produced by the government is a working paper as opposed to White Paper, and I want to have from him some understanding.

There was an undertaking given in the Legislature on May 30th by Mr. Uskiw that a White Paper would be produced and that representation could be made by people and proposals to vary the paper itself could be made. I am now quoting his exact words. Is he now suggesting that the government has not produced that paper and that this is just a working statistical paper, and is the government then considering producing a White Paper?

MR. USKIW: Well, I think this is something that can be determined, Mr. Chairman, after the Committee has had its hearings as to what the next step should be, and the next step should follow any one of those lines, namely it could be a working paper for further discussion, or it could be a recommendation that a bill be drafted and referred back to the public for discussion. There are many ways of approaching this question, so that I think at this point in the game we are quite flexible.

MR. CHAIRMAN: Mr. Spivak - on the same point?

MR. SPIVAK: On the same point. Then what you are suggesting is that the government has not in fact produced a White Paper?

MR. USKIW: That is in fact what we are saying.

MR. SPIVAK: So the undertaking given to the Legislature has not been met?

MR. USKIW: At this stage of the game you are quite right.

MR. CHAIRMAN: Mr. Spivak, I believe the Minister indicated that this is a working paper, that there will be following the meeting some paper. Mr. Green.

MR. GREEN: Mr. Chairman, I believe that there are some people here who wish to make presentation, and that we all agree, or at least I think we all agree, that those presentations should be heard. Can we not use the prime time, that is when people are here waiting to discuss these questions which will have to be discussed in any event, and proceed immediately to hearing the people who are here and would like to get away . . . and then at the end of the meeting discuss these questions which are not predicated on what these people who are presenting briefs are saying. So I would urge the Committee that we now proceed to hear briefs, knowing that at the end of that that we will reserve time for the procedural questions that have to be decided afterwards.

MR. CHAIRMAN: Well do you want to proceed with the question on the motion? Mr. Jorgenson.

MR. JORGENSON: Just one point I would like to have clarified before we do, and I agree with Mr. Green that we should perhaps be hearing some of the representations that are here today, but that is presuming - I am now assuming something that maybe I should not assume, that the committee is not going to be sitting as was originally intended. I think Mr. Uskiw said that we'd be sitting until all the briefs had been heard today. That may not be possible. We may be sitting here quite late in the evening, which would preclude any discussion on procedural matters.

MR. GREEN: Which will make the discussion shorter.

MR. JORGENSON: And I think many of the people who are here may want to have a little more time to prepare briefs as well, and if we can have those who are ready to present briefs now and not preclude them from the opportunity of coming back maybe at a later date, because this has been somewhat rushed, on that condition I wouldn't object at all to proceeding forthwith to the consideration of the briefs that are now here.

MR. CHAIRMAN: Question on ayes. Mr. Adam.

MR. ADAM: Mr. Chairman, I believe there is a consensus of approval on my motion and I think it would only be a matter of having ayes and nays question on it and that's it.

MR. CHAIRMAN: All those in favour of the motion that the Chair establish the dates

(MR. CHAIRMAN cont'd) and locations of any future meetings as they may be required, based on the feedback from the various areas.

MR. GREEN: That we present them to Committee and try to get . . .

MR. USKIW: The Chair would recommend to the Committee, as I understand it.

MR. GREEN: That's right.

MR. USKIW: We would agree with that, Peter, if you would agree to amend that motion accordingly, we can then accept that motion.

MR. CHAIRMAN: Is that agreed? All in favour? Opposed? Carried.

I have a number of people listed here who have indicated their papers to be presented. Is there anyone else in the audience - would you come forward, give your name to the Clerk, and I will have you added to the list.

We have the Manitoba Farm Bureau, Mrs. C. J. Colson, Peter H. Klassen, Pat Yarema, Pembina Valley Development Corporation, Peter N. Friesen, Farmers from Eastern Region. We have six briefs that are going to be presented now. Are there any other briefs to be presented. Would you please come forward, give your name and the organization or if you are representing yourself.

You can use the mike. I'll just add you to the list.

MR. MORTON H. NEMY: Yes. Morton H. Nemy, Winnipeg.

MR. CHAIRMAN: Morton H ?

MR. NEMY: Nemy - N - E - M - Y.

MR. CHAIRMAN: And you are from Winnipeg?

MR. NEMY: Right.

MR. CHAIRMAN: Representing ?

MR. NEMY: Representing Morton H. Nemy.

MR. CHAIRMAN: Okay. Any others? Thank you.

MR. NEMY: Thank you.

MR. CHAIRMAN: Mr. Graham.

MR. GRAHAM: There may be people attending the meeting after we adjourn at lunch time. Could you then again ask for names of people that wish to appear. I don't think we should preclude anyone that doesn't happen to be here at this particular time.

MR. CHAIRMAN: Okay. Sir.

MR. J. OMICHINSKI: Gentlemen, we don't have a brief prepared on behalf of the Rural Municipality of Portage la Prairie but we intend to. We just got this working paper, I think it's a week ago Tuesday, and we didn't have the opportunity to study it and prepare a sensible brief. We'd like to have the opportunity at a future date.

MR. CHAIRMAN: Fine.

MR. E. KLASSEN: I'm here also with the Farm Bureau, not myself, but with the Farm Bureau group. Thank you very much.

MR. CHAIRMAN: Okay. Thank you. All right then we shall proceed - there's one more?

MR. JACK HARE: Mr. Chairman, my name is Jack Hare. I am representing the Agricultural Committee of the Winnipeg Chamber of Commerce and I would like to reiterate the statement made by the gentleman just before me, that we received these documents on Friday. It was too late at that time for us to make any presentation whatsoever. The Committee spent the weekend working on it but we don't feel that this is sufficient time to make any presentation and we would recommend that another meeting of this type be held here in Winnipeg as we were planning to have to go to either Brandon or Dauphin on the present schedule.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: I just have a question to Mr. Hare.

MR. CHAIRMAN: Mr. Hare?

MR. HARE: Yes.

MR. GREEN: Again, without any criticism or otherwise with regard to the shortness of the receipt of the paper, is it not the Chamber of Commerce's - did they not have any position or consideration on this question before this document was published? Have they never sort of given consideration to this question?

MR. HARE: Certainly. The Agricultural Committee of the Chamber has been involved in every land use discussion that I can recall in the 9 or ten years that I've been here and yet, I'm not sure when this document was mailed out, but from a straight administration stand-point it was not possible for us to get together on it until Friday and we feel that the

(MR. HARE cont'd) Agricultural Committee of the Chamber is probably one of the most broadly speaking groups, it has been named in the document as having certain ideas and we certainly want to have a representation and feel that our having to go to Brandon or Dauphin is rather ridiculous.

MR. CHAIRMAN: Okay. Thank you. We can proceed then to the Manitoba Farm Bureau.

Sir, do you have any prepared brief that can be made available to the Committee.

MR. LORNE PARKER: Yes, we do, Mr. Chairman. I believe it's being circulated.

MR. CHAIRMAN: Thank you. Your name, Sir.

MR. PARKER: My name is Lorne Parker, from Ste. Agathe, Manitoba. Just while the brief is being circulated I might say a few words of introduction.

First, I would like to bring the regrets of our newly elected President, Mr. Bert Hall. Mr. Hall is from Manitou. He became the President of the Manitoba Farm Bureau on January 8th last. Just previous to his election, and before knowing that these hearings were coming up, he and his wife had arranged an overseas trip and I'm happy to report that this morning he is somewhere in New Zealand. In his absence, I shall read the brief as one of the Bureau's Vice-Presidents. Also with us this morning is our second Vice-President, Mr. Ed Klassen from Homewood, whom I'd like to introduce to the Committee now. Would you mind standing Ed? And our Executive Secretary, Mr. Bob Douglas. Bob.

I might also add that sprinkled through the audience are several members of various commodity groups that are associated with the Bureau. They are here as observers this morning and I have no doubt that some of those individual groups will be presenting individual briefs from their commodity groups at successive hearings. I might refer now to the brief itself and I'll go into reading it.

Land policy in Manitoba is receiving a great deal of attention at the present time and the Manitoba Farm Bureau wishes to commend the Government of Manitoba on its decision to establish this Special Committee of the Legislature to enquire into matters relating to property rights and lands within the province. The Bureau also welcomes the opportunity to appear before the Committee to discuss the views of farm people in Manitoba relating to land policy.

The Farm Bureau is a federation of seventeen agricultural commodity, co-operative and rurally oriented educational groups, which represents most farm people in Manitoba on matters of agricultural policy. A list of the member groups comprising the Farm Bureau has been appended to this submission to indicate the scope of the interest represented by the Bureau.

The Farm Bureau, as the provincial affiliate of the Canadian Federation of Agriculture, has been involved over the past year in attempting to document the issues relating to land use and ownership in Canada. Copies of the CFA's working paper on Land Use Policy are provided for the members of the Committee. And that's the orange document that is in front of you and was circulated.

The Bureau hopes this Special Committee will not be bound too rigidly to the terms of reference as stated in the resolution, and I quote: "To enquire into matters relating to property rights in lands within the province". We say this because we are of the opinion that the major issue requiring attention is the matter of "land use" and that matters of land ownership and property rights are secondary segments of this larger issue.

If the intention was to deal only with matters relating to property rights, then we have taken some liberty in this presentation in discussing points beyond what may be considered to be the terms of reference of the Committee.

The problems in "land use" are, of the many possible uses for a piece of land, which is the best, and how and by whom is this decision made? For example, to indicate the possibilities, a specific piece of property might be used for many purposes. Amongst them:

1. Farming-- the production of food.
2. Recreation - e.g. a golf course, a park, snowmobiling trails, etc.
3. Urban Development, such as housing, industry or services - stores, garages.
4. Might be subdivided into 5, 20, or 40 acre lots to be used as homes or weekend retreats for city people wishing to live in the country.
5. Utilities such as roads, airport, sewage disposal plant.
6. Or finally, it might be left in the natural state as a wildlife habitat.

In many instances a choice must be made between alternatives. What is the wisest use of this

(MR. PARKER cont'd) piece of property considering long range global requirements and not just immediate personal considerations? This in a nutshell is the "land use" problem. Obviously many very important decisions have been made, and are being made, about alternative uses for land in Manitoba without due consideration to all the interests involved.

In addition to the decision about the best use for the specific piece of property the way the land is actually used is also a concern; e.g. if it is used for farming, are proper safeguards taken to ensure proper conservation? Are all environmental and ecological implications considered?

Wise land use planning should integrate the Canada Land Inventory physical capability data with information on mineral and water resources and the economic and social determinants of land use to formulate regional land-use plans, which can serve as guidelines for the orderly and effective development of a region's land resources. The need for such plans is particularly urgent at this time because the demands made on our land resources are rapidly increasing and environmental problems such as air and water pollution are becoming more serious.

On May 30, 1974, the Honourable Mr. Uskiw, in proposing the resolution which resulted in the establishment of this Committee, indicated that the Department of Agriculture would be "providing for the committee and for public discussion some time later this year before the committee is convened, or when the committee is convened, a White Paper on the subject matter (property rights) which will serve as a basis for discussion and on which people may make representations and perhaps proposals to vary from the Paper itself".

Copies of the document, "In Search of a Land Policy for Manitoba" which is, for the most part a background document prepared by the Manitoba Department of Agriculture dealing with the matter of the ownership of farm lands in Manitoba, became available roughly one week ago. After studying this document, we submit that the information therein is inadequate in terms of being of assistance to the public in discussing all the issues relating to land policy in Manitoba. Further, we are of the opinion that it is unfortunate that this paper was made available such a short time prior to the hearings of this Committee. Certainly this is not consistent with the achievement of the fourth major objective of the provincial government in its "Guidelines for the Seventies": That is, and we quote "promotion of public participation in the process of government and more particularly, in the development decisions which will affect all Manitobans in the years ahead".

With this in mind, the Manitoba Farm Bureau strongly recommends that the Special Committee seriously consider recommending the establishment of a "Land Use and Ownership Commission", and that this Commission be given a period of at least one year to: first of all, assemble and publish adequate information; secondly, to encourage public consideration of all land use and ownership issues; and thirdly, to prepare recommendations on land use and ownership for the provincial government.

In this regard we might well take direction from the Province of Alberta where a four-phase program has been implemented. The program involves:

1. the assembly of all the pertinent background information;
2. the presentation of this information to the public through extensive public meetings;
3. the holding of public hearings on the issues; and
4. the compilation and consideration of public views in the preparation of a final report and recommendations to the Alberta government.

We believe, because of the size and complexity of land policy issues, that if such a program is not adopted, a great many citizens will misunderstand many of the decisions which may be made, regardless of their having merit. Some members of this Special Committee may well recall that in appearing before the Standing Committee on Agriculture of the Manitoba Legislative Assembly, in Carman, back on March 3, 1972 the Bureau questioned the value and effectiveness of such hearings, unless adequate information and time are provided to allow citizens to adequately consider issues before making their views known.

The Farm Bureau also recommends that during the forthcoming session of the Legislative Assembly the necessary legislative amendments be adopted to change the present methods of recording land ownership so as to provide more accurate information on who actually does own land in Manitoba. The Farm Bureau is of the opinion that a great deal more information must be assembled regarding the extent of "foreign" ownership, non-farm corporate and private ownership, absentee and non-resident ownership, etc., before trends can

(MR. PARKER cont'd) be clearly identified. Other provinces have recognized this deficiency and have taken steps to record the citizenship and other pertinent information about land owners.

In the event that the Manitoba Government is not prepared to accept our recommendation that a Land Use and Ownership Commission be established with sufficient time to provide for effective public consideration of the issues, we feel strongly that the following concerns and recommendations should be considered.

As we indicated earlier, we are of the opinion that the major issue relating to land policy is that of "land use". In this regard all interests must be considered; agricultural, recreational, ecological, etc. In the view of the Farm Bureau it will prove to be in the long term interests of the province, the nation and the world to protect Manitoba's prime agricultural land and any land with potential for agricultural production, from any development which might restrict future development of natural resources or seriously interfere with the ecology. Most of the necessary information to do an efficient job of land use planning is available from such programs as the "Canada Land Inventory". The Farm Bureau acknowledges the need for a comprehensive "land use planning authority" to provide the means of co-ordinating priorities of land utilization, both public and private. While there is need for comprehensive planning, action taken in this direction must:

1. give full emphasis to agricultural needs,
2. be structured such that all related legislation and policies of other government departments are subject to it,
3. provide adequate methods and procedures,
4. provide for effective citizen participation, and
5. develop and administer policies on a non-partisan basis.

We were disappointed that the Manitoba Department of Agriculture's Working Paper did not deal with the matter of "urban sprawl", including small holdings (5-40 acres) for residences, which is a major consumer of prime agricultural land and as such is a significant problem warranting extensive consideration. The Farm Bureau does not consider the need for land zoning and/or classification to be an urgent problem except in those areas surrounding the larger urban areas. We could not support the implementation of land zoning unless the government is also prepared to implement a program providing for the producer's rights to compensation in the event of imputed loss due to government restrictions on the sale of his land. This was achieved in British Columbia through the adoption of an Income Assurance Act. In addition, steps are being taken in B. C. to exempt most farm and Crown land from taxation. These points are, in our estimation, the chief reasons why B. C. farmers are prepared to accept the B. C. Land Commission. It is reported that both land zoning and income assurance legislation will be introduced shortly in the Province of Quebec.

In recent months a great deal of attention has been focused, for a variety of reasons, on the question of how land should be owned in Manitoba. Traditionally, the accepted form of land tenure in Manitoba has been through private ownership. This is the result of the province's having been largely settled by means of homesteading. More recently, many people have migrated to Manitoba in order to be able to own land. Associated with private ownership is the widely held myth that a person can use "his" land in any way he pleases. But, can a person establish an intensive poultry, hog, or feed lot operation without a licence from the Clean Environment Commission? Can a person let weeds grow on his property and allow the seeds to blow onto his neighbour's land without the possibility of being taken to task? The answer to these questions is, of course, "no". In countless ways a person's land is regulated. The owner of farm land cannot claim to have absolute rights in connection with his land. Ownership involves the granting of a bundle of rights from the state and such rights may be altered from time to time by the state. However, private ownership is viewed by most farm people as being the most desirable method of assuring their right to decide what will be done with their land, including the disposition of it. As such, a great deal of personal pride has been placed on the owning of farm land and many people suggest that it is ownership which fixes responsibility for the way the land is used and cared for.

While the myth of "absolute property rights" on land continues to be held by a large segment of our society, increasing numbers of people now feel that land is a resource which must be managed in the interests of all citizens and is not just a commodity to be bought and sold. There are those who oppose the concept of private ownership of land because of the supposed

(MR. PARKER cont'd) restriction of rights and privileges to other segments of society. It is argued by some that our traditional method of private ownership could result in an undesirable concentration of ownership in the hands of a very few people. Arguments are being advanced to support the concept that food producing lands should be held by the public at large with farmers leasing land from the government to carry on the business of farming. The Manitoba Farm Bureau suggests that any major move towards public ownership of farm land would be unacceptable to a vast majority of the farmers in Manitoba. While we know of no data to indicate whether public or private ownership is more desirable in terms of food production or conservation of the soil, we suggest that society could ill afford to take the risk of finding out. We contend that the interests of the province, the nation and the world will best be served by doing everything possible to leave the ownership of farm lands in the hands of family farm operators. The Farm Bureau believes that any proposals which would place severe restrictions on farmers without full compensation for the altering of private property rights would be unacceptable. If there were to be extensive zoning by means of a planning authority, farmers would not only demand an adequate income assurance program but would also insist, and rightly so, on compensation for any loss of land rights. We understand that a land planning bill has been prepared for consideration by the next legislative session. It is not clear to us how this proposed legislation correlates with the work of this Committee.

In the matter of public ownership of farm land, the Farm Bureau is of the opinion that any move by the provincial government to intervene significantly in the land market must be tempered with great caution and should only be considered after careful study. The Manitoba Agricultural Credit Corporation has made a start towards public ownership with the purchase and leasing of more than one hundred and fifty parcels of land in 1974. This amounted to more than sixty thousand acres at an expenditure of approximately four and one half million dollars. The Bureau suggests that consideration be given to recommending that the land purchase and leasing program be separated from the credit repayment aspect of M. A. C. C. In this regard a careful study should be made of the advantages and disadvantages of the Saskatchewan Land Bank program.

In addition to the controversy between private versus public ownership of farm land a great deal of concern and emotion has been generated in discussions of "foreign" ownership, "non-farm corporate" ownership, "absentee" ownership, and/or "non-resident" ownership. In our opinion, the term "foreign" ownership is being used with a wide variation in interpretation. A number of purchases of farm land in Manitoba by non-Canadians have taken place in recent years. When these sales have been reported by word of mouth the details may have been somewhat distorted. However, these reports have invoked mixed feelings amongst rural people. As was mentioned earlier, our methods of recording land ownership do not readily lend themselves to a clear identification of how much foreign ownership there is in Manitoba. While the amount of land presently held by owners who are citizens of countries outside Canada is only approximately 1% of our total farm lands, the rate at which purchases by such people appears to be increasing indicates a need for careful scrutiny. (It would appear that the data in the background paper did not take into consideration the sales of Manitoba farm land from one foreigner to another.) We do not want to imply that the purchase of land by foreigners who desire to migrate to Canada to become active farmers is undesirable. The problem is the purchase of land by foreigners for speculative purposes.

We feel it is unfortunate that in the Working Paper residents of Brandon and Winnipeg are grouped with other non-resident land owners and foreigners with the intimation that this is undesirable.

The Manitoba Farm Bureau suggests that careful consideration be made of the advantages and disadvantages of such controls as the Saskatchewan Farm Ownership Act passed in 1974. The Saskatchewan legislation places some restriction on the ownership of farm land by non-residents of Saskatchewan, but does not prevent such non-residents from buying land in Saskatchewan providing they intend to become residents of the province within three years of purchase. A synthesis of this legislation is appended to this submission.

Information on the amount of farm land owned by non-farm corporations in Manitoba is not known. However, the success record of non-farm corporate endeavours in farming in Canada has not been impressive. The Farm Bureau suggests that more information be secured on the non-farm corporate ownership of land in Manitoba and that the situation be closely monitored in order that we may be aware of the development of serious problems in this area.

(MR. PARKER cont'd)

In Chapter IV of the Department of Agriculture's Working Paper some attempt is made to develop the argument for the advantages of smaller farms. The interpretation of the data is, to say the least, misleading. Farms with less than 70 acres, with high returns per acre, are obviously highly specialized units. If the author's reasoning were followed to the ultimate we should divide Manitoba's 19 million acres presently in farming into 6-1/3 million, 3 acre lots, all involved in highly specialized, intensive food producing operations. The potential market for this type of production has been totally ignored. Further, if you consider improved acres, the returns per acre actually increase beyond 1,600 acres. The observation that as farms grow larger in size a less intensive use is made of the land is not valid for the size of farms included in the data. We do not believe that statistics such as these should be used in an attempt to develop a case on farm size because there are so many variables to be considered.

In Chapter IV of the Department of Agriculture's Working Paper it is suggested that under some circumstances renting and rental arrangements are very unsatisfactory. We do not necessarily believe this to be the case. In fact, the renting of a part of the land for farming operations has been a good arrangement for many operators and in turn has kept a great deal of local, private capital in farming industry. However, we believe that the traditional crop share style of agreement has outlived its usefulness. Many other countries have given attention to the development of a variety of alternative rental agreements to cover all situations and to best serve the parties involved. We respectfully suggest that this information on alternative comprehensive agreements, including long term agreements, be secured, adapted to Manitoba conditions and made available to all interested parties.

In recent years improvements have been made in the Crown Land Leasing program. Detailed proposed additional recommendations will be presented by beef producers at later hearings of this Committee.

Increased amounts of capital are required to establish farms which are viable, economic units. This is true whether land and equipment are purchased, rented or leased. A part of the reason for this situation is that over the past two decades competing credit agencies have on some occasions made too much credit available thus driving up land prices and capitalization requirements. All of this makes it much more difficult for someone to begin a farm operation. The position is frequently advanced that anyone should be able to start farming any time he wishes. We are unable to accept this position. Such a situation does not apply in any other business and there is no logical reason why it should apply in agriculture.

At this time a group of very important proposed amendments to the Farm Credit Corporation Act which will facilitate inter-generational transfers of farms is before Parliament. These amendments will be of particular assistance to young persons who wish to become farm operators. The Farm Bureau recommends that further amendments are required in the Estate Tax Act and the Revenue Tax Act to permit transfers within a family without capital gains.

In the Manitoba Department of Agriculture's Working Paper (p78-79) the assumptions contained in the three examples of alternate forms of farm tenure are obviously presented in a manner designed to support an argument for government ownership of farm land. Regretfully, in the first example no effort is made to show the capital assets which are accumulated. In the third example, the costs of capital to acquire the land are not included. We oppose the exclusion of the capital costs because of the implications for a "cheap food policy", although a case might be made for this position if it is an attempt to maintain our competitive position in international markets.

The information contained in Appendix "A" of the Working Paper provides an adequate rendering of measures taken in other jurisdictions to control the use and ownership of land. However, the Bureau has some concern that Appendix "A" does not contain a sufficient overview of the total situation from which these measures were evolved. We would refer the members of the Committee again to the Canadian Federation of Agriculture's documentation for a more complete description of some of the circumstances involved. We raise this point because we feel it is very important that policy decisions taken relative to issues of the importance of land use and ownership be made from a clear and comprehensive understanding of the total situation.

(MR. PARKER cont'd)

In a consideration of land use policy the matter of property taxes on farm land must be considered. The basic position of farmers is that "services to property" should be charged to property but that "services to people" should be raised in some other manner. It is our understanding that with the land zoning, ownership and farm income legislation implemented in British Columbia the government is in the process of exempting most farm land from taxation. The provincial government of Manitoba has implemented the Property Tax Credit Plan and the Cost of Living Tax Credit Plan. However, these plans have not produced significant relief to most farmers. A very major part of rural property taxes raised for local education costs are now paid by farm land and businesses. In those communities that are primarily agricultural farmers pay most of the business tax indirectly. Therefore, the major part of the municipal tax load is being carried by farmers. The Manitoba Farm Bureau suggests that some further thought be given to lightening the tax load on farm land.

We agree with the Working Paper that purchases of land by foreigners, primarily for speculative purposes, at higher prices will increase assessments and in turn property taxes. We respectfully suggest that significant intervention by the government in land purchases could have the same effect.

In conclusion, we would like to re-emphasize the importance of providing adequate opportunity for people to be involved in the process of reaching those decisions on land policy which may significantly affect them. With this in mind the Manitoba Farm Bureau strongly reiterates the suggestion that this Committee recommend the establishment of a Commission on land use and ownership with sufficient resources and time to effectively inform and consult all interested parties.

We appreciate having the opportunity of presenting our views to your Committee, and if we can be of further assistance to the Committee, we trust that you will consult with us.

MR. CHAIRMAN: Thank you, Mr. Parker. I have one person on the list to ask questions. Mr. Green.

MR. GREEN: Mr. Parker, under the program that you referred to that's presently in effect whereby the Manitoba Agricultural Credit Union can purchase land, I take it that the only purchases that they can make are when somebody wishes to sell parts of land that they have no expropriation powers?

MR. PARKER: They have no expropriation powers other than the normal expropriation powers that government has, I presume.

MR. GREEN: But the Manitoba Agricultural Credit Corporation has no expropriation powers that you are aware of?

MR. PARKER: Right.

MR. GREEN: Or that I am aware of.

MR. PARKER: Right.

MR. GREEN: So that any land that they have purchased would be because a farmer wanted to sell his land to the Manitoba Agricultural Credit.

MR. PARKER: And a farmer will normally sell land to the highest bidder.

MR. GREEN: Well in any event the farmer who sells land to the Manitoba Agricultural Credit Corporation is a willing vendor to a willing purchaser. Is that correct?

MR. PARKER: Right.

MR. GREEN: You haven't heard of any Manitoba Government expropriation of farm lands for the purpose of removing them from one farmer and giving them to another?

MR. PARKER: No.

MR. GREEN: Nothing of that nature has come to your knowledge?

MR. PARKER: Not that we're aware of.

MR. GREEN: So that when you say in your paper that you agree that private ownership of land as being the most desirable method of assuring the right to decide what will be done with their land, including the disposition of it, would you include in the words "including the disposition of it" the sale of it to the public if they wish? Or would you say that a farmer should not have that right?

MR. PARKER: No, we think the farmer, and we say it in the paper, that the farmer should have the right to dispose of his land as he so wishes. I think it's pretty clear.

MR. GREEN: Including to the public?

MR. PARKER: You added those words, I didn't. We say he should . . .

MR. GREEN: Well then I want to know whether you would exclude those words, that a farmer can sell to anybody except the public?

MR. PARKER: No, no.

MR. GREEN: And despite the fact that I have added them, you agree with them?

MR. PARKER: Yes, I think that's correct.

MR. GREEN: Well I'm glad that I did not add anything that you did not agree to.

Now I would like to know whether there is any suggestion anywhere in this document, which has been referred to as a White Paper or Working Paper, whether there are any suggestions of proposals which would place severe restrictions on farmers without full compensation. "For the altering of private property rights would be unacceptable?" What are you referring to? I mean is there something that you know of that you are concerned with in this respect?

MR. PARKER: I might ask, Mr. Chairman, can I bring our other Vice-President in on this discussion if it's agreeable to the committee?

MR. CHAIRMAN: I believe the committee is agreeable.

MR. GREEN: Do you want to take a crack at that one, Ed?

MR. KLASSEN: Yes. When you reduce the number of buyers . . .

MR. CHAIRMAN: Would you please identify yourself.

MR. KLASSEN: My name is Ed Klassen, the second Vice-President of the Manitoba Farm Bureau.

MR. CHAIRMAN: Thank you, Mr. Klassen.

MR. KLASSEN: I'd like to reply to Mr. Green, that if you reduce the number of buyers then you also depress the price of that land, and I could cite many examples at the turn of the decade when the non-resident buyer was not there and many people were locked into poverty, people that had reached retirement age could not sell their land at a realistic price and were obliged to remain on that land and could not retire in dignity, especially on small lots of land. This represents their retirement equity, they need this money and they need to sell on an open market if they have to go into town and buy at an open market. This is what we mean here.

MR. GREEN: So what you're saying is that ideally or preferably there should be no reduction in the number of buyers because that would reduce the price of the land, and ideally that there should be more buyers because that would increase the price of the land?

MR. KLASSEN: This is correct.

MR. GREEN: So would you then agree that the government and foreigners and everybody else should be in the market buying land to increase the price of the land?

MR. KLASSEN: I think we have stated that very explicitly in our presentation that we should look at the Saskatchewan Land Commission and this is what they're doing, so we have no quarrel with you on that at all.

MR. GREEN: Do you have any concern for the person who wishes to become a farmer, rather than the person who is a farmer and is selling his land?

MR. KLASSEN: Yes, we certainly do, and we also recommend the government on the program that they do have presently in facilitating the entry of worthy aspiring farmers to the program that you're engaged in or undertaking at this time.

MR. GREEN: But I gather from your earlier remarks that you wanted the price of land to increase to provide an equity for the existing farmer?

MR. KLASSEN: Well we believe in a free market.

MR. GREEN: But I think you've also said that you would like the price of land to be low for a person who wanted to come into farming?

MR. KLASSEN: I didn't say that.

MR. GREEN: Oh, I think you said that you wanted him "assisted" to come into farming.

MR. KLASSEN: That's right.

MR. GREEN: Well what assistance are you talking about?

MR. KLASSEN: Well, you have a lease agreement and he can come in under that lease agreement and I would like that option to buy to remain also in this program, and I've heard some rumours to the effect that this could be removed in the future and then you would have a move to more and more state ownership and the option to buy . . .

MR. GREEN: Who has told you that that will be removed?

MR. KLASSEN: I said it was a rumour.

MR. GREEN: Oh, I see, it was a rumour.

(MR. GREEN cont'd)

I am really trying to determine from you whether you think that the price of land should be as speculative as possible so that it will go up by having the government as a buyer, the foreign owner as a buyer, the non-user resident of an urban area as a buyer of farm lands which he has no intention to go on, to increase the price to the existing farmer so that he will have a higher equity. How do you reconcile that with a person wanting to get into farming and paying these types of prices?

MR. KLASSEN: Okay, I'll hand it over to . . . I'd like to respond to this though that . . .

MR. GREEN: Wouldn't the public have to subsidize this new farmer?

MR. KLASSEN: I have seen too often when the government intervenes, when the farmer experiences a boom period then the government intervenes and tries to suppress the price for the farmer, but he has to depend on his own in periods of depression, and this is the point I'm getting at. That if we're going to be in a free market, let's have it uniformly applied to all levels. If we're going to have government intervention that also has to be applied uniformly.

MR. CHAIRMAN: Mr. Parker.

MR. PARKER: Your first question, Mr. Green, was in regard to compensation. What in effect we were attempting to say there is in the area around Winnipeg or around Brandon or any large centre, if we go into zoning and you zone land out as agriculture which previously had a speculative value, then the landholder, in most cases the farmer, is going to look for something in the way of compensation. I think that's part of what we were trying to say. Because in the interval, he's been paying increasingly higher land taxes in attempting to farm that land. Now if all of a sudden you come along and say no longer, this is zoned for something else . . .

MR. GREEN: But in the earlier part of your paper, Mr. Parker . . .

MR. PARKER: Now let me respond to one of your other questions and this is in regard to whether there is adequate sources of credit and what not, and we indicated in this paper that you should be aware of the new amendments coming forward in the Farm Credit Corporation legislation - amendments that are in the works in Ottawa now. This does increase the limits for beginning farmers under Part III to 150,000 from a hundred; it does make it possible that they can borrow up to 90 percent of the productive value of that land, and I think another amendment to it - I've forgotten at the present time - but there are moves in that direction to make it possible for young people to get started into farming.

MR. GREEN: Mr. Parker, I really have to pursue this now because I've heard so many complaints. Maybe the farmers who have complained to me have not been telling me the general situation, maybe been telling an individual situation. If land that used to sell for \$50,000 a section . . .

MR. CHAIRMAN: Mr. Green, pardon me, would you speak into the mike please.

MR. GREEN: . . . was bid up by foreigners and the government and city residents and all of the people that you want in the market to provide the equity for the existing farmer to be able to retire, then let's say the land that was selling for \$50,000 a section goes up to \$150,000 a section and I don't think I'm being outrageous in my figure, then the new farmer, borrower or otherwise - and some of them, what they've complained of is that they have borrowed so much - that if they borrow \$140,000 which is - well it would be - 135 would be 90 percent of this 150 - and pay current interest rates at 10 percent, then they're going to have to pay \$14,500 in interest before they make anything, and some farmers have told me that that is their problem. Now maybe they have not told me the truth; or is that their problem?

MR. PARKER: This depends on the individual, does it not?

MR. GREEN: But the one who you say the Credit Corporation is going to give 90 percent of the price of the land, which means that he is going to borrow \$135,000 to operate a piece of land that's now selling for 150, that sold for \$50,000 - that the farmer who bought it, who previously had it, had for 50,000 and was farming it on the basis of that capital investment, he's going to have to operate it on a capital investment of \$135,000 and pay - you say it depends on the individual. Is that a problem for one or two farmers in the Province of Manitoba?

MR. PARKER: Is precisely what a problem?

MR. GREEN: The fact that his capital investment in the land is so high and the amount that he has borrowed is so high that he can't make any money because of his debt.

MR. PARKER: I have no question that it is a problem with some farmers and it will depend on their abilities as managers, I presume, on that farm. It also depends, does it not, on the current price levels on various commodities.

MR. ENNS: Depends on whether you are selling five dollar wheat, Sidney, or two dollar wheat, or . . . for thirty cents each.

MR. CHAIRMAN: Order, Mr. Enns.

MR. GREEN: But wouldn't the bidding up of the land to provide an equity to the owner, which you have referred to before, make that capital investment much higher?

MR. PARKER: Yes, I think we made the point in the brief that we have some reservations on the foreign purchases of land, because we refer to what it does if they hold it for speculative reasons. At the same time, I think the Bureau's position is quite emphatic that in no way should we totally exclude people from outside of Manitoba, whether they be from Ontario or from West Germany, from the purchase of land. The requirement is though, or we think it should be, is that they should actually become resident within a certain period of time and become operators of that land. I think that's the gist of what we're saying.

MR. GREEN: You agree with Mr. Uskiw more than I do.

MR. PARKER: I think I am very close to what Mr. Uskiw says on this one - not on everything, but on this one, Mr. Minister.

MR. GREEN: May I ask you this. You say that zoning interferes with the use of land, but you appear earlier in your brief to accept the fact that there is no such thing as complete freedom of land, and for instance, the Clean Environment Commission can and has, I suppose, not granted a license for a hog ranch--(Interjection)--and by the way - let me continue - a man prior to the Clean Environment Commission coming in could build that hog ranch. When that limitation came in that he had to get a license, there was no compensation paid to the owner even though a right of his was affected. Now isn't that identical to zoning and isn't that the same with every resident of Winnipeg, that before a zoning law, before a zoning law they could presumably build an abattoir on what would appear to be residential land; a zoning law came in, they couldn't do it. Would you say that everybody - and by the way no compensation was paid - would you say that every Winnipegger who was in that position, whose rights were restricted because of zoning and planning should be compensated for what he no longer could do on that land?

MR. PARKER: If an urban centre grows out around the farmer who has already been in business and land eventually is zoned for urban development, then we think there should be compensation. But the point we're trying to make in the brief is we'll agree with zoning legislation but, top priority - and it's made in the background paper that, you know, agricultural land is limited, not just in Manitoba but across the world, and it's high time that the public recognized the fact that arable land is finite. So any land use policy, any land use commission or what have you, should be well represented by agricultural people and agriculture better have top priority. I don't know whether I've made the point effectively but this certainly is what we're trying to say in the documentation.

MR. GREEN: The point that you've made to me is that now that there is a different government you would prefer that this be administered by somebody else than the government. That's the point that you've made to me but I'm not going to pursue to it.

I'll just pursue two questions and then I'll yield to the others. One is that you say that there is a problem of the purchase of land by foreigners for speculative purposes. Now I would like to know what the difference is in the problem if my friend in North Dakota purchases a section of land near Neepawa because he wants to hold it thinking that it will go up, and Sid Green in Winnipeg doing the same thing. Neither of us having any intention of ever going there. What is the difference? Why is one a problem and the other not a problem?

MR. PARKER: Well the one difference is that any lease money goes to Sid Green who happens to live in Manitoba, so I think that's number one, I would prefer that to the money going outside of the country.

MR. GREEN: Yes, but what if I spend it in North Dakota and the North Dakotan spends it in Manitoba?

MR. PARKER: Well I don't think anybody is going to tell anyone of us in this room how to spend our money.

MR. GREEN: Right. So you have no assurance that I'm going to spend that money in Manitoba.

MR. PARKER: That's true. The other thing, I think from the renter's point of view, and I think I speak for the majority of farmers in the Province of Manitoba on this one, is that they would sooner lease land from a private individual than from any other agency.

MR. GREEN: I'm sorry, I didn't get that.

MR. PARKER: I think that the majority of farmers would prefer to lease from private parties, because usually it's from the father, usually it's from the neighbour, and many of the people that show up as non-resident ownerships in this paper of course are retired farmers that happen to be living in Winnipeg or Brandon. I can't, you know, I can't give you quantities but I think that I am right on that statement.

MR. GREEN: But you said that the farmer would prefer to lease from a private individual rather than . . .

MR. PARKER: Any government . . .

MR. GREEN: That's fine. I really wan't talking about that. I'm not sure, but I think he'd prefer to lease from whoever charges him the least rent. But the fact is that if the individual lives in North Dakota as against living in Winnipeg, wouldn't really his preference be the guy he gets along with better rather than the guy being in North Dakota or Winnipeg?

MR. PARKER: Yes, but if we carry that one to the limit, if we're leasing from private individuals, we've got a choice with who we're going to lease from. We have a great variety of leasehold agreements, and we make this point in here in the brief, I think, that some farmers, but unfortunately not all, are aware of the various kinds of lease agreements that are available and we make the point most emphatically that one thing, for example, the Department of Agriculture could do through the Extension Division is make this kind of information more widely available.

MR. GREEN: Mr. Parker, perhaps I've not properly made you understand the question. I'm referring to page 10 of the brief.

MR. CHAIRMAN: Mr. Green, would you use the microphone please.

MR. GREEN: Referring to page 10 of the brief, "the problem is the purchase of the . . .

MR. PARKER: What paragraph?

MR. GREEN: The first paragraph, the last sentence in the first paragraph, you indicate that there is a problem in the purchase of land by foreigners for speculative purposes and I'm just wondering why it would be any better if it was purchased by me for speculative purposes, or wouldn't the sentence make exactly the same sense if it said "the problem is the purchase of land for speculative purposes." Or is there a difference?

MR. PARKER: Not really. There's a lot of free money flying around - of course I'm thinking of the Arab money on this one, and I think you know, too, Mr. Green, that if they took a notion that they wanted to come into Manitoba and pay \$1,000 an acre for land, they could do so. I don't see that kind of money being offered by Manitobans. It's that kind of a thing . . .

MR. GREEN: Now, now, Mr. Parker, I understand that, but ten minutes ago you said that reducing the price of land by excluding a buyer is harming the farmer who wants to increase the equity in his land. Now you say you want to . . . away that billion dollars of good grabbing, I mean bear money which is going to increase the price of his land and do out the farmer whose land you wanted to increase in value ten minutes ago.

MR. PARKER: I'm not too sure I said precisely that, but, you and I will never settle the conflict between the guy who's buying and the guy who's selling. The man who's selling if he has no son following on and has no real concern of what's going to happen, I suppose will go after the highest price, eh? The guy who's buying has another . . .

MR. GREEN: Well I guess that if you did not say what I attributed to you then I am wrong and your present answer changes, yes.

MR. CHAIRMAN: Mr. Johnston.

MR. G. JOHNSTON: Mr. Parker, on page 9, paragraph 17, you express what I would call a non-opinion on the matter of public ownership of farmland. You say the Farm Bureau is of the opinion any move by the Provincial Government to intervene significantly in the land market must be tempered with great caution and should only be considered after careful study. Now does the Farm Bureau to date approve of the method in which the Manitoba Agricultural Corporation has purchased land to lease or rent or resell to other farmers. From what you know of the program to date, are you in favour of it or do you want it changed or do you not like it?

MR. PARKER: I think you're trying to put me on the spot, Mr. Johnston, but I will answer that question. The thing that concerned us most about the MACC program was strictly a lack of information, a lack of knowledge of the regulations and how they would be applied and there was great misunderstanding I think around the province as to, you know, really how

(MR. PARKER cont'd) this thing was supposed to work. This lack of communication has certainly been a concern with the farm community, and that is the prime concern.

MR. G. JOHNSTON: In any of the land transactions that have taken place in this field, has there been competition for the land or has the government agency purchased land that no one was really interested in, or did they purchase land that other farmers in the area would have liked to have got a hold of?

MR. PARKER: I think I could identify one or two cases if I was pressed on that one, but I don't think the Bureau is uptight on this one.

I'll give you one example if you wish. We know of one instance where father and son were farming this land and there was a tentative arrangement with a neighbour that the son, when the neighbour retired, could buy this piece of property. And in the midst of these negotiations the Land Lease Program became available. It wasn't fully understood. The MACC ended up in buying the land at an advantageous price that had been arranged between the two families and the son leased it. He didn't really understand that he would have to pay the higher of the two prices when he picked up the option to purchase. This is what I meant when we said that the program wasn't fully understood. Now I think a real effort has been made in recent months or weeks to get it understood and it's most unfortunate that some of these cases occurred.

MR. GRAHAM: Mr. Chairman, on a point of order.

MR. CHAIRMAN: Mr. Graham, on a point of order.

MR. GRAHAM: We have heard several representations or references made to agreements with the Manitoba Agricultural Credit Corporation. Is it possible for this committee to obtain copies of the agreements of the Manitoba Agricultural Credit Corporation so we would be more familiar with the terms that are involved in those agreements?

MR. CHAIRMAN: Well there was a question asked about getting the agreements of the Manitoba Agricultural Credit Corporation, if it would be possible that it be made available to the committee.

MR. USKIW: I see no problem there.

MR. CHAIRMAN: The form of the agreements is what you're referring to? Fine. Are there any other questions, Mr. Johnston, to Mr. Parker.

MR. G. JOHNSTON: Mr. Chairman, through Mr. Parker, if Mr. Omichinski is a member of your delegation, he indicated that he would like to supply some information to the question I asked you. By leave of the Chair, Mr. Omichinski could answer that.

MR. CHAIRMAN: I notice Mr. Omichinski wanted to get into this discussion. He has not indicated--are you part of the Farm Bureau?

MR. OMICHINSKI: Yes, I'm part of the delegation of the Farm Bureau.

MR. CHAIRMAN: Fine, Mr. Omichinski.

MR. OMICHINSKI: And I just wondered if it was permissible for me to get into the argument?

MR. CHAIRMAN: Well I don't know if we're getting into any arguments. I think it is questions of clarification. Mr. Omichinski.

MR. OMICHINSKI: Mr. Chairman, I'll remember it. I think I would not want to get into discussion with Mr. Green because Mr. Green is very much more informed in law than I am, but actually what I am trying to get, by all the pros and cons of discussions you've had prior to this - I am a farmer but I feel--I would like to ask two questions. One is a comment probably and the other one's a question.

We're in an inflationary period and it's not only - wheat's worth probably \$4.82 a bushel, I think this is what averaged here this year, what happens within two years if our wheat goes down to \$2.00 a bushel and the land today is worth twice and probably three times as much as its productivity will be two years from now. Who's going to bail the Manitoba Government out that purchases all this land? It will be the taxpayer, nobody else. I think, gentlemen, you have to take your time and think about this and not rush into it.

I've just come back from the Province of Saskatchewan, we had a Western Agricultural Conference. Believe me, it was not as rosy there as you think it is. I kind of think this is one comment I would like to make. I suppose the Government of Manitoba knows what it's doing but I happen to be a taxpayer and I was just wondering if they do. Thank you very much.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Omichinski, since you have asked a question, I will ask you who will be called upon to bail the farmer out when that occurs? Has not the taxpayer been called upon

(MR. GREEN cont'd) on occasions when this has occurred, through cash advances on farm stored grain, through the acreage payments, through other forms of subsidized credit, been called upon to bail out the individual farmer?

MR. OMICHINSKI: I don't think the Manitoba Government's bailed the individual farmer out too much. Right now I think yes . . .

MR. GREEN: But did the taxpayer have to do that?

MR. OMICHINSKI: No, not today.

MR. GREEN: I suggested that the farmer did ask for that, still does in many commodities, ask for and received - mind you he received it belatedly - a two-price system after the price went higher than the base price, he was then given it - but these kinds of things have been needed for the individual farmer in any event.

MR. OMICHINSKI: My opinion is right now I think you should leave land at private enterprise, the same as it has been. Where it's necessary, I believe the government should buy but should not be in competition with people. This is my opinion. We're going to get ourselves in a dilemma and I kind of think the taxpayer, yourselves, will have to bail us out. I'm a taxpayer and by God, we're the highest--right now we're paying the highest of any province in Canada. Let's get down a little bit and be realistic. This isn't going to last forever. Just a comment . . . --(Interjection: That's not true)

MR. . . . : The highest medical premiums.

MR. CHAIRMAN: That's an opinion. Mr. Parker, do you have any . . .

MR. PARKER: No comment.

MR. CHAIRMAN: Mr. Uskiw would like to direct a question to Mr. Omichinski. I felt that this would be rather out of order because we're getting away from the actual presentation, but since we allowed it, Mr. Uskiw, you have a question of Mr. Omichinski?

MR. USKIW: Yes. I think the gentleman makes a very good observation and that is what does happen two or three years down the road if in fact, as some people believe, that prices of farm commodities will come back to what they consider a more normal level, if that is the term, and people in the meantime have locked themselves into huge capital investments, that is the new people entering agriculture. That's a very valid question, a very important one which we are trying to address ourselves to.

My question to you, Sir, is that given the free market as you prefer it to be, that situation will still be with us if indeed farm commodity prices drop. I would like to know from you, Sir, what we should be doing, if the question of land ownership is not one of the things that we should be dealing with as it relates to the pressures on land values because of the intervention of foreign buyers, what is the answer to the problem that you pose, Sir? What should government be doing?

MR. OMICHINSKI: I think land use is one of the most important problems we have right now, it's not land ownership. I think land use is important and these are the ones that we should pursue and we should pursue that through the municipal planning which right now is in effect at the present time. I think more of that should be done.

MR. CHAIRMAN: Well, Mr. Omichinski, the whole purpose of the committee is on this very topic of land use.

MR. OMICHINSKI: That's right. But it was land purchase that got in here with Mr. Green. This is one of the reasons why I'm in here.

MR. CHAIRMAN: Thank you. Mr. Johnston, have you finished?

MR. PARKER: May I respond to Mr. Uskiw's question?

MR. CHAIRMAN: Mr. Parker.

MR. PARKER: Thank you, Mr. Chairman. I think, Mr. Minister, this is one place where we made a plea for a thorough look at lease arrangements. What we're saying here is that there can be flexibility built into lease arrangements which many farmers are not aware of. I know of leases that have been written for five years or more and where the actual cash payment, you know, is negotiated each year depending on commodity values and what not. What we're saying is that you can come up with leases that are fair to both parties, the owner and the lender, but there are many many farmers in the Province of Manitoba that haven't had the kind of assistance they need to develop this kind of a lease. That's one answer.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Are you implying, Mr. Parker, then that government should consider some sort of legislation that would impose certain regulations on lease arrangements as

(MR. USKIW cont'd) between government and the farmer, as between the private land owner and the lessee?

MR. PARKER: No, I didn't say anything at all about legislation, but public awareness - yes.

MR. CHAIRMAN: Mr. Johnston, you may proceed with your questions. Sorry for the interruption.

MR. G. JOHNSTON: Mr. Parker, one of your recommendations to this committee or to the government, I guess, is that the government establish a commission on land use and ownership with sufficient resources and time to effectively inform and consult all interested parties. Are you satisfied that this legislative committee fulfils that function, or are you talking about after the government may or may not bring in new laws with respect to land use and land ownership? Are you talking about the proceeding that we're at now or the stage we're at now in the proceedings?

MR. PARKER: We doubt that this committee can really fill the role that we envisage. We drew the parallel with what has been happening in Alberta and we've got some of the documentation that they have here. It's a massive amount of work that they've done and if I understand it they have so far this winter, or will this winter, conduct eighty meetings around the province where there is, you know, farmer participation.

I could see a land use commission structured with a topnotch economist somewhere in there, probably as chairman, a municipal man and a producer, and you might want to name one or two more, but it's that kind of vehicle, I believe, that the Farm Bureau is talking about, taking at least a year and perhaps two years to come up with a report and recommendation to government. Thank you.

MR. CHAIRMAN: Mr. Enns.

MR. HARRY ENNS: Thank you, Mr. Chairman. Mr. Green at the outset so skilfully drew such a red herring across this whole discussion and I'm having trouble finding the trail. Nonetheless, Mr. Parker, I read through your brief kind of a recurring emphasis that you have, or the Bureau has, with respect to land use. Is it a fair question to ask that the Bureau is more concerned, or at least is equally concerned with land use as to the question of land ownership?

MR. PARKER: Yes, I think that's correct, Mr. Enns.

MR. ENNS: So that when you talk about placing agriculture and the whole question of the priority of food production in future land use determinations that your Bureau is asking, you know, either through means of the commission that you refer to, the proposed commission that you refer to, a pretty important input from the agricultural community on that.

MR. PARKER: We emphasize that point very strongly.

MR. ENNS: It's your view that this commission would be instrumental in determining land use whether it be by the Crown, by municipalities or by private residents, private individuals? I'm just drawing up a little list of all the things that, you know, the Crown uses land for, you know, recreation, wildlife, national parks, provincial parks, the various government departments, building of highways, drainage projects, hydro impoundments, all these things are done by Crown agencies. To some extent they're duplicated by municipalities, and of course in some instances a private individual will also have a determination on the use of the land. This commission as you envisage it would have some powers of regulation as to the final determination of this land use?

MR. PARKER: No, the commission that we suggest in here has no powers of regulations, it's just an investigatory commission with the power to make recommendations to government. That's as far as we went, I think, in the argument in the brief. This is what's going on in Alberta at the present time.

MR. ENNS: The Bureau then doesn't concur with Mr. Green's suggestion that it's only because of this government that you have some concerns, but you would want that to hold true for any government, of whatever . . . ?

MR. PARKER: Absolutely.

MR. ENNS: Thank you, Mr. Parker.

MR. CHAIRMAN: Mr. Jorgenson.

MR. JORGENSON: Mr. Chairman, I have another question . . . I wanted to deal with two positions that you take in your brief and you were questioned at some length by Mr. Green on them. One of them is the question of bidders on farmland. You made the statement, and

(MR. JORGENSEN cont'd) I don't disagree with it, that the more bidders there are the better price there is likely to be for the product to be sold. But do you make a distinction between a person who is bidding with his own money or money that he has borrowed and is going to have to pay interest on, and a government that is using somebody else's money, the taxpayer's money. Is there not some inequality between those two types of bidders for farmlands?

MR. PARKER: I could very easily answer, I suppose, yes, there is a difference; it depends entirely on what government's intentions are. If government intends to be fully competitive and they want to pay \$5.00 an acre more I presume that they can go and do it; but I have to be fair, it depends entirely on how you go about it.

MR. JORGENSEN: But does that not place the other bidders, the people who are competing for that farmland as farmers themselves and private individuals, does not that place them in somewhat of a disadvantage?

MR. PARKER: It would appear that way. You know, I refer back to the FCC loan limits, we're always going to be looking at a limit in the amount of money we can borrow.

MR. JORGENSEN: Mr. Parker, you mention farmland being bought by speculators, and this was touched on by Mr. Omichinski. Do you believe that farmland prices are going to continue to rise?

MR. PARKER: Well if we think back on this one a minute, farmland prices rose pretty rapidly in the mid sixties, when grain movement tightened up, they fell pretty dramatically in 1969, 1970, and now we're right back up or maybe somewhat higher. It really depends, does it not, on how freely grain and essentially grain moves out of Western Canada, and at what price?

MR. JORGENSEN: Yes.

MR. PARKER: Okay, so I have to come back to that one. We're in a very precarious position on a global basis on grain. The latest reports indicate that we'll be four million tons short on wheat in the 1975 year. However, we can't just jump to conclusions that that means we are going to see \$5.00 wheat for the next five or ten years. Can buying countries afford to pay? Probably it depends how much money the Arabs put up. You know, there's too many variables in this thing for me really to answer the question.

MR. JORGENSEN: Yes, but the point I want to make, Mr. Parker, is that a person that is buying the land today and speculating, as some people think they're doing, there is no guarantee that that person is going to sell that land for more than he paid for it. There is a good possibility that he could lose money by that very speculation as well.

MR. PARKER: There is certainly no guarantee in a short run.

MR. JORGENSEN: That's right. Although the governments have guaranteed under the terms of their agreement that they don't lose any money, which is unlike the private speculator or the private buyer.

A MEMBER: A better businessman.

MR. JORGENSEN: A better businessman, yes. I could be a good businessman, too, on somebody else's money if I didn't have to worry about where I got it from.

Mr. Chairman, though, I wanted to come back to the question of the additional zones which is the one that you mentioned about compensation. You were talking about areas close to the City of Winnipeg, or to urban areas that are expanding, where the city does have control of development in those areas and yet that land is, at the present time, being used for agricultural purposes.

The difficulty as I see it - and I want you to correct me if I'm wrong - is that under the present policy land taxes in those areas and assessment is based primarily on what the price of the most recent parcel of land was sold for. That means that in many instances people who have land just on the periphery of the city who are still under the control of land zoning of the City of Winnipeg find themselves in the position where the municipal government has decreed that no development will be taking place in that area, but people who have farmland in that area are going to have to pay taxes which are assessed at the value of the last parcel of land that was sold there and it might have been a piece of land sold for speculative purposes. How can a farmer continue to farm under those circumstances? What you are suggesting, are you not, is that compensation for the additional taxes that he must pay as a result of this kind of an assessing practise should be made in the event that that land is permanently zoned as agricultural land?

MR. PARKER: Yes, that's the whole point of the issue. These people have continued to pay the rising taxes because they thought at some day they would have the chance to sell this land. Now if we adopt the position that this land should be frozen into agriculture - we're not saying whether it should or it shouldn't but we make the point that land is limited - if all of a sudden you do freeze it in, then compensation should be made.

MR. JORGENSEN: And in the meantime that farmer has been paying taxes far in excess of what he would normally be paying if it was agricultural land outside of the jurisdiction of the City of Winnipeg. That is a situation that is created by government, is it not, and one that should be resolved by government . . . ?

MR. PARKER: I don't know who created it but I know that we're paying the taxes.

MR. CHAIRMAN: Mr. Bostrom. Mr. Jorgenson, are you finished?

MR. JORGENSEN: No, that's all.

MR. CHAIRMAN: Mr. Bostrom.

MR. HARVEY BOSTROM: Yes, Mr. Parker, you mentioned that one of your main concerns is that of land use. However, in your brief you attempt to discount the argument that non-resident ownership of farmland is a problem. I'm wondering how you reconcile those two considering the fact that non-resident, non-farm owners may tend to take farmland out of production, they may tend to make use of it in the ways that you mention on page 2 in your brief to a greater extent. For example, recreation; the advent of the snowmobile has made snowmobiling such a popular sport that people may tend to take land out of agricultural use for that recreational purpose. They may also take it out for larger personal retreats of 20, 50 acres as you mentioned, or just simply wildlife habitats. Do you not see that trend towards non-resident ownership, non-farm ownership as being a problem with respect to land use?

MR. PARKER: Well we've always got the conflict of interest as to how the land should be used so this is why we raise the issue of land use and we think some priorities should be set and that the farm community should be involved. Whether you draw distinction between, you know, overseas ownership, ownership from the City of Winnipeg or not, I'm not so--well let's put it this way; we make the point in the brief that we are concerned about foreign purchases to the extent that if they buy that land they better become resident in the Province of Manitoba. We've gone that far. I don't know whether I can add anything more to that, Mr. Bostrom.

I would refer you to the Saskatchewan situation where anybody can buy Saskatchewan land yet, but within three years they have to become resident. I think that's the regulation. Or resell.

MR. BOSTROM: My question is is that sufficient protection for the consumer who requires food production at the maximum and the cheapest possible price. Are we looking at a situation where more and more of our agricultural land will be taken out of production because of the trend towards non-resident ownership. Are you saying that you don't see this as a problem?

MR. PARKER: You raise a very interesting point. If the saw-off, you know, is--if by government ownership of land that the farm community is going to farm, if the saw-off on that one is a cheap food policy then we start to back away pretty fast, you know. You raised it, I didn't.

MR. BOSTROM: What I meant to say really is that the maximum agricultural land in the province should be put into full agricultural production, and I think you would agree with that, but the non-resident ownership of that farmland could tend towards taking it out of production, in which case it would tend to very greatly increase the price of food to the consumer because there is less food on the market simply because there is less agricultural land in production.

MR. PARKER: But not necessarily so. If it goes under concrete, it's out; if it's used for wildlife habitat, or recreation purposes for the next ten years, it could still be brought back into agriculture. It depends entirely on how it is used.

MR. BOSTROM: You make the point that zoning could possibly be one method of determining how land is used but that cannot be used in telling somebody how they can use their land. If somebody wants to take it out of farming he can, can he not, even if you have it zoned for one use or the other?

MR. PARKER: I'm not sure that I can answer the question directly.

MR. BOSTROM: If someone doesn't want to farm that land, he is not required to farm it?

MR. CHAIRMAN: Mr. Klassen.

MR. KLASSEN: Yes, I'd like to respond to this in part at least. We have made reference to this in our brief, we're concerned about urban sprawl. This is where I think the problem that you are enunciating takes place. Out in the area where I live, further out, 40, 50 miles out of Winnipeg, this would be no problem, because if you're paying \$200.00 an acre for land, you will make sure it's productive. It has to have return on investment.

But there's another point that I picked up in your comments and represents the consumer viewpoint; that we want to produce to the maximum of our capability in the interests of cheaper food for the consumer. This is a thing that I believe really scares the farmer; this is why we insist on it that we be managers of our own industry because of the preponderance of political power of consumers in Canada where farmers are outnumbered 20 to 1 and where decisions if they're made by the government are made on the basis of political expediency to the advantage of the consumer. I know too many farmers who had to produce cheap food for the consumer and had to commute back and forth to Winnipeg in a job to make a livelihood for themselves and I'd hate to see the day come back where we had to do this again.

We are now getting more remunerative prices for our products but it's not due to government policy, it's due to a product inventory shortage or a balance, a delicate balance, and this is why the prices went up. And I daresay that if there's a bit of a surplus then we'll go back again to this cheap food policy because of the political weight of the consumer. And over a long term interest, it is also to the advantage of the consumer that the farmer be paid remunerative prices, because we all know that we've had some real difficulty in attracting young people into the farming industry. So this has to be taken into account. I really resent that term "cheap food for the consumer" because I've experienced too much of this.

MR. BOSTROM: Well my concern in that respect is that given that we have a province of 136 million acres and only 19 of which is possible for food production and we are in a situation in the world today of a food hungry world that I'm sure the farmers would share the concern of consumers across the world that all of that land be kept in production as much as possible. And the trend towards non-resident ownership of that land could in fact mitigate against that, it could in fact be bringing land out of production which ordinarily should be in production, in full production to produce food for a hungry world. If a policy can be maintained where all of the prime agricultural land is in production, it's in the best interests of all involved, I'm sure you'll agree.

MR. KLASSEN: Yes, I would reiterate though that any non-resident owner would be very interested on return on investment, it has to provide a reasonable return on investment, and in the area that I live in at least it would exclusively be used for food production, I feel.

MR. CHAIRMAN: Mr. Parker.

MR. PARKER: I would add one point, Mr. Bostrom. You mentioned a figure of 19 million acres. We kind of wonder about that figure. We think the arable acreage is considerably higher in Manitoba and we think it's closer to 30 million according to the Canada land inventory figures. But that makes one point that, you know, this thing is so complicated and this committee is going to have so much difficulty in getting all of the facts on any one of these issues in front of them that we go back and say we think it should be a commission that works for a year or perhaps two years.

MR. BOSTROM: One further point, one further question. I note that in your brief you make mention of speculation as being a problem, and particularly I think your main concern is with foreign speculation. However, I was a bit disappointed that nothing was mentioned on the kinds of figures that were presented in the working paper; however, I accept your argument that you never had really time to peruse it. But do you not recognize just from the figures presented there that the non-resident inclusion in the market in such a massive way particularly in the last 30 months has been quite a large factor in producing higher prices on the farm?

If you just look at the report - in 1972 local purchases were \$43.00 an acre, they went up in '73 to \$75.00 an acre - local purchase that is - and in 1974 the same local purchases were up to \$87.00 an acre. Now there was something putting pressure on the local purchases. I would suggest that to a certain extent the non-resident and foreign inclusion in the markets did drive that price up. In 1972 the non-resident purchases were in the average price of \$55.00 an acre; in '73 they were \$79.00 an acre, and in 1974 they were \$108.00 an acre.

MR. JORGENSON: In 1969 you couldn't even give a farm away.

MR. BOSTROM: In the same period you mention in your brief and the only real figures that you've used . . .

MR. CHAIRMAN: Order, please.

MR. BOSTROM: . . . was with respect to government purchasing of property. You make the point that 150 parcels of land in 1974 were purchased and it amounted to approximately 60 thousand acres. Just doing some fast figuring on that, that works out to be around, in the seventies of dollars an acre, somewhere in there, which is at least \$30.00 less than the non-resident price, the non-resident people were paying for the land in the marketplace. So that do you not recognize from this that it is not the government MACC involvement in purchasing property that's driving up the price but rather the non-resident inclusion in the marketplace - the non-resident push that's driving up the price?

MR. PARKER: Mr. Bostrom, it's a sum total of all; and probably the main factor has been the increase in commodity prices. I personally am renting land and have bought some land myself. I have to compete with my neighbours in both those cases, and up till now my neighbours have been local people and not foreign purchasers. Now if I went 20 miles away to Brunkild and Sanford this is where many of your West German people have been coming in. It's very hard to pin down how much effect the foreign purchasers have had - what is the total? - one percent or some figure thereabout - but I don't think we can establish trends on the basis of, you know, one year or a year and a half or two years. We are concerned, and we said so in the brief.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes. I wonder, Mr. Parker, whether you would indicate to the committee whether or not you feel there should be legislative provision to determine the use, the ownership of land, and what are the motivations behind your organization in wanting, if you do want, such a policy enshrined in legislation? What are the problems that you see with respect to the present situation, if we could define those in particular, and let's deal with the ownership side for the moment, then I would follow with another question or two.

MR. PARKER: Well the thing that we are watching is what happened in B. C., what has happened in Saskatchewan, what is about to happen in Quebec. If Manitoba is left as the island with, you know, no restrictions at all, you could probably foresee a situation some years down the road where foreign money will flood in.

MR. USKIW: What is wrong with that is what I want you to tell me. What do you see wrong with the fact that somebody in Germany or England or Australia is going to buy up a chunk of Manitoba - what would be wrong with that?

MR. PARKER: Nothing if they are going to come here and farm it. And I want to make that point most emphatically. But if they are simply investing in it then we are reluctant to see all the money going out of the country. That's one point. And the fact that there is free money floating around in the world today, we know what this could mean. And not just for farmland in Canada but for any industry here or on this continent for that matter, eh?

MR. USKIW: But what are the negative effects of that kind of competition for land, as you see them. What is wrong locally within the area where land is being bought up, what problem is created?

MR. PARKER: Let me tackle that one from a global basis, if I may first. The OPEC countries have been throwing their weight around in the case of oil. One thing that we have - and I don't know the right word to use - to bargain with, is food. Now we better be aware of where that money is likely to go. And I re-emphasize, if other provinces in Canada are bringing in some kind of restrictions we better be aware of what's going on, but more importantly, let's not jump before the farm community is fully clued in and has had time to react. Because I don't care what you do as a government, we feel you'll be in trouble unless it's thoroughly discussed first.

MR. USKIW: No, but - again to get back to my question. What do you see wrong in the idea of outsiders buying up half of Manitoba, a quarter of it, an eighth of it, a tenth of it, what are the negative implications, or are there any in your mind, or in the mind of the organization which you represent?

MR. PARKER: All the rental money goes out of Manitoba, for one thing.

MR. USKIW: That's the only negative factor, in your opinion?

MR. PARKER: Yes, that's all I want to add to that one?

MR. CHAIRMAN: Mr. Klassen.

MR. KLASSEN: Maybe I should respond to this question because in the area in which I farm I am surrounded by farmland that has been sold to foreigners. Some of these have come in and are residing on these farms and are going to school with my children where they are learning the English language. Some of them we do not know exactly who the owners are. On the short term interests I don't really see any disadvantages because they are buying this land at about 200, 225 dollars an acre and leasing it back at 15 and even down to 13 dollars an acre, I have seen some contracts, so it's really not a very lucrative type of investment, as your Paper states that the return on investment is but 1.5 percent if you go back right up to 1949, I believe it is, so really it's not a very lucrative proposition. I think it's sort of a hypothetical question because I feel it is beginning to taper off. Some offers were made earlier in winter and they have come back with offers much lower, so the interest is waning from outside interests, because the cost of production is going up, and also because the price has been firming up. So again the market seems to sort out these things on its own. But over the long term, I think Lorne has stated this very emphatically, that we are concerned because we are in a very unique situation - there's a huge transfer of money into the OPEC countries and we conceivably see that there could be large scale purchases made, and surely the government would have to intervene in this.

MR. USKIW: Well why, I mean, that's what I'm looking for, why should we intervene, why do you want us to intervene?

MR. KLASSEN: We don't want a large part of Manitoba to be owned by foreigners, non-resident foreigners. I think this is . . .

MR. USKIW: What would be wrong with that - outside of the fact that money would flow out of the country? What would be wrong with that in terms of the person that leases that land from that absentee owner, what is wrong with him leasing from an absentee owner?

MR. KLASSEN: Well for one thing, there is no security of tenure. If the prices that we are experiencing now are maintained then, you know, again it's a hypothetical question just as to what the future is. But I can see that we could have a repeat of history. In the 1920s large tracts of land were sold in my area also to Americans and they, as I say, to use the expression, "lost their shirt on it" and it was sold back to local people for taxes. So we have this infusion of money and eventually it's bought back at bargain prices by local people; so this could again happen.

I think that it should be properly researched, I think our main concern is that we don't overreact, don't bring in legislation that is over-restrictive at this time, because it hasn't been properly researched; your paper itself indicates it is only one percent, a little over one percent is involved here. This is, I think, our position.

MR. USKIW: We're dealing with a principle here, Mr. Klassen, the principle of an absentee owner, and whether the effects of absentee ownership are good or bad on the community as a whole. That's what we are trying to determine.

MR. KLASSEN: Well when you use the word "absentee owners" then you're taking in the people, I assume, from Brandon and Winnipeg and there I have different views.

MR. USKIW: That's my point. What is the difference on the community or on the individual who leases from an absentee owner, as to whether his landlord lives in Winnipeg or in Germany? To him, what is the difference?

MR. KLASSEN: I think Lorne explained this. The money remains in Manitoba, this is one difference.

MR. USKIW: That's the difference to Manitoba, but what is the difference to the community where there is an awful lot of land being leased, or to the individual involved in the contract?

MR. KLASSEN: Well one difference again is that - you know we are very concerned about the depopulation taking place in the rural areas and although - economics again dictate the size of farms, but when it is owned by huge corporations they can afford to take their losses for a number of years where an individual farmer could not. I think we agree with your Paper on this respect, that we also are very reluctant to see this depopulation, this out migration from the rural areas. It is hurting the communities, but I don't know what the answer to that is because it seems to be dictated by economics and I don't think that we can legislate people. You speak about the "stay option", but a lot of older people had to stay there, they are locked into poverty when there are no buyers there to buy the land as I stated before. This concerns me also. So I think you have to take into consideration both the buyer and the seller in developing a land policy.

MR. USKIW: So your main point then is the lack of security of tenure as far as the lessee is concerned - as I read your comments?

MR. KLASSEN: This is one of the concerns.

MR. USKIW: That does then indicate that you have a preference for local control. That though does not remove the point that we tried to make earlier, and that is that therefore if you legislate don't you have to legislate uniformly so that you don't have a difference of approach as between the absentee owner who happens to be a citizen of Manitoba versus the absentee owner who does not happen to be a citizen of Manitoba. The effects on the community are the same.

MR. KLASSEN: I like this term "uniformly". I am afraid, again, that a double standard might be applied, that we may have one legislation that pertains to rural areas and another for the urban areas and I wonder how much foreign purchases are being undertaken in the urban areas. I would like to see a uniform standard applied all across the province.

MR. CHAIRMAN: Mr. Henderson.

MR. HENDERSON: Yes, I would like to ask Mr. Parker, in connection with absentee ownership if he doesn't feel that it's better for people in Winnipeg or Brandon or any other village, to own the property and to lease it to a farmer rather than the Arabs, shall we say; and on the other hand, do you not think it is fairer to the taxpayers that if this man in Winnipeg or Brandon is speculating on land and the price drops, he loses it, and nobody suffers, but if Manitoba Farm Credit go into the purchasing the way they are doing now that it's the taxpayers of all Manitoba that have to subsidize those high prices?

MR. PARKER: I think we made the point before that we had no real objections to people in Metro Winnipeg or Brandon owning land, and we gave our reasons for it.

I have to keep coming back to the lease itself. How aware is the farm community about all the provisions that should be in leases. It really doesn't matter whether you are dealing with your neighbour, somebody in Winnipeg or if it happens to be a foreign owner, it would apply to the foreign owner too. It's the detail of lease. Many leases, as you know, have an option to purchase. If you are dealing with a neighbour or you're dealing with Dad who moved to town. What other questions did you have, Mr. Henderson.

MR. HENDERSON: Well I'm trying to make a point. Like where the Manitoba Farm Credit will purchase land for \$200 an acre and then land values drop, suppose they drop drastically; they have the option of selling it back to the person at the assessment of the day or else whatever they put into it plus interest costs and all the rest. Which means that the government itself is going to lose a lot of money and that this is going to be paid by the taxpayers.

MR. PARKER: No, not really, because the way I read the regulations now, the MACC has to recover the higher of the two figures, there is no indication that the price will be dropped. If prices drop well then land would stay with MACC.

MR. HENDERSON: Yes, and in that case the taxpayers of Manitoba would be paying an excessive amount of interest rate to somebody, whoever they get their money from, and they don't get it for five percent.

MR. CHAIRMAN: Mr. Walding.

MR. WALDING: Mr. Parker, on page 5 you say the Bureau is of the opinion that a great deal more information must be assembled regarding the extent of foreign ownership, etc. You say that other provinces have recognized this deficiency and have taken steps to record the citizenship, etc. Does the Bureau have any recommendation as to how citizenship would be determined when ownership was with a corporation rather than an individual?

MR. PARKER: I don't know how to answer that one. If you're talking about corporations, I think the Bureau would probably after thinking about it awhile come up and say that we think at least 60% or 65%, or some such figure, should at least be resident and probably active farmers as shareholders in that corporation. And please don't pin me down to the figure, because I don't think that's one that we have really debated. But it would be that type of a stipulation; that a certain percentage should be resident and should be active farmers.

I might draw your attention to what they did in B.C. In B.C. they passed a Land Registry Act in June of 1974, which I think says that citizenship has to be declared before you get Title. And there is similar legislation in Alberta that was passed in 1974, called the Land Titles Amendment Act. I have not read them thoroughly, but that's the intent of those pieces of legislation.

MR. WALDING: We hear, for example, that a great deal of the raw land in the Winnipeg area is owned through various holding companies by a Belgian company. I wonder if the Bureau would have any feelings on that, as to whether that would constitute local ownership or foreign ownership.

MR. PARKER: You are taking us a little bit out of our field, I'm not prepared to comment on that one.

MR. WALDING: I see. Thank you. On page 7 you say that associated with private ownership is the widely held myth that a person can use his land in any way he pleases. But later on on the same page you say that ownership involves the granting of a bundle of rights from a State and such rights may be altered from time to time by the State. Would you agree with me that the government doesn't confer any rights on anybody, that the rights go with the ownership of that land subject to such curtailments as have been put in place by various levels of government?

MR. PARKER: I think that's right. The key question here, of course, is what curtailment.

MR. WALDING: Well you mention various things here about the Clean Environment Commission and weeds and zoning and . . .

MR. PARKER: Yes, we have a Weed Control Act and of course it was actually the farmers who put pressure on government to get that legislation. We had to have it.

MR. WALDING: But the fact is that the government takes away rights from people, it doesn't give rights to the farmers or anybody else. But I take it from what you said that the Bureau is prepared to agree to a further restriction of a farmer's rights in to whom he may or may not sell his land.

MR. PARKER: Depending on what those restrictions are and after they are thoroughly discussed.

MR. WALDING: Very good. On page 14 where you comment on the burden of taxation by farmers and you suggest that some further thought be given to lightening the tax load, has the Bureau any suggestions to municipalities as to how they might replace tax revenues lost by lightening the tax load on farmers?

MR. PARKER: It's most unfortunate that our President, Mr. Bert Hall, is not here this morning, because that's his field of expertise, certainly not mine. I wonder, would you allow me to ask our Executive Secretary to comment on this one - Mr. Bob Douglas?

MR. WALDING: By all means.

MR. CHAIRMAN: Would you please identify yourself so we'll have it for the transcript.

MR. BOB DOUGLAS: Bob Douglas, Executive Secretary of the Farm Bureau. Would you mind repeating the question, I just . . . ?

MR. WALDING: Yes. On the comment that you make about lightening the tax load on farmland, does the Bureau have any suggestions as to how municipalities would make up that lost revenue if they did decrease the taxes on farmland?

MR. DOUGLAS: Mr. Chairman, I'm not sure it's the responsibility of the municipality because there's more involved. The two senior levels of government, both the Federal and the Provincial, have a very complex situation where you've got the Federal-Provincial cost-sharing arrangements, and I think members of this committee are well aware that the Urban Association, the Manitoba Municipal Association, the farm organizations and the Trustees Association just two years ago made major representation, said that the cost of education on farmland shouldn't be more than 20 percent of the total that's collected.

The basic contention we put forth in the submission here is that the services to property should be paid by property and the services to people should be paid from some other source, and the basic question here is that we're again now creeping out of that situation where those who are producing farm products with a large farmland base are paying a great deal more proportionately in taxes in the rural areas and it really is a matter of those services other than the services to property that's getting us into the difficulty, primarily education and those minor health services and other things attached to farmland in rural areas. So I'm suggesting it's just not a simple clear answer, that it is the responsibility of the municipal corporation.

MR. WALDING: Are you suggesting that of the total amount that a municipality needs in a year to carry on its duties, that a smaller percentage of that be borne by property taxes, or are you suggesting that the total amount be reduced by putting it on to some other level of government?

MR. DOUGLAS: Well, Mr. Walding, it depends entirely on what the municipality's required to raise and if the municipality's required to raise other moneys other than the services to that community, that is roads and snowplowing and so on, then there has to be some arrangement worked out between the two levels of government. And when I say two levels, I'm speaking now of the municipal level and the Provincial Government. Then the question then really arises as to what portion of those tax dollars, eh; the question is it's really a mutual kind of a negotiation between the province because the province really imposes the whole question of educational tax on the municipalities and they have to raise it, eh. So it's arrangements within the Department of Education, budgets and that kind of thing, that gets us into difficulty here.

MR. WALDING: But of that amount that the municipality is required to raise within its boundaries, are you saying that there should be a shift in that amount from property tax, or are you suggesting that some larger part of what the municipality has to raise should be placed on the Provincial Government's shoulders?

MR. DOUGLAS: Mr. Walding what I have to get clear is, are you saying that that portion that they have to raise within their municipal boundaries is just the services that they provide or does it include the educational tax that they also provide and so on?

MR. WALDING: I'm talking about their total budget. A certain amount will come from the Provincial Government, the balance presumably is raised in the municipality itself. Are you suggesting that a larger share should be paid by the Provincial Government or are you suggesting a shift in what remains in the municipality?

MR. DOUGLAS: I think we're suggesting basically a larger percentage by the Provincial Government with a cost-sharing arrangement with the Federal Government, and then there might also be some shifting within the municipal structure as well.

MR. WALDING: I thought that was the point you were making. Thank you. That's all, Mr. Chairman.

MR. CHAIRMAN: Mr. Graham.

MR. GRAHAM: Thank you, Mr. Chairman. First of all I would like to go back to the question of taxation which Mr. Douglas was dealing with here just a few minutes ago and refer him to the Guidelines of the Seventies, I believe, where the government in their guideline advocated the complete elimination of property taxes from agricultural land. Was that not in the back of your mind when you were suggesting the changes that the Member for St. Vital was referring to?

MR. PARKER: You mean property taxes or education tax as applied to property?

MR. GRAHAM: No, in the Guidelines for the Seventies - I think I can find it here in just a minute.

MR. PARKER: If we're talking about education tax, Mr. Graham, it's hitting the farm community hard as you know. With your tax credits and whatnot that have been brought in, you can have a doctor or a lawyer or a fairly highly salaried person paying very little education tax and living in a pretty good home in a rural town and the farm community is paying the shot. Now I don't think the Bureau's position is that you should totally shift education tax off the farmland. If you do then we have no local control and no input at all, so we're going to stop short at some place. But we make the point, and we make it emphatically, that what you've done is remove the load really from those people living in rural towns but have done blame little, we think, to reduce the load on the farm community.

MR. GRAHAM: Well then you would disagree with the government's intention as outlined in the Guidelines where the ultimate goal of the government is to be able to eliminate the burden of all property taxes on farm and residential property and raise the additional revenue through a more progressive income tax. You would disagree with that?

MR. PARKER: We agree that it has to go on to income tax, we have the concern though that we'll have no local control at all if you take it all off. But okay, so we got to fall in between someplace.

MR. GRAHAM: Now the main point I wanted to bring up to you is, on the top of page 8 of your brief you say, "a great deal of personal pride has been placed on the owning of farmland and many people suggest that it is ownership which fixes responsibility for the way the land is used and cared for." Would you care to enlarge on that statement?

MR. PARKER: Yes, in this way, and not as the Farm Bureau but as a farmer. And those of you that are farming I think will know what I mean. When it's seeding time we go

(MR. PARKER cont'd) . . .

from daylight till dark because we have that kind of a direct interest. When it comes time to spray, we're up again, eh, at daylight because the time to spray is for the first two or three hours in the morning. It's where you have a direct ownership in property that you're going to get production off that property, and this is the essence of agriculture as far as I'm concerned on the North American continent. It is a pretty productive type of agriculture and it's made it possible for the urban people to spend less than 20 percent of their income on food and we think eat pretty well. Where else can you do it? This is what we mean when we say that we think that it's through this pride in ownership and the kind and types of agriculture that we've developed that have proven themselves to be good.

MR. GRAHAM: Well then you're saying that pride of ownership is the main incentive that a farmer has to farm, is it? That is, the pride of ownership is the driving force that makes him a better farmer?

MR. PARKER: It's certainly one of the very key elements.

MR. GRAHAM: What other reason would a farmer use for buying a farm then? Would he be buying it possibly as a form of investment for his retirement in future years?

MR. PARKER: That's one of them. It has been referred to as forced savings by some people sometimes. His equity on the farm has been his retirement income. Yes, if that's the question you're asking, that is one of the driving forces, Mr. Graham.

MR. GRAHAM: Well then referring to the Minister's working paper on page 39, in the middle of the page he says: "What then do people pay for when they buy land? Basically the price of land contains two elements: the cost of improvements and the capitalized value of economic rent." In essence, he is completely ignoring the investment security that a farmer has involved, the incentive that he has in pride of ownership and all the rest. Is that correct?

MR. PARKER: Well, I said a minute ago that one of the driving forces was pride of ownership and accumulation of equity and that's your nest egg when you retire, and I stand by that statement.

MR. GRAHAM: And yet this paper in search of a land policy completely ignores that aspect of land use and land ownership in the Province of Manitoba.

A MEMBER: We will see a new order on this.

MR. PARKER: Pardon me?

MR. GRAHAM: Is that not correct?

MR. PARKER: I think it's correct but I may misinterpret the paper and I stand to be corrected if I have.

MR. GRAHAM: Then if we're going to study the land use in the Province of Manitoba and a policy for land ownership and use in the Province of Manitoba, we should also be considering that aspect of it - what is the driving force that makes a farmer a better farmer . . .

MR. PARKER: Oh, very definitely. And if you hold enough hearings or if you set up a land use commission, you're going to get lots of input from the farm community on that one; not from the Farm Bureau but you're going to get it from the individual commodity groups, you're going to get it from the individual farmers, and you're going to have them by the hundreds.

MR. GRAHAM: And basically it's the pride of ownership is the driving force?

MR. PARKER: It's one of the driving forces.

MR. GRAHAM: Thank you very much.

MR. CHAIRMAN: Thank you. Mr. Jorgenson.

MR. JORGENSEN: Mr. Chairman, I wonder, it has been indicated that there are about 63 million acres of farmland that the government now owns, that they have purchased under the MACC.

A MEMBER: Sixty-three thousand.

MR. JORGENSEN: I'm sorry, 63,000 acres, which is equivalent to the same amount that is owned . . .

MR. ENNS: You're ten years ahead of yourself, Warner.

MR. JORGENSEN: Mr. Chairman, that is even an understatement, because they own more than that if you take into consideration all the Crown lands. I want to know, Mr. Parker, if you consider that government ownership of land as foreign ownership, as absentee ownership or local ownership.

MR. PARKER: Which? The Crown land ownership or the whole ball of wax?

MR. JORGENSEN: Government ownership.

MR. PARKER: You know the concern is expressed in the working paper about the movement of rental moneys out of local community, eh, and the term was "resident" I think the way it was written. Well we have the same concern, it makes little difference really whether it goes to the government in Winnipeg or a private individual that happens to live in Winnipeg or in Brandon. It's gone from the community wherever it goes. Mr. Jorgenson.

MR. CHAIRMAN: Thank you, I believe this would be--Mr. Uskiw you have a question.

MR. USKIW: Mr. Parker, I think that it would be wrong to conclude on that note, I think that it's fair to put the question to you: Is there not a difference between the flow of capital from a local community who happens to lease land from the Crown and that of a local community that happens to lease it from someone in Australia? You yourself . . .

MR. PARKER: Your own working paper made the point that it made no difference.

MR. USKIW: Yes, that's my point, that's my point. It makes no difference in the sense that it's still an absentee owned piece of property, but in the sense that the Crown has control of it, the moneys are then circulated back into that same area of the province, so that you have local investment taking place on the part of government as opposed to on the part of a private individual who may own the land. But in terms of the difference between someone from out of the country and the Crown, there is no way, there is no way, Sir, that I could ever even imagine anyone assuming that there is an advantage to someone in Australia owning the land versus the Government of Manitoba. That is unthinkable, Sir. And I'm sure you're not suggesting that.

MR. PARKER: No, I'm not suggesting that, but I have some hesitancy on one statement, Mr. Minister, and this is the fact that there was any guarantee that the money will circulate back into the farm community. I'm not too sure that the farm community in Manitoba, or in Canada, has that kind of vote power.

MR. USKIW: Has that kind of vote power? No, but again though in the context of the rationale for the program - and here we come to the point at issue and that is how do you facilitate reasonably entry opportunity to new farmers. And if that control is either in foreign hands or in the hands of absentee landlords then is there not a place for government to have another option so that people are not at the mercy of people who have only a private gain interest?

MR. PARKER: I come back and I just say that we have the concern but it doesn't necessarily have to mean that government owns the land. We can bring in legislation that will stipulate very clearly if foreign buyers must become resident, how soon, and if they don't, how the land must be resold. That's one alternative. Precisely what Saskatchewan did.

MR. USKIW: You're saying that you can restrict yourself to ownership within the Province of Manitoba, and that is a legal question mark. I'm not sure that you're right that that can be done.

My question then goes back to the one put earlier, that if we're dealing only with the negative effects of absentee ownership on the community or the individual then of course you have to take the broader question. You cannot simply just legislate against foreign ownership and solve your problem, or you cannot deal with the effects of absentee ownership by simply passing a bill saying no foreign people may own property in Manitoba. You're not doing anything except saying the entrepreneurs will remain within Manitoba - that's all you're saying. But entrepreneurs they will be and whether the effects are good or bad are irrelevant, we're not concerned.

MR. PARKER: You know, the implication that I get out of that that is if I lease land it's all bad, and I disagree with that one. I think that farming over the last ten years or so - the amount of lease land has increased of course as the working paper points out - and it certainly hasn't been all bad. I would suggest to the committee it's simply an indication that technology has continued and will continue from now on and so long as we export or move most of our product out of the Province of Manitoba we're going to have to remain competitive with other sources. And if we can use leased land to advantage under rental agreements that are fair - and this is where the Provincial Government might have a role in making the different types of leases widely known through their Ag Rep service - then we don't really see any serious problem.

MR. USKIW: How could rental agreements be fair simply through information. You know, in the urban sector we have what is known as the Landlord and Tenant Act which governs the relationship between landlords and tenants. Just to make the different private

(MR. USKIW cont'd) arrangements known, and those may change every day or every year, what value would that be to the lessee that wants to engage in agriculture? I mean the known can be new things every day or can be unknown.

MR. PARKER: Yes, but this raises the whole question of extension I guess per se in the Province of Manitoba. What we're really questioning is it a completely wasted effort; and I say, no it isn't. The more information, the more facts you can put in the individual farmer's hands, the more information of what his neighbours are doing, whether they happen to be next door or a hundred miles away, it's going to improve his ability when he sits down to negotiate a lease. And I think he does a pretty good job when he has the facts, in coming to the right conclusion. But it's lack of knowledge that we are concerned about. Other countries, notably the United Kingdom have done a tremendous amount of work on lease arrangements and I don't think one out of a hundred Manitoba farmers know anything about it. I'm wondering how many of your extension people know about it.

MR. USKIW: If, Sir, you were suggesting that there be some legislation that would govern the relationship between landlords and tenants I could see some value in giving that consideration, but just to try and put into book form something that happened last year about landlord and tenant relationships that may be totally different next year, is of very very minimum value in my view.

MR. PARKER: That would only be one step.

MR. CHAIRMAN: Mr. Enns, you have a short question?

MR. ENNS: Yes, just a short question, Mr. Chairman, thank you. I'm wondering whether or not, you know, the question has been raised repeatedly as to determining the value to farming generally versus one kind of ownership - private, foreign or public - and whether or not the Bureau has considered the question from this point of view, namely that I think it's just a general feeling. Mr. Parker and others have had some difficulty in describing it - the preference to family-owned or to Manitoba-owned farmland versus other kind of ownership.

Would the Bureau not consider that the suggestion that as we live in an open society, that governments have and do continually induce certain things to happen, that we can induce certain things to happen, not necessarily, you know, black and white, but we can, for instance, through regulation make it more attractive for Manitobans to own their farms or less attractive. We can make it more attractive for foreigners to own land in Manitoba or less attractive through various punitive, if you like the word, you know, measures - discriminatory if you like. And I'm not about to suggest that this committee should consider those kind of steps to conform with, I think, what is a generally held concept by the Bureau and by the farmers of Manitoba to attempt to maintain as much as possible the ownership of land in their hands.

I think, just in conclusion, that the Minister's own working paper indicates that there is probably more emotion here than fact, that the figure is relatively low, less than one percent that we're dealing with that is of real concern to us in terms of foreign ownership. Then would it be a fair question in conclusion to you, Mr. Parker, to suggest that we address ourselves as a committee that make the recommendations to any proposed legislation, that we search out those ways to encompass that philosophy - make it more attractive for Manitobans to own their land, less attractive for other people to own the land, without necessarily coming in with a big sledge hammer and using that to kill what I would consider to see by the Minister's own working paper as still a relatively insignificant problem.

MR. PARKER: Yes, I think we said that it was a difficult issue and you had to have the facts and you had to generate a discussion, not just within this committee but in rural Manitoba if you really want to get acceptance of any moves that government might make. We didn't say anything about the punitive taxation bit; you mentioned it, Mr. Enns, so you should take a look at what they're doing in Ontario or seem to be doing in that regard, that's the route in which they appear to be going. I'm not saying it's right or wrong, except they're trying it.

MR. ENNS: But those are some ways it could be done.

MR. CHAIRMAN: Thank you, Mr. Parker. I have no more people with questions. We will be adjourning to reconvene at 2:30. I have Mrs. C. J. Colson and Mr. Klassen, Mr. Yarema, Pembina Valley Development Corporation, Peter Friesen, Nemy, Jack Hare, for this afternoon.

Committee rise. Convene at 2:30.

2:30 p.m. January 20, 1975

MR. CHAIRMAN: Order. We have a quorum. Proceed. Before I call on the next person, is there anyone who was not present this morning who wishes to make a presentation. Would you please step forward, give your name and we'll put you on the list. Hearing none, Mrs. Colson.

MRS. C. J. COLSON: Mr. Chairman, and members of the committee. I am presenting this brief on behalf of myself, not any group, unless of course you want to count all the taxpayers and citizens of Manitoba, and I think I represent probably a good number of them. I want to keep the record straight so I'd like to state I am a real estate agent - that should make some of you smile but don't think that I am fair game because if any of you seen me pick my way through a barn you know I don't make my earning out in the rural area.

This brief has relatively little to do with my occupation other than the knowledge it provides me with. I am speaking out because there are several points I am concerned with as a taxpayer and a citizen. I am shocked with the lack of concern on the part of the government on such an important matter as this meeting to give it so little publicity. While we may be primarily dealing with rural property in the working paper on the land policy for Manitoba, it is the taxpayer from all over Manitoba that will have to pay if there is any paying to do.

The working paper reached the Queen's Printer on Friday, January 10th and ten days later the first meeting is called, hardly enough time to read, digest and come up with a good brief; plus the fact that on Wednesday of this week I decided to find out for myself where the meeting was. I phoned the Agricultural Department, the Information Bureau, they didn't even know there was a meeting, let alone where or when. I finally found out through phoning the Minister's office. Perhaps that seems a minor point but it is called a public meeting, isn't it?

I am concerned about the lack of publicity on such an important matter because as a taxpayer I know the government has only one toy to play with and that's my money. That toy is getting pretty expensive. Also, this government particularly espouses a great deal of concern for the little man, and I'm one of those little men, I want to be heard.

Also in reading through this working paper, and I'm sorry I really have not had time - I've read all through it - but I just haven't had the time to sit down and go through it page by page to give a really good detailed brief. I'm only doing this on a very general basis. But the statistics in the brief alone admit that the working paper--I should say that the working paper in giving the statistics admits that they are very general, does not give a particularly accurate picture and yet the whole report and the legislation that may now be being drafted is based on these hazy statistics.

I'll only take a couple of pages here, pages 75 and 76. They show that the value of agricultural products sold per acre of land declines as the size of the farm increases. It also states that it ignores the distribution between more productive and less productive land. It would seem to me that it is the most important point of all. You cannot reasonably compare number one grain growing land, for instance, with marginal land that is perhaps barely supporting cattle. I cannot accept these statistics as being accurate and giving a true picture; I feel it is a biased one. They are being used, these figures, inaccurate though they be, to try and blame foreign ownership and non-resident ownership for the ills of our agricultural problem. The term "non-resident" to begin with is much too broad. It covers many people who it seems to me have quite a legitimate right to own property.

One area mentioned in the report that looks particularly bad is St. Francois Xavier, and yet can anyone tell me exactly how many of these non-resident owners are living here in the City of Winnipeg and farming their own land. Now that's a non-resident. I know several myself who fall into that category. Does stopping non-resident owners now mean that a farmer must live on the land or at least in the area he is farming? What about the widow who moves with her family into the city and rents out her land to get an income? Will she be forced to sell? What of the families who inherit a farm, have no desire to farm but rent it out? Will it no longer be possible for a young couple to buy a few acres and wait a couple of years to build? If it is investors you are concerned about coming out, buying land, subdividing it, what's the difference between that and the owner making the profit? If the owner has the time and the knowledge, he will do it.

Instead of concentrating on just one problem area, at least as pictured by this hazy report, why does the government not look at the overall picture? One point in question is why is the population in the rural area falling? Isn't it because the rural picture has changed and society in general?

(MRS. COLSON cont'd) Young people are leaving the land because they don't want to have to work that hard and get as little in return. They want something better, so they come to the city, get more education or because they think the opportunity lies there. According to the report, too, this depopulation has been taking place prior to the influx of foreign buyers, and prior to the rise in land prices, and prior to increases in grain prices. That's an important fact to remember because the price of land, and I doubt that this will be disputed very much, is very directly effected by the price the farmer gets for what he produces.

It isn't too long ago you could barely sell grain land for \$100.00 an acres but that was when the government was busy paying - not this one - but that was when the government was busy paying the farmer \$6.00 an acre not to grow anything. It is the governments, and I use the plural, not foreign buyers that created the problem today with land prices. Between death taxes and capital gains tax, there doesn't seem to be any way to win. The problem is the lack of a sensible, workable long range agricultural program. We need all the farmer can produce, but he isn't going to work the maximum if he isn't assured of getting a good return. That has been the problem and until something is done about this, all else will simply be a band-aid effect. We do need government help at both federal and provincial levels but a policy of back door land banking is not the answer.

If you are in doubt as to what I mean, I am referring to the Manitoba Agricultural Credit Corporation method of buying and leasing back. This is to help young people get started farming. That sounds good. As I understand it, the government buys the land, sells the buildings on a designated building site, and that's according to the zoning in that area, at a depreciated value, then the land is leased back at 5 percent each year plus taxes. There is an option to buy after five years time by paying their appraised price which would be the market value plus cost of subsidizing. If the price of land has risen from say 200 to 250 an acre, then that is what they pay, but if it is valued at 150, they must still pay 200. The real kicker is that they have six months to come up with the cash. That's pretty good if you can do it, and this is what I call back door land banking. This land banking system will not guarantee the farmer a fair return for his produce; the only thing it perhaps guarantees, and I'm not even sure of that if the prices drop on farm products, is that the farmer won't get any smaller, but he won't grow either. He will continue to work for the state until he no longer farms. State ownership would only supply this province with the biggest monopoly we could have. If the government is really interested in helping, why not look into the food situation from the time it leaves the producer until it reaches me, the consumer. I don't think any consumer will argue with the farmer getting a fair price for his product; it's just when we don't know what happens to it after it leaves him that we object to.

Another little thing I'd like to point out. This government has not proved to me yet that it can manage more efficiently or at less cost to the individual than private enterprise. I'll only mention one point and that's Autopac, I won't mention any more.

Land being purchased by the government, I assume, is at the market price, unless it has a secret no one else has. If the government continues buying land at the present rate - and I understand that something like 53 or 63,000 has been purchased in the past four months - we will find ourselves with state ownership without any consultation with the public, because I'm really not counting these three meetings we're allowed before the end of this month as amounting to anything but tokenism. And I would also like to know if legislation on this policy is being drafted now before all these public hearings are finished.

If we do wind up with government ownership of land, bit by bit, how will it be allocated? Who will get the number one producing land and who will wind up with the poorer or marginal land? That's a power that could be badly misused. I hope there are enough cool heads in the government to stop and think what state ownership would mean and be very very careful, because that's an extremely sensitive area for people. That is taking away a right that we in this country have never had to worry about before, and that is the right to own our own land. Many of these people, the foreign buyers that are coming over here purchasing land, are going to become citizens of our country. Many of the farmers on our land now are not even Canadian born, some of them their parents were not Canadian born. I hope we're not going to suddenly say that we don't want any more so-called foreign people in here. They've made very good citizens.

It is not enough for you, the government, to tell me that I have the right to vote and if I don't like what the present government is doing then vote them out. It isn't that simple. Once

(MRS. COLSON cont'd) something has been passed, it's very difficult to undo what's been done. Most of us voters don't really know the candidates that we vote for unless we're a good party worker. TV and the news media try to keep us informed, but you and I know that as a candidate you're going to tell me what you think I want to hear. Any radicals or way-outers are smartly stepped on at election time because they don't want the party hurt at the polls. When I vote I do a lot of praying. Regardless of who we vote for we all have a right to expect responsible government. We vote you into power and then pray because power and wisdom do not necessarily go together - kind of nice if it did.

In coming here today, I think of a scene from the show, Dr. Zhivago, because I feel very much like a little man trying to wave a very little stick at a giant. And if you've seen the show, Dr. Zhivago, you may remember the part where he, his family along with his father decided to go to the country to their home, and this was after a long hard winter of near starvation and cold at the time of the revolution. On arriving at the home they found it occupied and were not allowed in. The old gentleman tried to tell them that it was his home and they told him no, that it belongs to the people. I remember very well as they closed the door on him, he cried out, "But I am the people."

I think that's all I have to say today, except thank you for listening.

MR. CHAIRMAN: Are there any questions to the--Mr. Adam.

MR. ADAM: Mrs. Colson, I just had one question. You were questioning the figures of the amounts of income on the individual farms; the larger the farm according to the statistics, the lower the income per acre. I just wanted to mention that these figures are Statistics Canada figures and that if you're questioning them, they would be Statistics Canada figures.

MRS. COLSON: No, I'm not questioning where the statistics came from, I am questioning the fact that they are not sufficient, they are in too broad a scope. That you do not through your statistics have sufficient to come to any reasonable, sensible conclusion right now. What I am asking for is for some time.

I don't think that you have allowed enough time for the public to become familiar with this and to be able to speak forth. All I am saying is that being an elected government does hold a lot of responsibility and it doesn't entitle anybody to rush through a legislation without proper representation to the people, particularly on an important matter like this.

MR. CHAIRMAN: Well, Mrs. Colson, I do believe--were you present this morning? It was by previous arrangement to have these three meetings established; it was also passed by the committee that there would be other meetings.

MRS. COLSON: I quite understand that. I've been watching the paper very closely and I think I could tell you exactly - not exactly - but I believe a week ago last Saturday it was in the Free Press, so I understand, I missed it. It was in the Cooperator this week; I haven't seen it in the Free Press all this week; I understand it's been on the radio, and I don't know if it's been all the stations or not because I don't listen to the radio that much.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, I just wanted to point out, madam, that when these meetings are called pursuant to an act of the Legislature or resolution, that they usually involve many meetings and this happens to be the first one. So that you shouldn't feel that you will not have adequate opportunity to make your views known to the committee. There will be months ahead yet before this committee concludes its work. So . . .

MRS. COLSON: Is that an assurance, Mr. Uskiw?

MR. USKIW: Well I'm sure the committee, and if you were here this morning . . .

MRS. COLSON: I was here this morning. I just want to know whether the three meetings that have been called so far is all that is going to be called. Because we all know the Legislature is going to convene in February, and I think the biggest concern we all have is that possibly a bill has already been drafted, and if it isn't at the end of these three meetings it's going to be drafted and these three meetings are mere tokenisms. We don't have any assurance of anything otherwise.

MR. USKIW: But, madam, you're presuming things, that's what I am trying to say. And what I am trying to point out is that (a) the Legislature has not been called, and if you know when it's going to be called you know more than I do; (b) the committee this morning decided that we will have extensive hearings beyond the three meetings that we have already agreed to. So that there is no doubt that there will be other meetings.

MRS. COLSON: I'm sorry. You see, I didn't arrive till almost 11 and I missed the

(MRS. COLSON cont'd) fact then that there were other meetings called. Can you tell me how long a period they're going to stretch out over?

MR. USKIW: Well that's in the hands of the committee. At some point in time the committee will make a decision as to whether they have held a sufficient number of meetings or whether they should report back with a recommendation that further meetings be held. That is entirely within the power of the committee.

MR. CHAIRMAN: Mr. Walding.

MR. JORGENSEN: I was just going to say that bearing in mind the fact that the government has a majority on the committee and . . .

MRS. COLSON: Power . . .

MR. CHAIRMAN: Mr. Walding.

MR. WALDING: Thank you, Mr. Chairman. Mrs. Colson, I just wanted to get clear what your point to the committee was. Are you objecting to any restriction by the government on the right of a person to sell his land to anyone he wishes?

MRS. COLSON: Do you want to know what I think?

MR. WALDING: Yes, I mean is this the point that you were making to us. I want to make sure I understood it.

MRS. COLSON: No. The point I am trying to make is that I don't find there is sufficient evidence in here to make any hasty moves. I want more information, I want more detailed information and I think the committee should have more detailed information before they go ahead. I'm not trying to form an opinion one way or the other because I'd be rather foolish at this point to do it based on what little I have gleaned from this.

MR. WALDING: I'm sorry, I assumed from your remarks that you were opposing any restriction being placed on the sale of land. Maybe I misunderstood you.

MRS. COLSON: I suppose basically I am because I can't see, from my point of view, where there is any need for concern over foreign ownership at this point. One, your statistics really haven't proven that there is a great deal to be concerned about. I feel there are other areas that could very well be looked into before we take any real hasty steps. Yes, primarily I'm against any legislation at this moment to restrict.

MR. WALDING: Being in the real estate field - as I believe you mentioned . . .

MRS. COLSON: Right.

MR. WALDING: . . . it would presumably be to the advantage of the seller to have as wide a market as possible.

MRS. COLSON: Possibly, but I don't make mine selling farms. I'm just speaking out because I feel that I've been left out of this picture.

MR. WALDING: From your experience in the real estate business, would it not tend to depress prices if the market were restricted?

MRS. COLSON: Yes, it would depress the price if the market was restricted, but from my knowledge of the real estate field, I haven't seen that much influence of the foreign buyer on the price. The price to my way of thinking, and I think most people will agree with me, is the fact that most of the transactions I know have been in the southwest area, the grain growing area primarily. And it hasn't been proven that their interest in the land has brought up the price of land. Don't you find that the price of land is very much tied to the price of what it produces? I mean a small farm that specializes . . .

MR. WALDING: If you're making me as a city man I would think it was logical but I'm not an expert on this at all.

MRS. COLSON: I'm a city person, too, but I do know the farm area fairly well.

MR. WALDING: The other point I was going to ask you is that if you would not favour any restrictions on the right of a farmer to sell his land, I would presume by the same token you would not favour any restrictions on the farmer's right to sell it to the government?

MRS. COLSON: No, I don't think there should be any restrictions. I think the price of land takes care of itself through what the farmer receives for his produce. I am concerned in a way at the amount of land that the government is buying because I can see where this--you know, they're buying at market price so they're having an influence very much so on the price just as much, and if not more, than the foreign buyer, because the foreign buyer isn't buying that much.

MR. WALDING: Thank you.

MR. CHAIRMAN: Mr. Jorgenson.

MR. JORGENSEN: Did I have a question?

MR. CHAIRMAN: I'm sorry. Mr. Einarson.

MR. HENRY J. EINERSON: Mrs. Colson, I'm sorry I missed a lot of your brief but I was very interested in the final comment that you had to make. I'm wondering, have you listened to some of the comments that the President of the Farmer's Union has made and I'm wondering if this has concerned you at all . . .

MRS. COLSON: Yes.

MR. EINERSON: . . . in that he said that the state should own all property, no one should have any right to own any property. I'd like to ask you, have you heard this comment and is this concerning you to any degree?

MRS. COLSON: I've heard that comment and it disturbs me greatly because I feel that this is one of our rights to be able to own our own land. We've been through these price rises before in the country.

MR. EINARSON: A second question then, Mrs. Colson. And are you fearful that this government is taking the advice of those one or two people in that particular organization?

MRS. COLSON: I don't know where they're getting it from but I was disturbed by the brief because I think there are underlying tones to it, that I think that the public should know exactly where this government intends to go before they say, we've done it.

MR. CHAIRMAN: Well, Mrs. Colson, I believe we've had committee meetings before and this is a working paper. I don't believe that it has come up with any kind of recommendations as much as they're sort of--some information . . .

MRS. COLSON: I agree, but it does give me some unrest when a government has a good majority, when we read and we hear comments in the paper, you cannot blame the public for being a little concerned that perhaps this is just a mere tokenism so that I can come out here and tell you I don't like what you're doing but that's just too bad and it's going to be done anyway. I was trying to find out if I had some assurance that these committee meetings were going to go on for a period of time and some assurance that no legislation at this moment is being drafted.

MR. CHAIRMAN: Mr. Graham.

MR. GRAHAM: Mr. Chairman, through you to Mrs. Colson. You're in the real estate business, is that primarily in the City of Winnipeg?

MRS. COLSON: Primarily city and I handle a lot of what we call suburban property; and that's people who want to have a home out in the country, not a farm.

MR. GRAHAM: In your numerous transactions, have you ever differentiated between a foreign purchaser of property as against a Manitoban?

MRS. COLSON: No, I can't really answer that because in the field that I'm in, dealing in the suburbs with a house on small acreage, I'm not really dealing with foreign buyers.

MR. GRAHAM: Well even in the field of residential property in the City of Winnipeg, you wouldn't want to see that type of legislation which would prohibit a non-Canadian from owning property in it?

MRS. COLSON: No, I wouldn't. Some of the people that I have been talking to just this past week that are interested in buying a small acreage and buildings or just buying a small acreage and building on it in a year or two are vitally concerned because there's a lot of people in the city that want to move out, and they are not looking for a farm, because let's face it, a small farm is not viable today. That is why you have a lot of the small farmers working their land and working in the city in the wintertime.

MR. CHAIRMAN: Mr. Minaker.

MR. GEORGE MINAKER: Thank you, Mr. Chairman, through you to Mrs. Colson. The Honourable Member from St. Vital in his question to you indicated that there might be a depressing effect on the price of the land if the government was involved as an owner --(Interjection)--or there was a question raised whether it might have a depressing effect. I'm wondering, from your experience in the real estate business within the City of Winnipeg, have you found that the government's involvement with the Manitoba Housing Renewal Corporation in its purchases of land within Winnipeg, has that had any effect either escalating the costs or depressing the costs or any effect at all?

MRS. COLSON: As far as I know the government is paying top price.

MR. MINAKER: Do you think it had an overall effect of elevating the price of lands that were made available then, did it set out sort of a market level?

MRS. COLSON: Well I'll put it this way, and this is getting out of the rural field. That

(MRS. COLSON cont'd) in the city the expropriation that is being done on land for developing - and this is land purchased by the government for developing - they are paying the market price. The only difference between the government and the developer that does this is the fact that the developer has to accrue the true costs against that property, where the government can spread it all out over different departments, where you and I don't know what the land really did cost except we are going to pay for it one way or the other. Possibly in this area the individual may be able to buy a piece of land a little cheaper than they would from a developer but they are ultimately paying for it anyway, and I don't see how they can do it any more cheaply than private enterprise, not if they're going to show what it's actually costing them to do it.

MR. MINAKER: Thank you.

MR. CHAIRMAN: Mr. Jorgenson.

MR. JORGENSEN: Aside from what you feel to be the objectionable features of government in owning land, and I am inclined to agree with you on that point, have you ever familiarized yourself with the section of the Canadian Citizenship Act, Section 24(1), and I'll read it to you and ask you in your dealings in real estate if you have ever been confronted with this particular situation.

The section reads as follows: "Real and personal property of every description may be taken, acquired, held and disposed of by an alien in the same manner in all respects as by a natural born Canadian citizen, and a title to real and personal property of every description may be derived through, from or in succession to an alien in the same manner in all respects as through, from or in succession to a natural born Canadian citizen." Which simply means that the rights conferred upon Canadian citizens with respect to property ownership are conferred upon aliens. Have you in your dealings ever been confronted with the problem of this particular section of the Act being violated?

MRS. COLSON: No, I don't know of it being violated, really. I think you . . .

MR. JORGENSEN: May I ask you another question.

MRS. COLSON: I may have misunderstood you but . . .

MR. JORGENSEN: And I suppose that maybe you're in the same difficulty that I am since neither of us are lawyers. But can you see in any way with regard to the fact that this particular section is contained in our Citizenship Act and it is the law of the land, that any Provincial Government can violate that particular section of the Act unless it is changed by the Parliament of Canada?

MRS. COLSON: I think you're right. I'm not a lawyer either but I would feel that a provincial government should not take precedence over that.

MR. JORGENSEN: Well assuming then that the government--let us just for a moment assume - Mr. Green is not here and he can't correct me on it.

MRS. COLSON: I'm kind of glad, I heard him this morning.

MR. CHAIRMAN: I don't believe it is relevant to the particular point of talk, discussion of lawyers. You may proceed on your own way, and whether you were glad, Mrs. Colson, or not is really irrelevant.

MRS. COLSON: I quite agree it is but I'm still relieved.

MR. JORGENSEN: Mr. Chairman, let us assume then that that particular section of the Canadian Citizenship Act cannot be violated by a provincial government. Then would you agree that perhaps, if this situation became a problem - I'm inclined to agree that it is not a problem today but that does not mean that it may not be a problem - you know, perhaps some people can visualize the situation with King Faisal with his 69 billion dollar income last year, may want to buy all the land in this country and that might pose somewhat of a problem for us. But let's assume that it does become a problem. Can you think of ways that the Provincial Government could in that legislation or regulations, which if not restrictive by nature and not in violation of this particular section of the Act, still may tend to discourage foreign owners from buying land.

I'm thinking in terms now - this would not necessarily have to establish precedence because at the present time we do that very thing with hunting licenses. A Canadian citizen or Canadian resident or resident of this province has a right to purchase a hunting license at a price that is considerably less than an American hunter. I think the Province of Ontario have legislation that - I believe it's called the Land Transfer Act - which compels foreign owners to pay a transfer tax if they wish to enjoy the ownership of property in this country, which

(MR. JORGENSEN cont'd) means that to enjoy the privileges of a Canadian citizen if they are not citizens, they are then compelled to pay for that right in the form of an additional tax. Would you be in favour of that kind of legislation? If it's not restricted in the sense that it prevents it, but it causes him to think twice about whether or not it's a worthwhile objective to own land in another country.

MRS. COLSON: At the moment, in my opinion, the foreign buyer is not a problem, he's not the culprit in this land price. Possibly in the future it could be and I think like anyone else I would like to think that the land does belong to us. But I somehow can't equate government ownership of land really belonging to me because then I don't really have very much say.

MR. JORGENSEN: Your main point then, Mrs. Colson, is that you object to government ownership of land more than you object to foreign ownership?

MRS. COLSON: Very definitely.

MR. JORGENSEN: That's fine.

MR. CHAIRMAN: Thank you, Mrs. Colson. We have next Mr. Peter H. Klassen, Halbstadt.

MR. PETER KLASSEN: My name is Peter Klassen from Halbstadt. I live about 65 miles south of here on a small farm. I got this clipping out of our paper of your public notice here and I would like to first of all say that here in this public notice that I read in our local paper, it says: "A Special Committee appointed by the Legislative Assembly of Manitoba will hold open meetings with a view to obtaining public opinion on matters relating to property rights in lands within the Province and the regulation thereof by the Government of Manitoba." So it wasn't too specific just exactly what this meeting was about.

I talked to the Clerk and he told me that he would listen to me so--mine is not near as lengthy as the previous ones have been but I have something on my mind too that I'd like to present to you and hope that I'll find an ear for it. I think it's still on the same topic pertaining to property rights. I haven't been able to prepare a brief either, I've just written out here a bit my opinion about it. I'll read it to you and you may ask some questions later on if it is necessary.

We, that is my wife and one neighbour there, we would like to petition the Legislators and Government of Manitoba to change or make an amendment to our present setup in regards to private property - and I'm explaining now to what I am referring to; namely, allowing B to use Party A's land, that is mine, as a driveway without B making proper arrangements, whether a court uses common law or calls it a case law that B has used it for 20 years or longer and therefore gets the right-of-way to use it without any compensation whatsoever. We recommend that if B has access on his own land and if B does not make proper arrangements with A who is the owner of the land, then B should use or make his own driveway and the right-of-way privileges be discontinued.

We would kindly ask in the name of justice and for the sake of peace that such practises be rescinded.

In the case where B has misused and abused the driveway to its fullest, namely disturbing A at all hours of the night and otherwise, the disturbance causing A's wife's health having to go for medical help, that has been the result of this law that we have enforced now seemingly, since the driveway is only 30 feet from the House and the cars passing at great speeds causing disturbances and danger to A's children. We recommend to discontinue same. We could mention other instances where similar disputes have occurred causing only trouble and hardships between neighbours. Yours respectfully, Peter Klassen.

MR. CHAIRMAN: Are there any questions to Mr. Klassen? Mr. Jorgenson.

MR. JORGENSEN: If I gather correctly from what you've said that you are concerned about your right to designate to what use your property will be put, property that you own. Is there some doubt about that?

MR. KLASSEN: Well it has been because I own this land, I made my own driveway, but as you might know in the past when people start using your road as a driveway either by trail or later on as a driveway, as a gateway, if it's in force for 20 years or more then the courts claim that he can continue to use your own land for his driveway when he has access on his own land. This has created a lot of trouble between us and I know about three or four other people where it has happened, too. So this is my complaint, you know. Since you are sitting on this topic here, I thought maybe you would have an ear for it and when it goes later on when they sit down again that the Legislature could make an amendment to it. At least if he doesn't

(MR. KLASSEN cont'd) have access, then I say it's a different story but if he has access on his own land he should use his own property.

MR. CHAIRMAN: Mr. Henderson.

MR. GEORGE HENDERSON: Yes, I'd like to ask Mr. Klassen if he's taken this up with his local councillor and council in that area?

MR. KLASSEN: Yes, it has now been taken up and taken care of but, the thing is this, you know, once a thing like this has been in force for so many years it's very hard to get this out of the mind of your neighbours. I let this go for so many years because you wanted to get along with the neighbours and when it came to the extent where my wife was disturbed at all hours of the night from 1, 2, 3, 4 and 5 in the morning that her blood pressure was so high that she had to go to a medical doctor. But now this has been taken care of but I am still fearful that when summer comes along again he might want to do something about it. You know the thing is this, people can bug you about a thing even if it has been settled, and if this was put through like somebody said, if I use somebody else's land for 20 years, I'd like to know whose it is, is it mine or is it the neighbours. This is I think one thing that should be settled.

MR. HENDERSON: Mr. Klassen, the reason I mention this was because I know that many local rural municipalities do correct these sort of things and buy up a piece of land or else build a road in in another place and I would think that this is the proper place to take it first is to your municipal council and if this is on the books and it's wrong well maybe they should see about having it brought up at a municipal annual convention some time and having it changed.

MR. KLASSEN: You think it would be easier to change there than through our government when they sit and make . . .

MR. HENDERSON: Yes, my opinion is definitely that if it came up through those channels it would be far more effective than just bringing it up here at a committee meeting like this.

MR. KLASSEN: Well I just read this and I thought I'd bring this topic up and see whether this committee was interested in hearing something like that because it didn't actually say exactly what it was for. I realize I'm a little bit on the side, but still it has to do with private property or property rights.

MR. CHAIRMAN: Thank you, Mr. Klassen, we appreciate your particular points of view. Mr. Yarema, from 2721 Henderson Highway.

MR. PAT YAREMA: Thank you, Mr. Chairman, members of the committee, I must apologize for not preparing any notes. I would ask your permission, your indulgence in permitting me to use the study In Search of a Land Policy for Manitoba in its entirety so that I can go over it bit by bit.

There are certain matters in here that raise my hackles because I am a resident of East St. Paul, a highly controversial area as far as land prices and land control is concerned. There are certain references to the escalation of the price of land, I won't say the value because the value of land - I am a firm believer with some of the statements in this working paper, that the value of land should be only that - a base value plus the improvements that are put on it. That is not the case in here.

I must also say that I can attribute, or I will attribute the escalation of the price of land, especially around the perimeter of this city, almost totally to the policies of the Provincial Government, in conjunction and in association with the policies of the City of Winnipeg, and with the co-operation, of course, of the large developers. This was accomplished by restricting the land that was available in any certain area, at any given time. There were certain parcels of land that were desirable. Those people that did have money were willing to, of course, pay the price that they could get it, and I have concrete proof of some of the undesirable results that have transpired because of these restrictions on the number of parcels of small size that were available. This is because I was involved in some of the sales and I followed up some of the subsequent resales over a short period of time of 33 months, and in one particular instance there was an escalation in price where there was no improvements to the land whatsoever. The escalation was in the area of 675% in a period of 33 months. Now that is unfair, and I will again repeat that I would attribute the complete acceleration of the price of this land to the general policies of the City and the permissive legislation of the Provincial Government. In all fairness, I should say that the successive provincial governments, because the previous provincial government had taken steps in this direction already and although the loopholes weren't all plugged at that time, they were moving in that direction.

(MR. YAREMA cont'd)

Now the same conversely effects the price of land. If we are going to put controls on anything, let's put controls on all of it, whether it is land in the city or property here in the city; or, of course, if we are looking at the community as a property then we are looking at the whole picture, we are looking at putting a price and a value on labour, we are going to apportion and say where that labour is going to go, because this is what we propose to do with the land.

I note with some consternation that the Provincial Government has no reservations about soliciting foreign funds to be invested in the city in whatever form it is, whether it is for building apartment blocks, from which the rents then, of course, leave the province. Whether it is in other areas, they have no reservations whatsoever to solicit these funds. Why would you have any reservations about soliciting these funds, or permitting these funds to come into the area of agricultural land. Of course it escalates the price. It is bound to because there are that many more buyers. But, of course, at the same time it makes the land harder to come by for the local farmers. But at the same time, those local farmers that of course own land at the time, they can say this: I own 100 acres of land, it was worth \$100 an acre last year before that foreign buyer came in here; today, with that foreign buyer in here today the value on the market of that land is \$200.00. Now it may not mean anything because he is not selling the land, but it does really mean something, because investigating the borrowing powers of this farmer I find that the banks are willing to loan up to 75% of the appraised value of that land. If he has an appraised value of \$100 an acre he can get \$75.00 an acre, of course, to buy something else with, whether it is farm land, or he might think that there's a good opportunity in the city and invest some money in something here where there are no restrictions. If his land is appraised at \$200.00, he then has \$150.00 an acre with which to invest in something else. By restricting the price of his land, the value of his assets you are of course restricting his ability to do what he pleases. You are restricting his options. He cannot then turn around and spend as much money in other pursuits as he would were there not as many buyers.

I would like to refer to this, page 4: "Is there a set of social and economic objectives for rural Manitoba to which the great majority of Manitobans would subscribe." Of course there are. We are looking at a disparity in population between the rural area and the urban area something like, in 1971 72% in five urban areas, and 28% in all of the villages and all of the rural towns and farm population. If we are going to do what the majority wants, and of course we are not going to be doing anything for the farmers, that's not going to be there because you're going to be satisfying the urbanites, the consumers. How can you expect young farmers to be so darn dumb as to accept the possibility of not having any accrual in their assets over the period of years if they stay on the farm. They realize that there is an appreciation in value, first of all in their labour in the city, they go out there - I note with some consternation that there was an agreement to raise the dairy workers wages by some \$40.00 a week; with the stroke of a pen, without doing anything more, without producing a darn thing more, they are going to get \$40.00 a week more. How can the farmer do this? The young farmer looks at this and he says, well, I look at the Guidelines for the Seventies and Mr. Schreyer in there - I presume it was him said there, I attribute the document to him, and I believe it's on page 39, he says, If you want to get more money, the farmer wants to get more money, more income, he is going to have to produce more goods. Well of course that hasn't happened. The more he's produced doesn't mean that he got more money.

If we consider this document, "In Search of a Land Policy for Manitoba" in its proper context, it's an insult to the minds of the young people, to the intelligence of the young people in the rural area, to think that you could expect them to accept a life in the rural area, to get out and say we're going to be farmers, because there is nothing in here that indicates that there is any hope for them, in no way whatsoever.

We refer to "Guidelines of the Seventies" and their four major objectives; maximization of the general well-being of all Manitobans; greater equality of the human condition through more equitable distribution of income. That's a great thing; why don't we distribute some of the income. This has been the problem. The whole problem has been no distribution of income. We have had all sorts of opportunities afforded for the people in the urban area.

We speak of urban sprawl. There are two interpretations of urban sprawl. You may have one of yours and I have one of mine, and my interpretation of urban sprawl is this: The

(MR. YAREMA cont'd) city has sprawled out into West St. Paul with their dump, they junk their refuse over there, they don't want it in the city. They have sprawled out into St. Vital now with another dump; they have sprawled out into Springfield with a landfill setup; they have sprawled out into Grand Rapids, they have displaced people over there, they have gone out into Southern Indian Lake; they have gone out into Hecla Island where the people there were going to take advantage of the source of income that was presented to them from the people that were going out on weekends, building cottages and so on and so forth. The government saw fit to step in and expropriate them. That was no advantage to any of the community, of course, because they have now lost a means of livelihood.

The government goes on to speak about providing public parks for people, recreation areas. That, too, is no asset to the farmer because the person that spends his time in recreation doesn't spend his time working, and of course if he has a means of building a cottage, if he's going to build a 10 to 15 or 20 thousand dollar cottage, if he's going to have a big boat there, another 4 or \$5,000.00, if he's going to go out there every weekend then he needs the fund with which to do this, and once he spends those funds on his cottage then of course he has no money to spend on food, that is the last thing he is going to do, he's going to squawk about the food.

The rural population, of course, has declined; we can't help it. We're going to get more and more declination of population as long as we don't make smaller farms available to the farms. We haven't got the machinery today for making these small farms available because through Bill 126 there are some restrictions as to a farmers privilege of subdividing his land, taking pieces off of one title and splitting it up today. If we don't have plots of land available for these people to live on, where are they going to live? If we're going to move one person out before we're going to put another person on there, then we have got no way to increase that population whatsoever, there's no way. Either that or we're looking at a community type of living like the Hutterites are involved in, and that may be suitable. I would say that from an economics viewpoint that is the way to farm. You're sure to make money that way, if you can stand that type of social life, if you like that type of social life there's no way that it doesn't work out; they're bound to make more money because their expenses are less, but we really don't know whether the people want this type of life.

I would like to bring to the attention of this committee certain facts regarding the Saskatchewan cooperative farms that were incorporated some years ago, the Beechy Co-op, the Carrot River Co-op and the Co-op, they are all now defunct as far as the original members are concerned; as a matter of fact the Beechy and the Carrot River Co-ops are not working as co-ops any more, they have disbanded. Not because of financial difficulties. They made pots of money, they made all kinds of money but the pressures of that type of life weren't worth what it cost them in social problems and therefore they disbanded this thing and I can't see how we're going to do anything else out here. If we are going to have large farms then we're going to have large farms and we must look at it that we're not going to have any population in the rural area, we're going to have to assign people to these rural areas and these people are going to produce food for us at whatever price we're willing to pay them. That isn't enough to keep them over there.

The relationship today between the urbanites and the rural people is such that the urbanite can only see the farmer, the basic producer of the necessities of life in the same light as a chicken farmer looks at his chicken. If he wants omelettes he has to look after that chicken up to a certain point because he isn't going to lay eggs for him; he doesn't want that chicken to get fat, he doesn't want that chicken to do anything except lay those eggs. And this is the attitude that the urban community, and to some extent the provincial governments, successive governments I hope to say, and to a certain extent the Federal Government has taken in regard to the agricultural policy. It has been a policy that the rural people, the farmers especially, should be subordinated to the will of the urbanite, and where we call ourselves a democratic society there is no other way that the farmer is going to exist. If we deny him the right of access to foreign funds, to a market wherever he can sell his products for the highest price, and the land is one of those things, then we must deny that same right to all of the people, not only to all of the commodities that we have, to everything that we can think of over here. Because if we don't we're not going to have any farmers, not voluntary farmers, they're going to leave; and why should they stay out there. We don't give them anything out there. They have to fight for everything they want.

(MR. YAREMA cont'd)

The other strange thing about this. Although we set the prices for those products that the farmer gets from his land on the world market, we refer to the wheat price on the world market, we refer to the barley price on the world market, the beef price on markets all over the world, but we would deny him the right to that same world market for the most valuable commodity that he has. And, of course, the paper here states that his investment in land is two-thirds of the total investment in there. So he has no market, he's restricted in one way to the type of market that he can have for the most valuable commodity he possesses; that is his land if he does own it. How can we have two standards for this farmer; how can he exist under these two standards?

I won't question the statistics as far as the acres are concerned. I'm aware that there are some discrepancies in there that showed up after studying the municipal statistics and some of these statistics in here. There are discrepancies but I believe they were made in good faith; I discussed them with some of the people in the Municipal Budget Department and I think we're going to have them corrected, because they did indicate that they realized that there were mistakes and they would go on from there.

I'd like to quote first of all FRED IV, first page, that's on the Interlake area: "In agriculture the means toward higher incomes for farmers is to encourage more production of saleable products." And also on page 1, "Without the so-called spirit of confidence among people a development plan is reduced to a spectacular set of public works projects with little long-term economic generating effects." It's absolutely correct. But, just because people produce more doesn't mean that they've got more. The history has been such that the farmer as he produced more, there was a glut on the market of certain products that he produced and his net income went down. He worked harder, he produced more, he took more out of his land, he didn't get more. Now how are we going to reconcile this with giving him a better income and a better type of life. It doesn't follow.

I'll go back into Volume III of Guidelines for the Seventies, and I'll go to page 36, some of the things that are proposed here: A price stabilization for agricultural products; development of a tourist industry - that is two of the things that are proposed.

Then we go back to page 39, in paragraph 3. "An effective" stay option will require agricultural policies which stimulate the rural economy by raising gross agricultural output and which tackle the critical farm income problem by enabling low income producers to achieve the bulk production increases." Again, where the urban economy doesn't have to produce a darn bit more, they just go out there and say we want more money, and we get more money.

There is no prospect of the rural community getting this, the only thing they can do is to produce more, and of course that doesn't mean that it's going to benefit the producer financially in any way whatsoever, because throughout the years whatever economies the farmer has effected have accrued not to the farmer but to the consumer in the overall picture, because he has gone on and on and his net worth, outside of land, of course, remains static, because the harder he works the more is siphoned off for the urban community. Unless we control the input into the farms of which a large part is labour, those manufactured things - the tractors and everything else, the fertilizer and stuff he buys which are of course labour intensive things, they also take up a great amount of our non-renewable natural resource in many instances. We don't control that cost input into the farm and there is no point in stabilizing the farm income because the farmer is going to fall farther and farther behind as time goes on. We don't need stabilization in the farm income, we need stabilization in his expenses, and the expenses are the difference between him making a profit and making no profit. And there is no move, there is no direction in here that states that the government has any intention of stabilizing the cost of his operation or anything except the cost of his land, which is of course something that can be effected by limiting the amount of buyers that he has for it, because it certainly will have an adverse effect on the price of land. The less buyers we have, the less money we're going to get. If we reduce it down to one buyer then of course he's going to pay exactly what he wants for it, that is if the seller wants to sell it. If the vendor will sell it for his price, if he's forced into selling it then the one buyer can set his price at whatever he likes. We have no way of controlling it.

I would like to bring the attention of this committee to certain matters in regards to taxation of farm land, and especially there was mention of taxation of that land around the perimeter of the city, an area called the "additional zone." I'd like to bring the committee's

(MR. YAREMA cont'd) attention to the reasons why this is called the additional zone. The reasons are contained in the document called "Supplement V to Plan 1117" which is the City of Winnipeg development plan, which of course was approved by the city and endorsed by the Provincial Government. I haven't got a copy here with me but the difference, the reason it was called the additional zone was this. They contemplated calling it the Green Belt but on doing some research they found they had a Green Belt as such, around the City of Ottawa.

The Green Belt around the City of Ottawa was bought by the Federal Government for the benefit of the people in the area, and of course the people that were bought out were - I presume they were paid a fair price for it and there were no repercussions there. The City of Winnipeg and the Province of Manitoba had no intention of reimbursing any of the people in the area that they wanted to retain as a green area around the city, and therefore not to cause any controversy as to comparison of the two names, they decided to call it the Additional Zone. They were out to do us in there and they were successful in doing it. Up to this time I can say this, that they have been very successful.

We complained about the tax structure, the land, much of it was zoned as--I should say a fair amount of it was zoned as RA suburban land, available for residential use in half acre lots. I had an escalation of taxes on some land that I owned, a parcel, some 10.7 acres that went up from \$16.00 in 1948 up to \$331.00 in 1969. The land was used exclusively for agriculture, there had been only one parcel sold off of this land - a small parcel, a half acre lot that was sold for twelve hundred and some odd dollars in 1960. We protested, I had taken this thing up, and if I have the permission of the Chairman, Mr. Shafransky here, to use a letter from the Premier.

MR. CHAIRMAN: Well, Mr. Yarema, it's whatever you wish. You are in possession of the letter, it's up to you, but I don't know if it will be relevant to the committee as far as the purpose for the meeting of this committee which is to inquire into matters relating to property rights in land within the province. I suppose in a way, yes. Proceed.

MR. YAREMA: It isn't controversial. It has something to do with legislation that transpired since. The letter is dated on the 5th of November, 1968 and it refers to the methods of taxation. I will say this, I will read the . . .

MR. GREEN: What is the date of the letter?

MR. YAREMA: '68.

MR. GREEN: From the Premier?

MR. YAREMA: Yes, he was then a Member of Parliament.

MR. GREEN: Oh, you mean from the Member of Parliament for Selkirk.

MR. YAREMA: That's right. He was then a Member of Parliament, Mr. Schreyer. Anyway, I had discussed this taxation problem with him on this particular type of land and he had come up with a formula that he had located somewhere down in the States. If I may read this, the third paragraph only I shall read: "I can add, however, that I have taken quite a bit of time to try to convince the provincial members and the Department of Municipal Affairs that they must simply come up with a new assessment formula to cover the areas that lie in a belt surrounding the large urban centres. I think I mentioned to you that in two or three of the States of the United States they have passed assessment law changes so that the land that is kept under agricultural production is assessed not on the basis of its commercial value for development but rather on its production value and that only when the land is actually sold for commercial purposes is the assessment put on a commercial value basis and back-taxed for two years. They had to do this around New York and New Jersey, for example, because the existing assessment based on commercial value was forcing one farming operation after another into impossible tax situations. So I repeat, if you want to discuss assessment problems you had best get in touch with persons referred to above." Some of those persons are present today, I won't refer to them in name.

But I will say this, we did form a committee and we did present to the Law Amendments Committee a request for this type of assessment and the government members at that time voted solidly against it. We had no relief from that type of taxation, and that type of taxation today still exists in many areas where the land is not permitted to be subdivided and used for those purposes for which it is taxed, and that, of course, I feel is unfair. The direction on the government at that time was that we would be fair. What can we expect with this ownership of the Provincial Government being involved in purchasing land. I'll be frank with you, it's repulsive to me to think of foreigners buying our land, but what else are we going to do.

(MR. YAREMA cont'd) I would say this, that if these foreigners - they may be people in the city, they may be people outside of our province the same as the people that are buying property in the urban areas also, they may be out of our continent altogether - if they choose to buy land in the rural areas and if they choose to put people on this land so that the population in the rural areas increases, I don't see any reason why these people shouldn't be permitted to buy this land and help the rural areas. If these people are of that order or of that type, of the affluent type to whom the capital that they invest in land in the rural areas is risk capital, to the extent that they do not depend on any income from that land to sustain them in their livelihood, then I would hope that this can be prevented. Because in effect what they do, they may produce certain products on that land that are in competition with the resident farmers and if they themselves are not required, or if it is not needed for them to make a profit out of this operation, they are going to be competing with the resident farmer who cannot afford to farm on that basis. He must make a profit, he must make his expenses, plus he must also make enough money to sustain him and his family in there. This is one of the problems.

The other problem is that where a foreign buyer accumulates land and rather than retain it as it was, he might take it out of production, he may rent it to a larger farmer, he will then be depopulating the rural area by one family again because he will have bought out one farmer, he is not himself a resident of the area, the other farmer takes it over, we have one less farmer. It may look desirable to have less farmers, it may be economical. Some of the figures in here state that it is not economical to have very large farms; that is not true in all instances.

I'll come back again to the co-op farms in Saskatchewan, and the Matador Co-op in particular farmed some 14,000 acres with what they owned and they rented from the Provincial Government. There were anywhere from 18 members down in there, the members progressively were lesser because there were people leaving the farm for various reasons. They made pots of money on there. The figures in here aren't really true that the larger the farm the less economical it is, because I had looked at their books at one time and their cost of their operation on that particular farm was just a little over 55 percent what the individual farmer spent on his operation in overhead. So that is not true. So therefore if the foreign buyer persists in buying land and renting it out to one individual in an area, we're going to have a situation where we're going to have less and less people, not necessarily less product but we're going to have less people. And of course if we consider ourselves a democratic society here, we are going to have a greater and greater imbalance between our rural area population and our urban area and in effect what is actually going to happen if it hasn't happened already, our rural population today, our farm oriented population is politically insignificant. They haven't been able to do a darn thing, the hopes of doing it politically or democratically are diminishing every day; the only hope the farmers have of accomplishing anything is by force, because these are the two methods of accomplishing things in this world, you either do them politically, and if you can't get them politically, if you have the power to do it by force then you accomplish it by force. It's up to us to choose what is going to happen. We have plenty of evidence of what's happening in the world. People are being subverted in many countries, the majority is being subverted by the minority and in many instances, in some cases the minority is the one that is being subverted. They are taking up arms today. We can go back into Ireland if we like. Do we want what's happening over there?

I would ask the Provincial Government to take the bull by the horns and rather than accede to all those demands that labour is making today on our economy that a stop should be put to this somewhere along the line, that there should be some equality of opportunity afforded those people that are in the rural communities so that we might expect some of those rural people to stay there. I hope that this can be accomplished without any serious difficulties; I'm sure that the Provincial Government can do it. It's well within the ambit of the power of the Provincial Government to do many things that they haven't done up-to-date. Our Provincial Government of today is, of course, subject to the same problems that every Provincial Government is and that is public opinion because they go which way the greatest number of people go. They're subject to pressures from the majority and in this case this is what our Provincial Government has done. They have acceded to the wishes of the majority. And as this White Paper indicates, this is what is intended - accede to the majority. If we're going to do that let's not fool ourselves, we're not going to increase the population in the rural area, especially the farm population. Thank you.

MR. CHAIRMAN: Thank you, Mr. Yarema. Are there any questions? Hearing none, thank you.

The Pembina Valley Development Corporation. Would you please indicate your name for the benefit of the recording.

MR. R. D. HOWARD: Mr. Chairman, members of the committee, my name is R. D. Howard. I'm a development officer with the Pembina Valley Development Corporation.

As an introduction to this I would advise that our area is comprised of some 2.1 million acres. We have approximately 25 municipal corporations, 11 of which are rural municipalities and I represent some 160 Indian Chiefs, all being councillors of our respective municipal corporations. There are in attendance here today some representatives from the rural municipalities in our region.

I would also like to indicate that rural population in this area that you're considering on that map before you, is approximately 30,000 with around 8,000 farms. I have not really had time to do anything with the book, it came to me at 2 o'clock Friday afternoon. So I've gone through, I'm very interested in statistics, I got totally confused, and I would like to indicate that in that 30-month period that was covered, the non-resident purchasers of land in three of our municipal areas constitute 39 percent, 30 percent and 22 percent respectively, the balance of them being between 2 and 14 percent.

The area covered in the Working Paper that the Department of Agriculture has produced only consists of approximately 82 percent of our area, and of that it appears that maybe 20 percent of the transactions that took place in the last 30 months has passed lands into the hands of non-resident owners with approximately 38,000 acres moving out of resident farmer ownership.

The total overall picture, just so you have that as well, is that as at July, 1974 about 7-1/2 percent of our total area is vested in non-resident owners. That's as far as I can go on statistics.

With the permission of the Chairman and the Honourable Minister of Agriculture, I'm going to present an edited copy of information which was passed to him. You each have a copy. I'm going to eliminate the names that are contained therein because it was confidential, and as you follow it, you'll see what I'm going to do with it. This was a letter which was remitted to the Honourable Minister of Agriculture on the 22nd of August, 1974. And it is as follows:

"There are tens of thousands of acres of choice Manitoba farmland being sold to foreign buyers and, it is apparent, that the sales are accelerating. Following upon our investigations, in the opinion of some of our sources, the sales will not peak until 1975.

While the majority of the purchasers may very well be bona fide landed immigrant farmers, there are some strong indications, particularly from realtors that speculating domestic and foreign investors are involved in large tracts of land purchases.

Government policies have recently prohibited many of our own young Manitoba farmers from buying farms and the land has been going by default, at often a highly inflated price, to outside buyers.

One of the first transactions which took place in July 1973, before farmlands began to move, was the sale of a block of some 1,100 acres west of Sperling for \$210,000.00. The new owner has leased the land out, and there are no indications that he intends to engage actively in the farming operation himself.

One individual who is currently managing approximately 9,000 acres of farmland in the Red River Valley, a portion of which is reputed owned by a foreign investment syndicate through a Canadian holding company, is actively engaged in the acquisition of several thousand acres more.

We are aware that, on the other hand, a very beneficial situation exists as well. According to their legal counsel, his clients, all landed immigrant agri-businessmen, have acquired some 25 sections of land and the necessary new equipment, purchased locally to work same, all for cash.

The Directors of the Pembina Valley Development Corporation are naturally vitally concerned about what, in fact, is transpiring, particularly within our own Region."

To that I might add, we look forward to a meeting in our area, within our region as you mentioned during the morning discussions, Altona-Carman, and at that time we hopefully will be able to present briefs from each of our rural municipal councils or a consolidated one, as they see fit, as it's brought from our directors.

MR. CHAIRMAN: Thank you, Mr. Howard. Are there any questions? Mr. Adam.

MR. ADAM: Thank you, Mr. Chairman. I was just wondering if you could elaborate on your clause 3 which states that "government policies have recently prohibited many of our young Manitoba farmers from buying lands." I'd like to have, if you would, elaborate on that. I'm unaware of any programs that prevents anybody from buying land.

MR. HOWARD: I think the effect of the MACC, the previous MACC young farmer benefits prohibited some who had intended going into farming from the beneficial interest rates which they would have then had. There had been a previous policy, if I'm not mistaken, which allowed a young farmer under the age of 32 to acquire land at a much lower rate of interest and usually a much more lenient credit situation.

MR. ADAM: Mr. Chairman, just as a further comment. I always assumed that the FCC had a much preferable rate than MACC as far as purchasing land was concerned. You know, why would a young farmer go to MACC and pay a higher rate of interest when he could get say a lower rate from FCC?

MR. HOWARD: I believe that the then existing young farmer rate was some 2 if not 2-1/2 percent lower than the FCC going rate or the MACC going rate.

MR. CHAIRMAN: Mr. Henderson.

MR. HENDERSON: Yes, I'd like to ask Mr. Howard, in referring to the same paragraph. Does this not mean that the local area out there are not in favour of the government buying up the land as such and leasing it back. Is that not the whole intent of that paragraph?

MR. HOWARD: I'm an employee of the Corporation.

MR. You don't have to answer in this committee if you don't want to.

MR. HOWARD: I'd love to but I can't.

MR. HENDERSON: I have no further questions in that case. But I believe from that area, I feel that the very intent of that particular paragraph there is that they don't like the present way the government buys it up without helping the farmer buy it. They don't like the government buying it and leasing it back.

MR. CHAIRMAN: Mr. Walding.

MR. WALDING: Mr. Howard, I wonder if you'd give us the benefit of your advice as to where within this area the committee might hold public hearings to best allow local farmers and concerned citizens to come and give us their opinions?

MR. HOWARD: I would suggest somewhere around No. 14, No. 3 at the bottom - No. 14 and 3 highway and in the north section.

A MEMBER: That's in Elm Creek.

MR. HOWARD: 14, somewhere central in each of the areas. There's a north area and a south area. I would think Altona, Morden, Winkler as one specific area and Carman, St. Claude, Starbuck, Brunkild - possibly Carman as a central spot.

MR. WALDING: You're suggesting then Carman for one location and maybe Altona for another?

MR. HOWARD: Something in that order, yes.

MR. WALDING: What about the west, more westerly part. Do you think it would be a good idea to hold a meeting somewhere around Manitou way?

MR. HOWARD: Manitou or Somerset. The people that would come in from South Norfolk and Victoria would probably think more in terms of a central location at Somerset.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Mr. Chairman, I wonder whether we could find out from the Pembina Development Corporation just what their view is with respect to subsidization of land purchases, in that we've had that kind of program for decades, both federal through the FCC program and through MACC up until 1967, I believe. And at least as I understood the phase-out of that program in 1967 and subsequently after it was reintroduced and phased-out again, was based on the experience that a lot of cheap money going into land transactions resulted in inflating the value of land, that really there was no saving to the buyer, to the so-called young prospective farmer who wanted to get mortgage money. That he passed on the benefits of low interest into the price of the land that he was buying so that the seller got the benefit of the subsidy rather than the buyer. Do you have any observations on that point?

MR. HOWARD: The Agricultural Committee of the Pembina Valley Development Corporation has not dealt with that point. I'm sure that it will be dealt with in due course when we have our committee meetings. I'll make a note of it.

MR. USKIW: What in your opinion specifically do you think the committee should recommend to the Legislature? Should they recommend some form of legislation or . . . what is your corporation suggesting to us?

MR. HOWARD: Mr. Chairman, this was an emergency stand that I'm taking right now because we didn't know how many hearings there would be and we appreciate the opportunity to making a full presentation at a subsequent . . . if you please.

MR. USKIW: At a later date, okay.

MR. CHAIRMAN: Thank you, Mr. Howard. Peter N. Friesen, Farmer from eastern region, Mr. Friesen.

MR. PETER FRIESEN: Mr. Chairman, honourable committee. I'm Peter Friesen from Carlewrie, Manitoba, and I am here representing a very small group of average sized farmers in the eastern region. Maybe I should point out at this time that we put up a very short brief in an awful hurry since we were of the understanding that there would be no further meetings held in this area after today. Now it has been brought out that we should not get this impression, but I just remember a very short time ago the government set up a committee to inquire on - they called it a meat commission - and I at that time also read a similar ad in the paper where three meetings were advertised, one in Dauphin, one in Brandon and one in Winnipeg, and we also made a presentation at that meeting, which was also in a hurry, and when the meeting in Winnipeg was over, amen. We felt the same thing could happen here so we did not have the proper time to prepare a detailed brief.

I will now read our brief. Whereas the Government of Manitoba has expressed their wishes to hear the views of the citizens of the province, we feel they should give sufficient time for such an opportunity. Since the Working Paper was only released to the public on January 16th and the hearing is on January 20th, they do not seem very sincere when they allow only four days to acquire, examine and prepare the views for the hearing.

In Chapter II of the Working Paper owners are described as follows: Residents, referring to the farmers that own their own land; non-residents, referring to investors that are listed as Brandon and Winnipeg residents, out-of-the-province residents and foreign residents, but there is no mention of government ownership paid by the taxpayer. In the past two years the government has purchased a large number of family farms and contributed to a great extent in forcing up the price of agricultural land.

In Chapter III, it is stated that the increase in land prices reflects in higher taxes. This is utterly false. The increase in taxes only increases with the increase in public services and has very little to do with the value of property. Since the producer makes his living off the land he pays the bulk of all public services. It is stated the land value affects the farmer's opportunity costs. This is also a false statement. The price of land is a very small factor in any opportunity costs. The real opportunity costs are the farmers expenses. For example, machinery, repairs, twine, fertilizer and so on.

Pages 59 to 61 sums up the chapter truthfully by admitting that Canada has built up a high standard of living at the expense of the farmer and the high standard of living enjoyed by the urban area is now threatened since the farmer can't, nor will, carry the load any longer.

In Chapter IV it is stated that the smaller the farm the more productive. This statement should be clarified. A farmer cannot produce any more wheat on three acres than on 300 acres on a per acre basis. In comparing ownership versus rented, they compare ownership against rented from MACC; no details are provided on the MACC lease program.

The more we study this Working Paper the more convinced we are that it is written to justify the unjust and also to justify the mistakes being made at the present time. It may be justified to stop or at least limit foreign land ownership but further action should not be attempted without a thorough study of all aspects of ownership - especially government ownership.

MR. CHAIRMAN: Thank you, Mr. Friesen. Mr. Jorgenson.

MR. JORGENSON: Mr. Friesen, you mentioned, made an interesting comment about taxes playing an important part in your overall farm costs. My information indicates that from 1956, say till now, that the amount of taxes paid by Manitoba farmers on property has doubled, from \$10 million to over \$20 million. I don't know how long you've farmed on your present operation, but you can tell us just to what extent your own taxes have increased during the period that you have been on that farm, and what relationship that bears to your difficulties in meeting costs?

MR. FRIESEN: The statement that we made in here, I was expecting to be questioned on it, the statement I make here that the price of land has a very small effect on our costs but the price of taxes has a very big effect; that the price of land does not effect the amount of taxes we pay, the public services do. I bought a quarter section of land in 1967. I brought along the tax statement for 1968. In 1968 I paid \$166, per quarter, school tax. I also have the tax statement for 1974, and in 1974 I paid \$235.87. The school tax alone has increased in the past six years 255%, which comes to 42,5 percent per year over the past six years.

The property I bought - in 1967 I paid \$100 an acre for it. It was only last spring when it didn't look like I would be able to continue farming and I'd put my land up for sale for \$130 an acre and I couldn't get a buyer, and I have in the past six years made more than \$30.00 an acre improvements on it. And this tax bill was made out before that. Now if I can get more for that land at the present time, I don't know, but in springtime I know I couldn't get \$130 for land that I paid \$100 for six years ago. So the increase is very small.

MR. CHAIRMAN: Mr. Jorgenson, proceed.

MR. JORGENSEN: Mr. Chairman, you made a comment concerning the viability of larger farms and then you made reference to a statement that was contained in the Working Paper which purports to show that the smaller the farm the greater the income, and I am inclined to agree with you that that is a very misleading statement. That it depends on a number of factors; it depends on, for example, what you grow, whether it is an intensified type of production, and it also depends a great deal on the kind of land that you are operating. You're a grain farmer, I presume?

MR. FRIESEN: I'm a mixed farmer.

MR. JORGENSEN: Mixed farmer. I was wondering if you . . .

MR. FRIESEN: I have cattle, I used to have hogs, I used to have chickens.

MR. JORGENSEN: Can you tell us why you got out of hogs and chickens?

MR. FRIESEN: Well maybe it does affect land policy to a certain extent, at least on one point. I think the majority here is well aware of the fact that the government has taken control, through the Hog Marketing Board is controlling our hog marketing situation. In the past I have learned that when the government takes control . . .

MR. JORGENSEN: You lose control.

MR. FRIESEN: . . . we usually end up being the loser on two ends, the producer and the consumer. And with chickens it happened to be the same way. When the Marketing Board came out - well it wasn't my choice, I was forced out.

MR. JORGENSEN: I'm glad I asked that question anyway.

MR. FRIESEN: And here I should maybe mention the schools. The schools is the same thing. The biggest reason for the tremendous increase in our school taxes - we had very little increase, if any, for many a year until the government took over our school system and we had - the divisions came in.

MR. JORGENSEN: It doesn't matter what government, it is wrong whatever . . .

MR. FRIESEN: I'm not talking about any particular government now. It doesn't matter who is head of the government, when government takes control usually the expenses go out of hand. And right now our tax structure is set up in such a way that I could maybe use our municipality for an example. As a farmer I have one section of land and I am paying \$335.00, per quarter, which would come to about \$1,800 strictly school tax. My income has never exceeded \$10,000 a year. The principal in our school, the teachers in our school, the bankers in our banks and all the different people in our area with this tax rebate that has come out in the last few years, they get every last cent of their taxes back and I only get back - right now I believe it's \$250.00 out of \$1,800.00. So I have to still pay \$1,600 school tax on a less than \$10,000 income, while the majority of the people within our municipality, and a lot of them are in the 15, 20, 25,000-dollar bracket, pay absolutely none at all, and their children attend the school just like mine.

MR. JORGENSEN: I wonder, Mr. Chairman, if Mr. Friesen has - perhaps this is an unfair question. I was wondering if you have purchased any machinery recently and if you have calculated - I know since you're a mixed farmer you may not sell grain - but I was wondering if you had calculated how many bushels it cost you to buy say a new tractor today as compared to say about ten years ago, whether it took more bushels in spite of the increase in machinery prices or whether it took fewer bushels? You would only know that I presume if you sold . . .

MR. FRIESEN: Can I use some of your figures? We do have bills of machinery that were purchased in 1950. A TD6 Cat. purchased in 1950 cost \$4,449.03, brand new. In 1972, two years ago, that same Cat. was \$16,000, that's 400 percent increase. Right now it would be well over \$20,000.00. A John Deere mower with a 7 foot cutting blade, No. 5 mower, the same mower bought in 1953 - \$285.00, in 1974 - \$1,085.00. This is what is pushing the farmer off the land. This book in a lot of their charts show that the rural population is decreasing and the number of farmers is decreasing but what it doesn't state there, that the majority of these farmers are not because there's not young farmers coming in, but the majority of these farmers that are leaving the land are middle-aged farmers like myself that got to this point where they just decided they had worked for nothing long enough and they just are getting out of the business.

Another thing that has been brought up here today is the fact, there seems to be a feeling that anybody should have the opportunity to start farming. Now I would like to know whether this committee feels that if I so desired that I want to run a grocery store or a garage whether the government would be willing to set me up in that type of a business if I didn't have the means to do it on my own, in the same way we should treat any farmer or any individual that wants to go into farming. There's no way he should get everything handed to him on a silver platter. Getting started isn't easy no matter what business we're in, whether it's farming or in any other industry. The only place we seem to have government control is when it comes to farming but no controls are ever made when it comes to the farmers expenses like fertilizer; twine, for example, has gone up 400 percent in the past ten months and no controls have ever been put down.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, I'm interested in the points that Mr. Friesen is raising. Firstly, he raised the question having to do with a lack of opportunity to appear at public hearings and, Mr. Friesen, you seem to be of the impression that you are denied a reasonable opportunity. I simply want to point out to you that you still have an opportunity to meet with the Meat Inquiry Commission, it has not closed its proceedings or its hearings to date and will continue for some time, and if you want to belabour that point with them I'm sure they'll accommodate you.

Likewise, this committee has just begun its hearings and there will be other opportunities for you. So you are under some misimpression.

MR. FRIESEN: But the point I was making here is that the public is not informed of this and there is a misunderstanding that never gets clarified.

MR. USKIW: Well, you know, I think you should bear with us. The committee can only decide a number of a meetings at a time and from time to time there will be announcements as to further meetings. The committee hasn't decided, or hasn't planned the total scope of these hearings, for example, other than in a very tentative way in that they are committed to the holding of future meetings. So this is not new in procedure. Very seldom have I been part of a committee, and that goes back at least 9 years now, where the whole schedule of meetings have been publicized on day one. We usually determine from time to time during the course of our hearings as to the need for future meetings, and it's obvious to us that there is a need for more hearings on this particular question, and likewise that will be the case.

The other point, sir, that you raise has to do with taxation which is really a fairly distant relative of the subject matter before us. That is, I don't know that it's even within the terms of reference; that's something that we will have to deal with at another time.

The question of ownership and use of land is really at hand at the present time and your views as I understand them, and correct me if I'm wrong, your views are that there should be no restriction, is that it, on ownership?

MR. FRIESEN: My personal views are that there should be no restriction but when I am speaking for the group that I am, there's a mixed feeling and I believe that this mixed feeling is there because of a misunderstanding. Through rumours and misrepresentations some people seem to have the idea that foreigners have moved in here and it's just a matter of months and they'll own the whole province. This is why a lot of people have mixed feelings when it comes to foreign ownership and for this reason, I did not put my personal view in here but put in here "it may be justified". In other words, it's questionable.

MR. USKIW: Let me put it to you in another way, sir. In your own mind do you believe that only the wealthy should eventually acquire all the real estate or should public policy try to deal with that problem? I'm talking about the . . .

MR. FRIESEN: My personal feelings are, the people that work for it.

MR. USKIW: I'm talking about the wealth of the world here because we are dealing with a world market. And I'm saying should the wealthiest people of the world eventually acquire all the property rights of the world?

MR. FRIESEN: There have been wealthy people for a long time. I grew up on a farm, my father farmed in the same area and the biggest percentage of our municipality at that time was under American ownership. These Americans through the thirties and up to the fifties did not get any return on the investment they had on their land and finally got fed up with it and sold it at a loss to local farmers; and these were the farmers that were actually renting this land from the Americans. And the same thing could happen again. There are foreign buyers buying land, they're paying more than any Manitoba farmer is willing to pay, and if they happen to show a profit they're lucky to do so, but if they show a loss, I don't feel a damn bit sorry for them. That as a farmer myself, there is no way I'm going to compete with these guys from Europe because I know I'm in no position to do so.

Now if it goes out of hand, and this would have to be looked into thoroughly to find out whether it really goes out of hand, whether or not they are really acquiring to that extent to stir up too much public fear, maybe it should be stopped. But at the present time I personally do not believe that it's a problem one way or another. But as far as government is concerned—I realize you're not asking me that question so I would like to give an answer to it anyway, you have asked everybody so far, whether or not I felt as a farmer I should have the right to decide whether I want to sell my land to the government or not.

MR. USKIW: Mr. Chairman, on a point of order, I don't believe that question arose today.

MR. GREEN: I did ask the question.

MR. USKIW: Oh, I'm sorry.

MR. GREEN: I did ask the question and if he needs any help, I'll ask him. Do you think that a farmer should be able to sell his land to the government?

MR. FRIESEN: The farmer owns the property and I think he should have the right to sell to whoever he desires to sell to, but the government should be restricted from purchasing with public funds. I have absolutely no objection if a member of the parliament uses his own money and comes and gives me an offer on my farm or my neighbour's farm, but when the government uses my money and the rest of the taxpayer's money to try and buy me out or my neighbour, that is where I definitely have an objection to.

MR. GREEN: They can only do that with the consent of the representatives of the public, you're aware. They can only do it by getting the public to vote money for to do it. If the public wanted it done, do you believe that a man has a right to sell his land to the government.

If 57 members of the Legislature representing their constituents who voted for the government to buy land wanted them to do it, would you then say that the government should not be able to buy land?

MR. FRIESEN: I would still have to say personally, no.

MR. GREEN: I see, that's fine.

MR. FRIESEN: Because I never had a vote— my tax money is in there too and I did not have the opportunity to vote whether or not they could use my tax money to compete with me in buying my neighbour's farm.

MR. GREEN: Well what about if my constituent in Inkster said that he does not want me to spend any money to do drainage on farmland in the Province of Manitoba, it's spending his money to do drainage on farmland, he doesn't want it and he personally did not consent to it, should they have a right to do it?

MR. FERGUSON: Harry, ask him about the Convention Centre?

MR. CHAIRMAN: Order please.

MR. GREEN: And the Convention Centre, yes; and the blackberries in Rock Lake and you know, all of these things; do they have a right to do it if their representatives say that they should do it.

MR. FRIESEN: I was only expressing my personal feelings . . .

MR. GREEN: If all of the representatives of the Legislature wanted to buy farm land, it's your personal opinion that the government should not have the right to do it?

MR. FRIESEN: My personal opinion, yes, but only my personal opinion.

MR. GREEN: That's fine, okay. So we know where you stand.

MR. CHAIRMAN: Mr. Einarson.

MR. EINARSON: Mr. Chairman, I would like to ask Mr. Friesen if he knows of anyone who has been interested in buying land and found that the Manitoba Agricultural Credit Corporation was competing. In other words, have any officials of the Department of Agriculture under the MACC have indicated that, you know, we are setting a price and that you've got to meet that. Do you know of any cases in this . . .

MR. FRIESEN: After reading this book, one of the main reasons I'm here today is to try and get an extension to these hearings. Because I feel it is very important that we bring some of these people in here that have had personal experience.

One of the fellows in my neighbourhood rented land off an old-timer that had retired, he was going to move off his property and move into town because he was sick so he offered to sell this property, and he asked for \$80 an acre. Now this happened to be bush land, and this fellow figured it was a little bit too expensive but he was using it, he needed it for his cattle, he was strictly in cattle, so he went to MACC to see whether he could get a loan. They then told him that they would let him know and the day after, a man from MACC was at his neighbour's, offered him \$100.00 an acre for his quarter section of land, bought it and then went back to the farmer and tried to rent it to him. I would like to see that man come up here because he can talk of personal experience.

MR. GREEN: Let him come.

MR. FRIESEN: This is one of the reasons I'm here today, to try and get another hearing in this area so that people like that can show us just what this MACC lease program is actually doing. (Applause)

MR. CHAIRMAN: Order please. Mr. Green. Mr. Einarson proceed.

MR. EINARSON: If I may proceed to make one further comment. Because of the comments Mr. Walding made earlier asking Mr. Howard where he thought other meetings could be held in the Province of Manitoba in regards to this matter, if I may, Mr. Chairman, with your permission, extend to this committee to come a little farther west into the constituency of Rock Lake, to take in the whole southwestern part of Manitoba, which this Minister of Agriculture has never done as long as he's been Minister. I just want to make that comment and extend an invitation . . .

MR. CHAIRMAN: Well I don't believe that it is relevant, Mr. Einarson. I thought you were asking a question to Mr. Friesen. Mr. Green.

MR. GREEN: Mr. Friesen, are you aware that the previous administration had hearings with regard to consumer protection and asked for the submission of briefs?

MR. FRIESEN: No, I wasn't aware of it.

MR. GREEN: And are you aware that they gave no information to the public before receiving the briefs? No information at all, they just asked for briefs and people brought briefs.

MR. FRIESEN: If I said anything today because . . .

MR. GREEN: Yes, you are complaining about the procedure and I want to--you are complaining about the procedure. Are you aware that the previous administration had meetings, had hearings, committee meetings to hear about automobile insurance. Are you aware?

MR. FRIESEN: No, I'm not aware.

MR. GREEN: And are you aware then that they submitted no information to the public, no information whatsoever before these meetings upon which to consider those questions.

MR. FRIESEN: I wasn't aware of it and I should maybe explain why. Because for about six years I did not even have the time to look at a newspaper nor did I have time to listen to the radio or TV.

MR. GREEN: Are you aware . . .

MR. FRIESEN: I was not aware of anything at that time.

MR. GREEN: At that time nobody wanted to make you aware of anything. Now are you aware - I'm still asking questions

MR. CHAIRMAN: There is no point of order.

MR. SPIVAK: Well, Mr. Chairman, Mr. Green is using this as a form to try and express his position in rebuttal to the . . .

MR. GREEN: Well, Mr. Chairman, on a point of order . . . if that is out of order then everything that has been said by members of this committee is out of order.

MR. SPIVAK: Mr. Chairman, Mr. Green . . .

MR. CHAIRMAN: . . . on a point of order . . .

MR. SPIVAK: He doesn't have to browbeat the witness. We're all aware of his debating skills and it's not necessary for him to impose. Even the information that he furnished was misleading and false. The fact is that the hearings of the Consumer Protection were over a four-year period, that there was both a White Paper and then following that a draft legislation that was introduced and there were hearings on that. And the suggestion of in any way making a comparison is ridiculous and is just an attempt on the part of Mr. Green to provide, if I may use the term, "a red herring" in front of this committee.

MR. CHAIRMAN: Mr. Spivak, I believe you're out of order. You're trying to make an issue. There are answers being volunteered and questions being asked by everybody. Mr. Green proceed.

MR. GREEN: Mr. Chairman, I am quite aware that Mr. Spivak would not like it to be known the way his administration handled the province because he has nothing to be proud of and everything . . .

MR. SPIVAK: Mr. Chairman, on a point of privilege.

MR. GREEN: No, Mr. Chairman, I am speaking on a point of order.

MR. SPIVAK: On a point of privilege, Mr. Chairman, I would ask Mr. Green to withdraw that remark. On a point of privilege, Mr. Chairman . . .

MR. GREEN: No, I will not withdraw it, I will repeat the remark. That Mr. Spivak does not want the public to know what his administration did because he had everything to be ashamed of and nothing to be proud of. I do not withdraw it, I reiterate it, I underline it and if necessary I'll repeat it a hundred times.

MR. FRIESEN: I don't know what kind of a point you're trying to make, I don't see what it has to do with the search for land policy.

MR. GREEN: You better explain that to Mr. Spivak. You had better explain that to Mr. Spivak because he was the one who was making the point. You came here, you complained about the fact that the government in having meetings, advertising them, and sending out a paper had somehow not given the public a chance to participate. Now I am asking you, do you know of any meetings that were held by the prior administration where prior to the holding of the meetings they provided the kind of information that the Minister of Agriculture has now provided?--(Interjection)-- You would never provide anything.

MR. CHAIRMAN: Mr. Graham, you have a question?

MR. GRAHAM: Yes, Mr. Chairman. Through you to Mr. Friesen. I would like to ask Mr. Friesen if he has had time to read the Working Paper, "In Search of a Land Policy"?

MR. FRIESEN: I have read the Working Paper through once, hurriedly. I called a meeting with a number of people from different areas last night, we then read, we didn't get finished, it got awful late, we didn't get all the way through, but we read it and we wrote up a couple of points and one of the closing remarks I was going to use here tonight - I was going to ask whether or not we would have sufficient time to get more facts, and then maybe present another brief which would be on behalf of a much larger group of people in our region.

MR. CHAIRMAN: I believe that indication has been made this morning, that there would be further meetings as the need arises. You have so indicated and I am sure that we will take that into consideration. Mr. Spivak--Mr. Graham.

MR. GRAHAM: Just a minute, Mr. Chairman, I'm not finished yet. A second question, through you to Mr. Friesen. Mr. Friesen, several years ago the Government of Manitoba presented its Guidelines for the Seventies which outlined its policies for the coming years. Have you had an opportunity of reading that?

MR. FRIESEN: No, I haven't but that might be through faults of my own. It has only been in the last year that I've had a little bit more time to spend in looking into things that went on around me; in the previous years I've been in hock up to my neck and it's taken all the time I could possibly put into it to try to keep from going under. And for this reason there's a lot of things that have happened that I am not aware of.

MR. GRAHAM: Well, Mr. Friesen, you mentioned the very excessive tax burden that you have on your own personal property and I would like to refer you to page 42 of Volume III of the Guidelines of the Seventies where the government says: "The ultimate goal of the government is to be able to eliminate the burden of all property taxes on farm and residential property." Do you believe that they're achieving that goal?

MR. FRIESEN: As I have stated before . . .

MR. GREEN: Mr. Graham is trying to make a point, Mr. Chairman . . .

MR. FRIESEN: . . . in the past six years my school tax alone has increased by 255 percent.

MR. GREEN: Mr. Graham is trying to make a point. What is this terrible thing?

MR. CHAIRMAN: Yes, Mr. Spivak.

MR. SPIVAK: Well, it's unfortunate that Mr. Green's manners are as they are . . .

MR. CHAIRMAN: Mr. Spivak, would you proceed with your questions.

MR. SPIVAK: Mr. Chairman, I will say that as a remark and I'm also trying to make a point. I'd like to ask the witness with respect to the remarks in connection with MACC and the 80-acres purchased by a farmer, whether he considers the fact that a farmer will go to a lending agency and find that a lending agency after having been supplied with information would then compete with him on the purchase of the land, whether he would consider that a breach of normal business etiquette and a breach of confidentiality on the part of a lending agency?

MR. FRIESEN: I advised this particular farmer to sue the government for commission since he had brought that piece of property to their attention. Now if I would have been in his shoes I would have definitely taken those steps. His opinion was, you can't fight the government anyway.

MR. SPIVAK: Yes, and then I'd like to ask you, are you prepared as a farmer to allow the government to use the public treasury to compete with farmers who in fact have provided the information initially to the government representatives on the land to be purchased, to put them in a position of being able to really undercut the farmer who is trying to provide for himself a purchase of land. -- (Interjection) -- No, that can be documented. By the way, Mr. Green appears to think that this is not the case, I think it can be documented. . .

MR. GREEN: Well bring in the documentation. You made lots of other allegations which never received documentation.

MR. CHAIRMAN: Well it seems to me the type of question that if Mr. Friesen wants to answer that question you may proceed.

MR. FRIESEN: I think this should be brought up by the person who was actually personally involved with this and I don't think I really should go into it too far. I tried to get him here for today and I was unable to get hold of him yesterday. I'm sure that he will be willing to come to the next hearing and speak for himself. My understanding is that land is laying idle now and I know that my taxes are paying the interest on that piece of land and it's not being used one way or another. This is why I object.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, having realized that I don't have to make any remarks on Mr. Spivak's manners which were commented on rather profoundly in the election in St. Boniface, I would like to ask Mr. Friesen the following question: Who presented these misleading rumours about the foreigners buying up all the land in Manitoba. Who made those charges?

MR. FRIESEN: I didn't say--I don't know whether they're misleading, the rumour. . .

MR. GREEN: You did say misleading rumours, that there were misleading rumours

. . .

MR. FRIESEN: Well maybe they are misleading, maybe they aren't . . .

MR. GREEN: Can you tell me who made . . .

MR. FRIESEN: In my opinion, they are misleading because I don't believe them.

MR. GREEN: I'm sorry, I'm sorry. I want to know who started these misleading rumours?

MR. FRIESEN: In our particular . . .

MR. GREEN: Mr. Chairman, on a point of privilege. I have never complained about foreign acquisition of land in the Province of Manitoba, members of the Legislature know it. I want to know who started the misleading rumours?

MR. FRIESEN: In our municipality a large number of acres have been bought by people from West Germany. I have also been told that there have been some pieces of property, and very large ones, that have been sold to the West Germans and after inquiring about it I found out that the property isn't even for sale. So a lot of people think it is sold and a lot of these rumours have been going around. As a matter of fact, my land, I also

(MR. FRIESEN cont'd) . . . own a section of land and I have heard for the last six months that it has been sold. This is why I call them - and personally I say they're misleading because I know for a fact when somebody tells me that my land has been sold six months ago, I think I should know something about it.

MR. GREEN: I still ask you the question and I would like to know the answer, if you know it, if you don't know it you can't give it to me. But can you tell me who is responsible, which individuals are responsible for these rumours?

MR. FRIESEN: I don't know that.

MR. GREEN: Would you ascribe as misleading rumours the suggestions of concern by Messrs. Patrick, Johnston and Asper in the Manitoba Legislature to the effect that they are worried about foreigners acquiring land in the Province of Manitoba. Would you describe those as misleading rumours? Those three are Liberals by the way, they are all Liberals.

MR. FRIESEN: I was speaking of the people in the rural area. I felt I had explained that when I mentioned why we added this last sentence in here, it may be justified to stop or at least limit foreign land ownership for one purpose, and that is to give the public an opportunity to get more informed as to how serious the situation is before they get all excited about it. For that reason I'd go along with stopping or at least limiting foreign ownership temporarily. Personally I do not believe it is a problem.

MR. GREEN: So you would not then, I take it, and I would agree with you, you would not describe the actions of Mr. Patrick, Mr. Johnston, Mr. Asper, Liberal members of the Manitoba Legislature, as misleading rumours because they raised questions as to whether this should be looked into.

MR. FRIESEN: I didn't hear about these questions.

MR. CHAIRMAN: Thank you, Mr. Friesen.

Mr. Nemy.

MR. MORTON NEMY: Mr. Chairman, honourable members, I also just received the Working Paper "In Search of a Land Policy for Manitoba" but possibly a little later than most of them because I was out of the city and therefore I have not got a prepared brief. I certainly might compliment the presentations made by the Manitoba Farm Bureau and by Mrs. Colson and Mr. Friesen. They certainly covered a lot of the things that I would have said if it hadn't already been said and I don't see any need in repeating them or echoing their comments at this late stage in the day.

I'm really here, Mr. Chairman, for information purposes, in that possibly I might have more information on sale to foreigners than possibly anyone else that might be available to you and I'm certainly prepared to answer questions. My involvement is in acting for many people who have purchased property from outside of this province, mostly overseas purchasers. There is unquestionably a lot of confusion in a lot of people's minds as to why they are purchasing, their intent and the worrying concern of local farmers and certainly the members of this House.

My dealings have been mostly with people from West Germany, Italy and Austria and I have had occasion to not only spend a great deal of time with these people in Manitoba but I have also visited them at their home locations. And I would firstly say that at least 75 percent of them are farmers in their own countries and in visiting their actual farms, they are much smaller than what we are used to, there are farmers who are farming 70 separate pieces of land with three and four hectares in each piece, both under ownership and under lease arrangements. Therefore when they come over here and they see the wide expanse of grain-growing land, it naturally interests them. But in talking to hundreds - and this is no exaggeration - the same answer keeps coming back to me, and I have asked them why after seeing their farms, their dressage horses that they ride and their beautiful farms and the way they live, why they would want to emigrate over to this country; they have the answer, and that is that they are very concerned about communism. I have heard this from the farmers and certainly from the business people, but mostly from the farmers.

MR. GREEN: That's why they are buying land in Manitoba.

MR. NEMY: I think there's a great deal of difference between a party that is . . .

MR. GREEN: Of course, I agree with you.

MR. NEMY: . . . supposedly a Socialist Party and a communist regime, and I think we should certainly make that clear at this time.

They are very impressed with our province, their main problem in not moving to Manitoba - and although many have, there are some in the Brunkild area and in talking to

(MR. NEMY cont'd) farmers who are their neighbours, they say they are some of the best farmers that they have ever seen in the use of the land. Unfortunately, as many of you probably know, one was killed on his farm last summer and he was quite an extensive farmer.

The reason that they are not emigrating at the moment is that their farms - and I have taken many pictures of them and they will be available - are on the outskirts of some of the major cities in these areas such as Frankfurt, Dusseldorf, Munich, and you can see the high-rise apartments and factories going up all around them, but they are not allowed to sell the land for other than agricultural purposes until it is rezoned; and since the price of their land is so high because it's so close to an urban area, there is no way that they can sell until the government gives them permission to do so. This is what is really holding back their immigration to this country. A great many of them have already applied for visas and have received Canadian visas and are acquiring Canadian income tax returns, but they still can't leave their farms because of this major problem.

With this interest in land, and this purchasing of land, other things have developed and I think this hearing should certainly have note of it. And that is, the people who have purchased land who are not farmers are not interested in holding land on speculation nor are these farmers. There is no mention made of speculation land and I don't think you could buy this land from them if you offered them twice as much at this time. In fact this has arisen and they would not sell; somebody in the City of Winnipeg wanted to buy a parcel of land next door to his and they had no intention of selling it because they had intention of moving here.

But in my trip to Europe, and as I say I just returned, some people who own land in the Dauphin area, something like 3,000 acres, have to my personal knowledge spent approximately \$1 million in Dauphin. And any one member from that area can certainly check this out. I took them into a Polo Park department store and they spent money in there that was more than any other individual single person had ever spent in the store; this from the assistant manager of the store. So they are spending large sums of money. They did last year burn down 29 buildings on this land because they were completely unlivable, they were rat infested, the manure was piled to the ceilings of the barn and they cleaned up the land which cost them something like \$200,000. They have bought farm machinery and they put the complete 3,000 acres into summer fallow and worked it all summer in order that next year they could do something with the land. They did experiment with various crops on this land; they had test plots all over with all kinds of things such as corn, wheat, flax and sugar beet and they made very careful notes of the productivity of the land.

In meeting some people that were introduced to me by these people, they were very interested in coming into Manitoba and investing \$40 million in a particular industry. I spent a considerable amount of time with them, they drove hundreds of miles to see me at certain locations, and we wrote Premier Schreyer, with a copy to the Minister of Agriculture and a copy to the Minister of Trade and Commerce. This particular concern did not want to build in the city but wanted to build out in the rural area. They wanted, of course, a great deal of information and they advised me that they would like to come to Winnipeg at the end of January and if I could make arrangements for this; firstly, making sure that they had an appointment with the proper people at the government.

I did phone the Assistant Minister of Trade and Commerce and I received a very unfavorable type of reception. So much so that I was embarrassed. I was asked such things as, "What's in it for you," and "Of course we're not paying you a finder's fee," this type of thing. And I bring this to your attention because these people are the type of people who supplied every bit of information. They supplied the names of their banks, the names of the president, directors of their companies, what they owned, what they produced, what they intend to do, just everything that could--in fact we went up to the Canadian Consulate in Milan and they said to us that it was the most information they ever had initially from anybody who ever wanted to come to Canada, that usually they don't get this much information for six months. And I'm still waiting to hear from somebody in authority, as they have my name, that these people are welcome to come and that they - I shouldn't use the word "welcome", I'm sure they're welcome - that the government would set up a meeting at a certain time and a certain date.

There is a great deal in the Working Paper that can be interpreted many ways, such as there are many local farmers who aren't incorporated. Any of the big farms for tax

(MR. NEMY cont'd) reasons aren't corporated companies, maybe with their mailing address in Winnipeg, and I'm sure they're shown in this book and all through the diagrams and graphs as non-residents. There are many people living in Winnipeg and farming outside of Winnipeg, and I believe one of the briefs mentioned the Municipality of St. Francois and I also am aware of many farmers, full-time farmers with 2,000 acres farming in St. Francois that are living in the St. James-Assiniboia area. In fact I wouldn't be a bit surprised more than half are living in St. James-Assiniboia that farm the Headingley-St. Francois area. And that same goes for Ritchot, and probably a good many other municipalities that surround major or even minor urban areas. I think this is the trend. I have seen, in doing a great deal of farm work not only for people outside the province but within the province, I have seen a great deal of interest by young people in going back to the land. They are either buying their father's farms or they are buying land that is for sale and the only reason that they are going back is because it is now economically feasible for them to go back and farm. They left because they saw their fathers and I guess their grandfathers swinging with the ups and downs of farming, but over the past few years farming has had a remarkable comeback with a very good net return and therefore they are interested.

With regard to foreign ownership, I have prepared dozens and dozens of leases back to Manitoba farmers, people from overseas have asked me for no more than a 5 1/2 to 6 percent net return on their investment, and these leases have been prepared for periods of 3 to 5 years. I note that figures are used in the brief of land in 1972, to make a point, of \$230.00. I frankly don't know of any land in 1972 that sold in this province for \$230.00 other than possibly specialized crop lands like for sugar beets or market gardens along the Red River; and I think any research in any Land Titles Office will bear this out. The reason that land prices are at what they are now and -- I have been told not to buy any land that isn't at market price because their first matter that was put to me was, don't do anything that Manitobans wouldn't do themselves; they don't want to be known as inflating land prices--and I don't know of any land in this province that I have handled, and I maybe have handled over 75 percent of land that has been sold to overseas investors, that sold for more than \$230.00 to \$240.00. I think that that price is based strictly on a market return of productivity and on nothing else. And when you're leasing land and the Manitoba Government is buying land at \$200.00 or \$230.00 and paying 10 percent interest on the market for their money to buy this land, and then the land prices drop to \$150.00 or maybe \$100.00 and they are still getting a 5 percent net return on market value, just what is going to happen to the subsidy that is being paid for owning all of this land. At least these people, at the moment they are not here, but they are many many different holders of land and if the market drops it is their problem. This, of course, as we all know, has happened in Manitoba; in '68 to '70, the land prices dropped, I would say not in the Working Paper which says it dropped 15 percent, but it dropped 50 percent; it went from around \$90.00 to \$150.00 and came right back to \$100.00 -- (Interjection) -- that's right. So, you know, the figures I really took some exception to, but as I say I don't want to go into the figures because anybody can take anything from any book and any figures to suit their purposes, and I hesitate to say, but I think maybe in some cases, in some pages, that this has been done.

I feel that the registration of owners is important to this province. I was born here, my first love is here and so my interest is here and I think that the Manitoba Government and the people of Manitoba who you represent have a right to know who owns the land and I feel that registration of ownership, not only their mailing address or their company mailing address is very important.

I know of no huge syndicate or corporation that Mr. Howard mentioned that is farming and buying up great tracts of land. I know the individual who is leasing some of this land - I'm not sure if his name was mentioned. He said they were farming 9,000 acres; but they're farming 9,000 acres from maybe 25 different owners of land that has been purchased, until such time as they arrive. Some of these leases, because they are coming next year, were only for one year, and the reason for that is that they will be coming in next spring; some are already here and they got here this year, and this person that was referred to, who I think you have a note of but wasn't read out, is available for comment on this.

I also feel that this committee should be looking at the estate and gift taxes with relation to farms, in relation to the inflation that has taken place in the last couple of years, because this is causing a great hardship on a farmer who wishes to pass the property on to his sons -

(MR. NEMY cont'd) it is virtually an impossibility; if he dies, there is a large estate tax; if he sells it, there is a capital gains tax; if he gives it away to his children there is a gift tax. So it's a very difficult decision for this man to make and there are fathers who charge it back to the son when he buys it so, you know, this causes a problem.

I would like to see, and it's really not a matter of this committee but why this government got into the ten cents an acre mineral land charge - I'm not going to comment on why - but why not just add it to the tax bill. I mean the confusion and the cost and the bother to sort out the mineral taxes for people who aren't farming their land. I'm sure the secretaries of all the municipalities know who's farming their own land, just like they do when you give a tax credit for the farmer who lives on his land, and they give \$150.00 tax credit, and for the one who doesn't, he doesn't get it, and I don't see any reason in the world why this 10 cent an acre as a mineral tax can't be added on. If this is the wish of the government to have this tax then certainly there is a much easier way to do it. I'm sure there must be a department already set up just to handle this type of thing, and the return is so negligible, that if you're going to collect it, collect it in a much easier, you know, way.

If you want young people to move on to your farms I think the major problem is probably just easier credit; and I think the Farm Credit Corporation is now looking at legislation for raising the minimum to 90 percent of equity rather than 75 percent, which will certainly help the young farmer, and also raising the minimum loan to \$150,000.00. If anything, maybe the government could look at subsidizing interest rates, although I personally am not in favour of that type of thing. I think that a good farmer, anybody in any field, whether it's manufacturing or an apartment block owner, he must compete in the market, he must be a good farmer or a good manufacturer and if he doesn't compete he's out of business and he has to sell, and that's the type of person you want on your farms. There are some very very good farmers in this province but I also believe that there are some very bad farming units. And I find this out when I try to lease property and the farmers will say, not because they want the land, for goodness sakes don't lease it to that man because there's just no way he's going to make a living on the farm.

I could go on probably indefinitely if I wanted to go through this Working Paper, but I really have presented myself more to answer some of your questions and some of your concerns that you might have because of the foreign investment at the moment.

MR. CHAIRMAN: Thank you, Mr. Nemy. Mr. Green.

MR. GREEN: Mr. Nemy, you've described a situation where you have some clients who wish to buy land in the Province of Manitoba and you've seen Industry and Commerce about it, I believe?

MR. NEMY: We have written the Department of Industry and Commerce and I have phoned the Deputy Minister, Mr. Green.

MR. GREEN: Why don't you just buy the land? I mean what is the restriction . . .

MR. NEMY: No, I think it was misinterpreted by yourself.

MR. GREEN: I'm sorry.

MR. NEMY: I said that through people who already own land in this province, they have been in touch with friends of theirs who are very major industrialists in Europe and they, after looking at the maps, the soil maps and the soil surveys and looking at the terrain and making a very careful study, they were very interested in coming in here and at least getting some information. They produce half of the product that is sold in all of Italy of one product. They are a major industry and I think this is what, you know, the Manitoba Development Corporation, the Manitoba Department of Trade and Industry is all about. I think that they'd be much better to look at these type of people who want to bring money into this province, a great deal of money, and use the land for the highest use than to spend a great deal of money on units that we now have which certainly hurt me, certainly make me, you know, riled, and I'm sure many other people.

MR. GREEN: But is there any restriction on them going ahead and doing this?

MR. NEMY: Well there's no restriction, Mr. Green, but nobody is going to walk into this province and say, We have \$40 million and we're just going to--they must, with an industry like this, work with the Manitoba Government, they must sit down with them and know much more about the province, much more about the attitude of the province with regard to, not grants but aid programs, much more with regard to the Federal aid programs. They would be foolish to come here and to put up \$40 million when everybody else is getting grants

(MR. NEMY cont'd) and getting subsidies. They want to know about the DREE program; they want to know about many other things. And we wrote them, we wrote the government with that in mind - Would you please give us the information, give us the feasibility, give us the soil tests in certain areas, and we're still waiting for this information to come back.

MR. GREEN: I see. So it has nothing to do with - and I'm not suggesting that you would not get the information - but it has nothing to do with people wanting to buy land in the Province of Manitoba from outside because they can do that whenever they want.

MR. NEMY: Oh, yes, certainly, and I would certainly agree with that statement.

MR. CHAIRMAN: Any other questions? Mr. Adam.

MR. ADAM: Thank you, Mr. Chairman. Just a couple of questions I would like to ask. You mention a 40 million dollar investment in farmland . . .

MR. NEMY: No, I didn't.

MR. GREEN: No.

MR. ADAM: Is that an industry or . . .

MR. NEMY: They would use farmland for the industry.

MR. ADAM: I see. And is this part of an investment that's already been made by some people that are already here, established.

MR. NEMY: Some of these people already own land here and that's what got them interested in the province and going into the industry of this province. I might say that they are very very taken with this Province of Manitoba to the extent that there are some major industrial men with a great deal of backing that only saw this province two years ago and have already taken out papers to emigrate.

MR. GREEN: So it's the last two years that they have seen it . . .

MR. NEMY: Yes, I'm not here on an ideology kick, I'm here to present the facts. I don't think the trees and the grass and the valleys and the dunes have changed from one government to another.

MR. GREEN: I keep trying to convince the opposition of that.

MR. NEMY: I think that God gave us these things.

MR. ADAM: Mr. Chairman, I wanted to comment on the statement that Mr. Nemy made about the sale of land in the Dauphin area to German interests.

MR. NEMY: I didn't say to German interests.

MR. ADAM: Well, I believe that was the import of your question.

MR. NEMY: No, your belief is wrong.

MR. ADAM: Because my understanding is, my understanding is that there has been German purchases of farmland in my constituency of Ste. Rose, which is in the Dauphin area. My information is that it's approximately 5,000 acres. Now I could be wrong on this because I'm not that close to the transaction. My understanding is that they have displaced five family farms in the purchase, and these five families have now either left the district or have retired to other areas.

MR. NEMY: Can I comment on that?

MR. ADAM: Yes, go ahead.

MR. NEMY: Number one, they're not German interests. I know the situation very well. One of the first things they did was I say, burn down most of the buildings because they were such a disaster. I saw it myself, I saw them before they were burned and after. In all due respect, these men who they bought the land from, of course, have a great deal of cash which they never had before; they hired back any of them who wanted to, under certain conditions. Amazingly enough one was that they must go and refurnish their homes with the money they got, because they felt that anybody who would live under those conditions and with the type of clothing and household effects that they had could not do a good job for them. They would have no pride in their work. So this has happened, strange but true. And you asked the question. So that they haven't left the district. Some of them are still working there, some men have come in from overseas as full emigrants with families who are managing these, you know, properties until such time as the owner can get here, and the owner now already spends five months of the twelve months here.

MR. ADAM: Yes, my understanding is that there were two families that came in to replace the original farmers. I haven't been there yet, I intend to go and see that farm some time. Is there any way that a transaction could be made in this manner and you wouldn't know as the lawyer that would be handling the transaction, is there any way that, say Krupp, for

(MR. ADAM cont'd) instance, could have some corporation or some interest buying land for him in Manitoba?

MR. NEMY: Well the only thing I can do is answer for the transactions I acted for. This particular farm in Dauphin is owned by a Manitoba company simply because of tax reasons, but the directors are certainly, you know, available and aware. And all other property in this province that I have acted for are owned in their own names with their home address.

MR. ADAM: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: I'm sorry, I had a question that I wanted to ask. You indicated that some of the people that you acted for, and I have absolutely no criticism of it, have purchased land and are renting it out to farmers and they're asking for 5-1/2 or 6 percent return on their capital. Do you see anything wrong with the fact that these farmers are leasing the land from your clients and farming on it - do you see anything wrong with that type of farming?

MR. NEMY: Well I think moneywise they're way way better off.

MR. GREEN: So that there would be nothing wrong with a person leasing a farm from somebody who is charging them 5 to 6 percent on the capital?

MR. NEMY: What is the difference of leasing an apartment or leasing a manufacturing plant?

MR. GREEN: You would not want to discriminate against who that landlord would be?

MR. NEMY: I would agree with that, Mr. Green.

MR. GREEN: So if the landlord was the public that would not make it a worse situation?

MR. NEMY: Well the only thing I have . . .

MR. GREEN: You weren't going to discriminate against the landlord, now . . .

MR. NEMY: No, the only reservations I have is that if the market fluctuates when the province owns, then I suffer; if the market fluctuates when the individual owns, then he suffers. In other words, you're then dealing with my money and I am very concerned about my money.

MR. GREEN: Right. But it works both ways, Mr. Nemy. The fact is that if the market fluctuates and it fluctuates up, then you as a member of the public gains; if it fluctuates down, you as a member of the public lose. But I really wasn't approaching it from that, I was approaching it from the position that there is nothing inherently bad about the lessee farming that land, paying 5-1/2 percent to 6; as a matter of fact I think you said that that was a preferable situation.

MR. NEMY: There are, you know, many things that could be answered. You might have a government ten, twenty years from now that might have 100,000 acres of land with only 10,000 acres being prime farmland and just who is going to get that 10,000 acres.

MR. GREEN: Well do you think that you have a safer situation for the farmer in the Province of Manitoba as to who is going to be the lessee.

MR. NEMY: Absolutely.

MR. GREEN: Just a minute . . . if it is owned privately and that he picks the lessee, as against the public picking the lessee subject to the scrutiny of the entire public?

MR. NEMY: Yes, absolutely, because the man who owns the land is only really interested in a net return, and a good farmer, whereas when the government owns land, whatever government it is, there is a great deal of behind-the-scenes going on, and you might have to pay a political debt to a person in a certain constituency.

MR. GREEN: Well, Mr. Nemy, maybe that's the way you used to run government.

MR. NEMY: I never ran the government.

MR. GREEN: Well when you were a municipal councillor you told me that after a person had got a building permit and had complied with all the municipal requirements, and you had no right to do it, you still insisted that that man put a certain siding on his type of building if he wanted to build in your municipality. Maybe you think of governments doing that because that's the way you did it, but I assure you this government doesn't operate that way. --(Interjection)--That's exactly what he told me.

MR. NEMY: Yes, Mr. Green, that is true, and that was because there were a certain type of price of home going up in the area and if you allow one side of the street to have a very nice type of finished home and another side of the street to just allow anything to go up, then you're hurting both sides of the street.

MR. GREEN: But what about me who have a building permit which says I can build a

(MR. GREEN cont'd) certain type of home with certain type of side yards, and by law some municipal councillor says that I'm not going to let you, even though you have the right to do so, because I don't want to ruin what is happening on the other side of the street.

MR. NEMY: We had never done that.

MR. GREEN: That's what you told me you did. You've just said it again.

MR. NEMY: No, we had development agreements, we had development agreements which were approved by the Municipal Board, and I might say that we drew the development agreements and then got them approved by the Municipal Board and we were the first ones as you are aware to - and I was chairman of planning and property - to charge 10 percent for dedication for schools and parks, and I think if you go to the Assiniboia area, it's very evident, you know, that there has been a great deal of thought been given to open spaces.

MR. GREEN: Mr. Nemy, is it not a fact that you told me that after a person had been given a building permit by the Metro Council that you took steps to see to it that he would not build unless he complied with your additional requirements?

MR. NEMY: No, that is not correct. Once he's got a building permit, there is no way that we can stop anybody from building.

MR. GREEN: All right, then you didn't tell me that.

MR. NEMY: Sorry. It's a long time ago.

MR. GREEN: But I remember, I have a very good memory.

MR. NEMY: I agree.

MR. CHAIRMAN: Thank you, Mr. Nemy. Mr. Ackerman. Before we proceed, there has been some concern about the parking and is there any kind of regulations--some people apparently got a ticket--the only person I can suggest is that they see the Chief Guard. I have no idea of any provisions, because there are signs up the same as anywhere else with regards to parking and people violated in the street, they pay a ticket, I pay a ticket if I park in any other area the same as anybody else. So I don't know what has happened but I had some indication here that people were concerned about parking tickets.

MR. JORGENSEN: Well, Mr. Chairman . . .

MR. CHAIRMAN: Mr. Hare, I believe has indicated that he would be . . .

MR. JORGENSEN: Well I think these two gentlemen indicated that they would like to appear before the committee at a later date, if there was going to be a later date.

MR. CHAIRMAN: Mr. Hare, yes, he stated that. Mr. Ackerman had come forward to state that he has a presentation and he would be the last one on the list. Is it the will of the committee that we proceed with it?

MR. GREEN: The last one, Mr. Chairman?

MR. CHAIRMAN: It is the last one on the list today--(Interjection)--Proceed?
Mr. Ackerman, Professor in Agricultural Economics, University of Manitoba.

MR. ACKERMAN: Mr. Chairman, thank you for this opportunity. I'm a bit inclined to enter into the discussion about whether I should speak or not, because I feel somewhat unprepared, I do not have written remarks and if there is opportunity again in Winnipeg particularly, I would like to prepare written remarks and address myself to those; if you can assure me about them.

MR. CHAIRMAN: Fine. Before we adjourn, the City of Winnipeg has written a letter - from Mr. Dave Henderson, in which he--(Interjection)--I believe that we can give that assurance that there would be another meeting. Thank you, Mr. Ackerman.

I have a letter written to the Clerk from Mr. Henderson in which they indicate a desire to present a brief to this committee. There is also another one from the Manitoba Environmental Council from the Chairman, Mr. Ken Arenson, and he has presented the brief. I suggest that we will add this to the hearings and it will be in the transcript, I'll give it to the person whoever is transcribing and it will be included.

Brief of the Manitoba Environmental Council

As recently stated by the Australian Commission on Land Use, few aspects of modern urban living evoke such wide-ranging expressions of concern in the community as the frustrating and often inequitable effects of land use planning and control; the evident conflict between urban development and the preservation of environmental quality; the enrichment of the few at the expense of the many through land speculation and the consequences this leads to. Perhaps, the same can be said for Manitoba,

Long-range comprehensive planning in the context of environmental management is a new role which increasing urbanization, rapid social, economic and physical changes are forcing upon planners and decision makers. Among other things, this emphasizes the incompatibility of the facts of urbanization with the view that local governments only sweep the streets and empty the garbage.

In short, the land use planning process, which in a large sense is the means by which we create our urban and rural future, has been one of the most difficult issues to resolve satisfactorily because land use planning is so complex and diffuse an activity and because it affects people in such varied ways. It has become evident in this process that many of the frustrations in land use planning are not a result of purely local structures or forces, but that they are symptoms of complex urban societies which demand wider perspectives for solution of their problems.

And too, this is an area where the decisions and non-decisions of other levels of government are not always in accord with the best long-range interests of the collective public welfare. Your Committee finds that efficient land use planning and effective land use controls are the two fundamental prerequisites for the wise use and management of our land and environmental resources. Here and elsewhere, public concern is mounting over the recognition that current land use regulations are too broad, and the method of controlling development too limited, to protect the public interest from mostly unintended and often irreversible damage. Foremost among these concerns are:

- 1 - the need to maintain agricultural and other lands in uses which reflect their natural productivity and characteristics; and . . .
- 2 - the need to promote a more rational pattern of urban and other growth and to manage all environmental resources as wisely as possible.

Agricultural land has a value for conservation and preservation as an irreplaceable natural resource, a strong historical value as well as being an outstanding scenic resource and visual character producer. Public health and welfare are served by the psychological advantages of open space as well as employment created by this activity. Urban growth must be shaped by the wise retention of agriculture land for agricultural use.

Your Committee believes that these needs have become so critical that it is absolutely essential for the province to assume a heightened responsibility in this area of public concern. What is needed is an additional procedure which will allow the province to adopt and enforce more precise and detailed controls whenever the public interest in the use and development of lands and environmental resources is not adequately recognized.

To effectuate that objective, the preparation of a strong and affirmative land use guidance policy - consistent with the maintenance of agriculture and the preservation of environment as free as possible from the damaging effects of uncontrolled urbanization and other development - should be urgently considered. The first step, we believe, ought to be the establishment of a Provincial Land Use Commission, charged with the task of making determinations concerning both, land uses as well as land use practices of critical regional concern.

This should be based on studies relating to the expected economic and physical growth of the Province, and the impact of that growth on economic and social conditions, on natural environmental, recreational, scenic, historic, and other resources, and on the provision of public capital facilities and social services.

The formulation of a land policy is not only important for purposes of determining appropriate forms of land tenure, but is an essential link in a chain of policies directed towards protecting the natural environment, improving the quality of urban life, facilitating economic management and controlling the forces of growth. In its most general sense, a land policy must be seen as a means of responding appropriately to the pressures of population growth and development, especially in urban areas. The keystone of government policy must be a recognition that land is both a basic national resource of limited or finite extent and a necessity of life for all Manitobans.

Your Committee believes, this land use policy should be predicated upon assumptions and purposes similar to those which underlie the U.S. National Environmental Policy Act (NEPA) of 1970.

In essence, the immediate force of this policy would create for the province a new posture as the trustee of the environment for present and future generations. It would frame a new legal-based perspective that would permeate all public and private decision-making

with potential impact on the environment, and would establish a strong bias for the integrity of Manitoba's ecosystems, visual quality and other essential resources.

Its practical effect would soon be felt, for it would formalize the necessity to evaluate all reasonable alternatives to proposed growth plans, and would for the first time, consolidate all growth and resource issues under a unified principle.

RESOLUTION

WHEREAS no integrated land use policy exists for the Province of Manitoba; and whereas such a land policy is of critical importance to the well-being of all Manitobans.

BE IT RESOLVED that the provincial government be urged to establish a province-wide land use policy, and to do so as a matter of high priority, incorporating the principles touched upon in this statement of purpose.

BE IT FURTHER RESOLVED that the provincial government be asked to aid this Council financially in its endeavours to develop for consideration by the Minister, a comprehensive draft proposal for such a land use policy.

MR. USKIW: Mr. Chairman, I wonder before the committee adjourns whether we can agree on another series of meetings so that the publicity could go out with respect to those meetings.

MR. CHAIRMAN: Yes.

MR. USKIW: We have scheduled three to date, which includes Winnipeg, Brandon and Dauphin. On a regional district basis that leaves out the central region of the province, it leaves out the Interlake and eastern Manitoba and of course another meeting for Winnipeg. I would hope that the committee could agree to at least proceeding, or giving the Chair authority to the calling of these additional meetings and we could discuss where they should be held before we adjourn. Otherwise, the committee will have to meet very soon in order for us to have enough advance notice for publicity.

MR. CHAIRMAN: Well I have just drawn up a list and we have for the Interlake - suggest Arborg; for the East-Man - Steinbach; for the central, and that again, I don't know whether Portage la Prairie or Morden, whichever is going to be more suitable; then we have the Parkland and the West-Man already - Dauphin and Brandon. So there is actually three more locations to be decided. I don't know if you people will agree on Arborg, Steinbach, Portage la Prairie or Morden.

MR. GRAHAM: Mr. Chairman, I'm sure you have a very busy job as a Chairman and perhaps you didn't hear some of the suggestions that were put forward today by representations at this meeting about other centres that should be heard from. I was wondering if you were taking into consideration the suggestions that had been put forward today?

MR. CHAIRMAN: Are you referring to the one mentioned in Altona and Carman, and Swan River?

MR. GRAHAM: And Russell.

MR. CHAIRMAN: Russell has been suggested. Well . . .

MR. USKIW: I think, Mr. Chairman, what is important is that in the first pass, shall we say, that at least one meeting per regional district should be held after which you can then have the second meeting for each region. I think it would be unfair to have more than one meeting in one region while not having any meetings at all in others. That's why I put the proposition that we should deal with the central, Interlake and eastern Manitoba regions next and another meeting in Winnipeg, at which time we could then decide whether we want to engage in another series of meetings and set the dates for that group.

MR. GRAHAM: Well, Mr. Chairman, to on the spur of the moment set a series of meetings at this time without due consideration to the other committees of the Legislature I think would not be in the best interests of the committee.

MR. CHAIRMAN: Well this is something I would look to see that the dates do not conflict, to try to select those days which will be best suitable for all concerned.

MR. USKIW: The issue at hand, though, gentlemen, is that if we adjourn now and don't make that decision, then no advertising can go out and then you will be subject to criticisms that there wasn't enough advance publicity. So we've got to make that decision here, at least for the next three or four meetings.

MR. CHAIRMAN: Mr. Ferguson.

MR. FERGUSON: Yes. Well, Sam, we haven't had a chance to talk to our committee, we could put this off for three days, discuss it at Dauphin, eh? We have these three . . .

MR. USKIW: Let's assume you want to have the next meeting the day after you meet in Brandon. All I'm saying is every time you delay it a few days, you're reducing the time frame for publicity and Jack tells me that we've got problems there. It takes time to get the weeklies-- when you're dealing with weeklies you've got to have some time frame.

MR. CHAIRMAN: Mr. Johnston.

MR. G. JOHNSTON: Mr. Chairman, I was going to suggest that the Chairman, and perhaps the Minister and one other member of the committee arbitrarily take certain locations and phone other members of the committee to see if it's suitable and then work in these meetings in conjunction with some of the ones we have in the future - I'm thinking of the 27th and the 30th. Perhaps not all, but perhaps two or three; and when they have a schedule worked out they could contact all members by telephone and if there's a consensus go ahead.

MR. CHAIRMAN: One thing has to be also understood, that when we do go out in the rural parts and other centres, we would not be having the same sophisticated recording equipment but we will try to the best of our ability, as we have in the past, to have the meetings transcribed.

MR. USKIW: Well, Mr. Chairman, with all due respect, I think that it's terribly cumbersome for the Chairman to try to contact all members of the committee after they have dispersed from this meeting to try and arrange a common date or dates. It's just going to be impossible. I think we should agree to allow the Chair to take one meeting for regions that have not yet had a meeting slated, and then the other one for Winnipeg which we've agreed that we would have here today. That gives us four more meetings and at that stage, or at some stage in between, the committee can take up the question of meetings beyond that. If the Chair could have that flexibility then we can proceed and we will assure you that . . .

MR. CHAIRMAN: I believe that that is what Mr. Johnston just suggested.

MR. USKIW: Well, no, he wanted us to confirm by telephone.

MR. CHAIRMAN: It was to select a date and just simply inform the members as soon as the dates have been established, that they can contact those people within their areas of the meetings in advance of any publicity.

MR. G. JOHNSTON: This is as a starter, not all of the meetings, but perhaps two or three in conjunction with the dates the 27th and the 30th. You could use the 28th and the 29th.

MR. GRAHAM: There is not . . . enough time to inform the public if they're in conjunction with the two present . . .

MR. USKIW: That's right, that's my point, Gordon, I think what we have to do here is decide that in early February we will have the other meetings. We can't pin them right behind or immediately behind the ones already . . .

MR. G. JOHNSTON: Well perhaps you could work on the first week of February, then advise the committee.

MR. GRAHAM: Second week in February.

MR. CHAIRMAN: Well, what if I may suggest that we work with the Minister, we'll get a date firmed up after the 30th for each region and I'll contact you tonight and you can have that information related to your members of the committee.--(Interjection)--Okay.

Committee rise.