



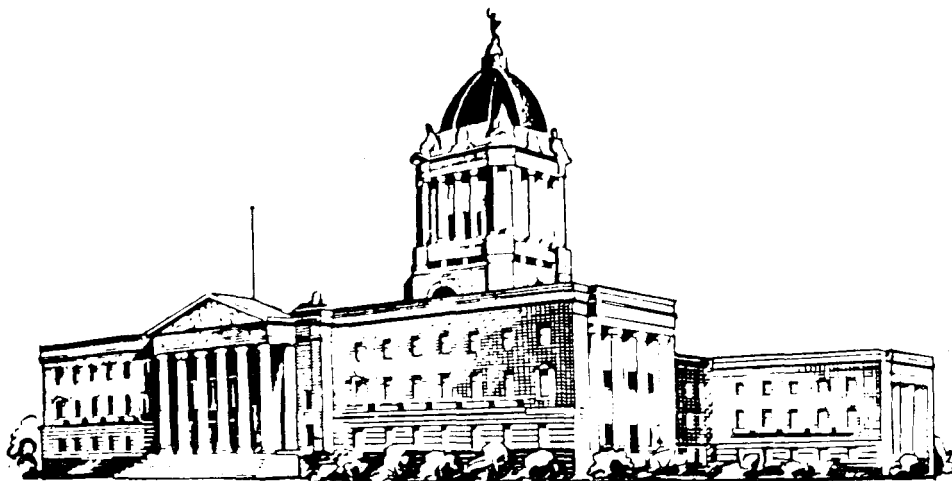
Legislative Assembly of Manitoba

HEARINGS OF THE SPECIAL COMMITTEE

ON

LAND OWNERSHIP

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



Morden — 7:30 p.m., Friday, February 21, 1975.

7:30 P.M.

MR. CHAIRMAN: Order please. Would the people please be seated? Mr. Kitching, James Kitching, private presentation. Mr. Kitching, you may proceed.

MR. J. KITCHING: Mr. Chairman, . . .

MR. CHAIRMAN: You may sit down if you wish.

MR. J. KITCHING: I'll stand for this bit if I may and I'll . . .

MR. CHAIRMAN: That's fine, whatever suits you.

MR. J. KITCHING: I welcome this opportunity to present my views to your recently published paper "In Search of a Land-Use Policy for Manitoba". The large number of briefs presented at these hearings indicate that this is a point of major concern to the farmers of Manitoba. The farmers and their organizations have been loud and clear in their expression to date on this topic, and I respectfully suggest that the government should consider what is said at these hearings when formulating new policy otherwise they are a farce and a waste of time. This brief is not going to be burdened with charts and statistics. Let me assure you, the Committee, that I do know enough about economics to put together any figures I need to verify the statements I wish to make, but half-truths propped up by figures only detract from positive discussion. There are some examples of such abuse in your published paper and for that reason I will attempt to give my experiences and observations rather than submit to you figures that do not set our problems in proper perspective.

I farm in the Carman area. I own some of my land, I rent some of it; it is all continuously cropped. It might interest your Committee to know that what the official soil maps of Manitoba classify as the poorer types of soil consistently yield the number one and number two soil. I want to touch on only four points; The first, rental arrangements; second, ownership; three, agricultural change; and four, government's responsibility.

While 30 percent of the farmland is rented your paper made much of the 1 percent held by people living outside of Canada but failed to look in depth at the 29 percent which I suggest is held in the best possible way--other Canadians, most of them still resident in that very community, owning small blocks and spending their rental money in the community that generates it. A closer look at some of these landlords will reveal that few are wealthy. A surprising number are young and middle-aged, still owning land that they or their fathers purchased but it failed to support them and their families, and although they sought a more regular income in the work force they've retained ownership of that land as a form of savings and investment. Many other landlords are retired farmers living off their rent and their pensions. These people from my experience make the best possible landlords and this is one vassal - if I may borrow a word from the paper - that has an excellent relationship with his landlords. I've rented one parcel of land for 25 years. It was this rented land that let me establish a viable unit when no economist would have recommended me for a loan. I'm not insecure in my tenure as long as I farm the land well. Similarly, on two other parcels of land while the original leases were written for three years they've been renewed several times. Your paper points out that in times of agricultural prosperity rents went higher, but it failed to mention that the opposite is also true; in depressed times rent fell. In 1969-70, Red River clay was renting at \$15.00 per acre, cash; 1971-72 three to seven dollars was not uncommon. The landlord was sharing the misfortune of the renter regardless of his investment. I know of no fairer rent for anything than that it be related to its worth. The wide fluctuations that land rents have known over the last 15 years are only an indication of the fluctuating agricultural economy. Would a government lease be that flexible?

A higher percentage of land is rented in the Pembina Triangle. Some farmers opted out of intensive farming and others picked up the challenge. It's a distinct advantage to be able to rent a portion of your land; it lets the expanding farmer use his capital for equipment and operating. Secondly, it gives a flexibility not common to complete ownership as a farmer may rent some land and then release it when he finds something closer to home or more adapted to his purpose. Throughout this area, I know numerous acreages rented and rerented - a fair degree of change but for the most part harmonious relationships between the lessor and the lessee. Few of us would have been able to establish our farms were it not for the advantage of renting land. For the aspiring young farmer or the government to put too much emphasis on his ownership of land is to jeopardize his viability.

Chapter IV of the Working Paper deals with changing patterns in agriculture, and I

(MR. J. KITCHING cont'd) . . . believe misinterprets them completely excepting the statistics your paper submits as factual in regard to a farm size changes zone. It would be useful then had your researchers put yourselves in the positions of the various owners and pursued the reasons behind their decisions to change before advancing to policy-making. A number of farms under 200 acres did not decline as significantly as the next group. I venture to suggest that these farmers had off-farm income which possibly produced the greater share of the family earnings. With the narrow profit of recent years, few grain farms of that size could maintain a family unless it was a specialized unit, and there's been no reference made to anything of that nature to qualify it. But farms in the 200 to 639 acre bracket were undoubtedly full-time operations for the manager but not producing sufficient revenue to support the family, maintain the equipment, and make even modest payments on capital investments. These farmers had to get in and get out if they wanted a decent standard of living, hence a large number of farm size changes.

Much has been written about farm size, the emphasis on acres here, about average age of Canadian farmers, and about starting young men on the land. These are only distantly related to agricultural policy and availability of credit; they are directly and indisputably related to the economic viability of agriculture. Young men are asking agriculture for the same standard of living as any other occupation after a return on their investment, but with \$15,000 combines and \$1.40 wheat, no young man in his right mind will commit himself to farming even with easier credit and government promises of security. Subsequently people had to control larger acreages to pay for modern machines and build larger animal units to justify mechanical handling costs of feed and waste.

A farmer who has initiative wants to have an efficient farm, wants modern practices, good equipment, and pride in his operation. Farm sizes had to change. Few people make changes when they're comfortable. Necessity forced most of us to expand and to change to modern techniques. Observe the man who is secure, old or young, and he is reluctant to change. While sociologists and politicians decry the population of the rural west, do they want people tied to the land that won't support them? Implanting extra voters into a municipality and redividing the gross product does not make that area richer; it does make the people in the community suffer. If the economic climate would permit farmers to establish and prosper on 100 or 200 acres, young people of farm heritage would find the credit and would act.

In the Rural Municipality of Dufferin and the Town of Carman, which is situated in the centre of the municipality, the population change between 1961 and 1973 is a loss of - and the paper reads 299 persons, it should actually read 199, gentlemen, according to municipal statistics. It's not a significant change in light of the labour-saving technology which has become available. But the division of responsibility is different. I don't think it's a serious adjustment that they don't operate a similar acreage in a separate unit. There are managers called farmers, tractor drivers, repair men, fertilizer distributors, truck operators, potato machine operators, carpenters - they all draw their living from the farm - but it's an age of specialized skills just as it is for any other industry. Our town of Carman has three major car garages with 21 persons employed. Would you recommend 21 small garages? Could each of them afford front end alignment service, transmission service, engine overhaul facilities? Some have been forced by economics but some have moved willingly to the kind of work they preferred.

The Working Paper submits figures to support the argument that larger farms are less productive. Such is not the case. This is the most progressive farming area in western Canada - that is well documented - but the innovator must have scale to carry new investment. A study of the Carman Farm Business Association records a few years ago showed that farms of 499 acres and larger were grossing and netting more per acre. Table 27, Page 74 of the Working Paper states that the value of farm product sold per improved acre - I believe this was in 1971 - on the 1,120 to 1,599 acre farms, which is the size of my farm, was 22.45 per acre. My own farm produced about four times that per acre. Another paper this evening will deal much more elaborately with this and substantiate, I think, to your satisfaction that the reverse of what the Working Paper states is closer to the truth. I know of no farmer with less than 640 acres who grows corn, potatoes or sugar beets. No one can carry the capital investment on a small acreage. This type of farming generates revenue and jobs. In Manitoba we have optimum conditions but we must not be denied the use of modern machines by restricted acreage.

(MR. J. KITCHING cont'd)

The price of land is an accurate barometer of the returns from crop production and I'm disturbed that our government is alarmed that it has risen so sharply. I think they should be cheering. They should be cheering. While outsiders are buying they're not setting the prices, the neighbours are. The price is set by the second highest bidder. I repeat that. The price is set by the second highest bidder, based on what he thinks it's worth. While it sounds attractive to suggest cheap land, cheap machinery, cheap credit, agriculture in Canada can't be sheltered from the economic environment without serious repercussions. The suppliers of inputs must pay comparable wages to non-agricultural industry to have a promise of profit if we are to have service and research. The old fixed rates of returns would quickly drive all capital out of land whether it were rent or interest. Unless the government intends to turn farming into a public utility, in the interests of cheap food, all segments of the industry need a just return for their contribution.

At last Wednesday's hearing, and I digress from the script here for a moment, the Minister suggested that a subsidized land policy would give cheaper food. I have done some figures to illustrate how land costs contribute to the consumer price of food. You don't have these figures, gentlemen. One acre of land produces about 1,000 loaves of bread which is worth \$350. Removing half of the land value charge of perhaps \$7.00, that would be approximately 2 percent of the sale value or .7 cents per loaf of bread. If you want to use potatoes, an acre of potatoes would sell possibly for \$1,000, twelve hundred. If you removed \$7.00 or half of the land charge from it you'd reduce the cost to the consumer of that food produce by 3 1/2 cents on sixty pounds.

I suggest it is no more difficult to start farming today than it is to start a feed mill, a service depot, or a retail store. Prices have escalated; in other words, dollars have shrivelled. But it takes no more product to buy a machine today than it ever did. If you want an exercise for one of your economists, consider that a 1937 combine cost \$1,110, wheat was 35 cents per bushel. That combine as opposed to today's \$38,000 model was tractor drawn, no rubber tires, no hydraulic controls, no variable speeds, no cab, no straw chopper, no paint, and required two men to operate it. When I bought land in 1966 it needed 110 bushels of wheat to pay for one acre. Today that land is worth 65 bushels per acre. I see no reasonable way to isolate agriculture and relegate it to a 20 or 30-year old price structure without completely artificial and rigid controls. Artificially cheap land or any other subsidy program to guarantee a cheap food, if it assures the farmer of a reasonable profit, will only result in people paying directly or indirectly for the privilege of farming. Familiar examples are the \$1,000 dairy cow complete with quota, the high-priced tobacco land in Ontario, if you acquire the growing rights, British agriculture with its highly structured prices is rife with such practices.

Lastly, let me be more positive as I comment on government involvement. Page 10 of the Working Paper says, and I quote: "The critical question is not one of foreign ownership but the effect the various forms of tenure and land transfer have on farmers, community, province and country." I quite agree. We've talked about consistency today and this doesn't quite agree with Page 16, but we may leave that for the moment. Or maybe for the benefit of the folks who don't have the paper in front of them I could read from it. "As can be seen from Table 1, if non-residents continue to purchase land at the current rate there would be no farm land left in the hands of local farmers in the province after 97.19 years." And it goes on. All farm land in the Eastern region would be owned by non-residents after 42 years, the East Central region in 69 years. At the municipal level, Macdonald would be in non-resident hands in 29 years, Franklin in 11.15, St. Francois Xavier in 5.37 years." Again, ownership is not the basic issue, but with this I do agree, that Ontario and British Columbia in particular are suffering severe abuse of prime farm land by persons who own it, live on it and by all the standards of your paper are ideal farmers, but they're turning thousands of acres of the country's finest land into horse pastures, country lawns and otherwise unproductive uses. And I, and everyone here, will share with you a common concern that too much agricultural land is going under urban and other development. Society is going to have to come to grips with this issue.

You and your government can do a real service and mark a turning point in our growth if you establish fairly and clearly what lands may go under cement, what lands shall be retained for agricultural production and what land shall be preserved for water control or

(MR. J. KITCHING cont'd) wildlife and recreation. Obviously some people will be unhappy with the final decision but few can quarrel with such a move if present owners of property are compensated by society for what it takes. Your government and others are given a mandate to govern, you have all the power necessary to control, or write new legislation to control, virtually everything in this country. It is not necessary to buy it over or operate it to accomplish that end.

I do not want foreign ownership of land or, for that matter, any Canadian resource, but that does not preclude use of outside capital. It is less than 50 years since many families moved from the United States of America to the Red River Valley. Our neighbourhood has a strong element of people who came from Europe since 1945 and we're a better community because of it. Most of these bought or secured land before they moved in. I suggest it is still happening. When laws are written to prevent undue profits from oil companies and manufacturing plants moving beyond our border, let them also include agricultural land. I would not discriminate against out-of-the-province persons owning land. Gentlemen, I saw no need to elaborate on that. I could have written three paragraphs, but I believe our provincial boundaries are too heavily drawn for the national interest, and every effort should be made to encourage money and labour and goods to move freely about Canada to the place of greatest need.

It is very clear from preceding hearings that the people of Manitoba do not want the government to own the land. I strongly endorse that position. Farm size has to relate to machinery investment. Farms will become bigger, the demands for capital, for sophisticated machines, for the skilled labour we need to operate them, dictates that. We farmers will need more and more outside capital to operate. FCC is doing an excellent job. So for the most part are the chartered banks, MACC before it withdrew from land loans was also helping. The banks are becoming more in tune with modern agriculture's needs. They develop line of credit financing, cash flow systems and agricultural expertise geared to modern farming. The modern farmer uses credit as one of his tools and may use it all his farming years. That doesn't mean he has to live poor. Other industries as they have moved into the industrial age have found it necessary. You should encourage working Canadians to save and invest. If agriculture is safe for farmers it should be safe for other investors. Land, feedlots, rural processing plants, Western Canadians will need outside capital for a long time to come.

Other provinces have set up land use guidelines. I would suggest, as others have suggested, that a thorough study be done by impartial and qualified personnel. Then, and only then, should Manitoba draft ownership and use legislation. Gentlemen, it is very clear from the preceding hearings that farmers of Manitoba do not want the government to own land. I see no good reason for it. The Working Paper does not substantiate the case. I sincerely urge you to move slowly on the issue under discussion. Respectfully submitted,

MR. CHAIRMAN: Thank you, Mr. Kitching. On Page 2, Mr. Kitching, there is one sentence that I think you missed out. It does not give the meaning quite clearly and just for the benefit of the people who are going to be transcribing, the sentence reads, "The critical question is not one of foreign ownership but what effect the various forms of tenure and land transfer have on farmers, community, province and country." You had missed out a part of it and it did not put the meaning across what you were saying.

MR. J. KITCHING: Sorry. That's a quote from the book. I'm glad you read that in.

MR. CHAIRMAN: Mr. Henderson,

MR. HENDERSON: Mr. Kitching, I'm very glad to see that at last we've had somebody that spoke up fairly well of the landlords that we had in the past, and even landlords that we have now, because it seems like as if there's a group of people think that the government have to own it all the time before you can get a square deal. And I understand by your operation that you are even leasing some yet, even though you own land.

MR. J. KITCHING: Yes, I lease a little over half of the land I work.

MR. HENDERSON: Do you find your landlord difficult to deal with?

MR. J. KITCHING: No, Mr. Henderson. I think this was the point that prompted me to go to the trouble I did of putting this together. I've been awfully happy in my relationship with the landlords. I said I've rented the one land for 25 years and it has gone from the father to the next generation and our relationship has been fluid and it's been a happy relationship; and as I said, two other landlords, equally congenial relationship, even though when I'd win they lose. It's a business arrangement, mostly very congenial.

MR. HENDERSON: Well, have you read the present lease that the government gets the farmer to sign when you lease the land now?

MR. J. KITCHING: Yes, I read it.

MR. HENDERSON: Do you think that it's a better lease for the farmer than the one you used to have or did you even have one?

MR. J. KITCHING: I suspect I'm like most renting farmers, that we started out with a three-year written lease, may have renewed it in writing, but some of mine have fallen into the back drawer and they are renewed verbally. I'm not interested in signing a lease such as this because there's a flexibility here. I can tell you, Mr. Henderson, and the committee, that having rented some of this land - I can refer to a piece I've rented for about seven years now - while we have an agreement that says I'll work the land for three years, we don't establish the rate for that time. The landlord is satisfied with me working it and we take a look at the agricultural picture and establish it in relationship to what other people are paying and the prosperity of the agricultural community. And in 1970 and '71, I could give you people, but I'm certainly not at liberty, but I know a lot of people where the landlord asked them for less than the amount the agreement was written for because the agriculture was very depressed at that time. It was a liquidity that's unbelievable but it substantiates the excellent relationship that I think most of our farmers have with their landlords because it's a one to one arrangement.

MR. HENDERSON: Before the government got into the process of paying for the land so as every landlord, or everybody that was selling, thought that he could get all cash, did you have people in your area that were selling on so much cash and then crop payments?

MR. J. KITCHING: Selling?

MR. HENDERSON: Yes. To a farmer starting up and then getting the balance in crop payments, you know, taking a mortgage back. Before the government got into this position where they seem to be now, even the Farm Credit, where they pay it out totally and then deal with the farmer or the tenant.

MR. J. KITCHING: I can't bring one to mind working just that way. But I have known a good many cases where the farmer selling his land and the new buyer got what credit he did and gave a first mortgage for it and the original holder was satisfied to take a second mortgage to carry the difference. It was a move of confidence in that purchase that let the new operator start with a minimum of down payment.

MR. HENDERSON: That's the very point I was trying to make is that years ago before we had all the government schemes, that often a man who was retiring would sell to a young fellow for a small payment down and give him a time period to pay for it and that it often worked out good. I'm very pleased with the brief but I'm very pleased that we've had somebody that has come to the defence of the landlords we used to have in the past and not make them all out to be bad guys who are just speculating and keeping people off the land. I realize though that you do believe in ownership. Do you believe now that the government would be doing a much better thing to, shall we say, extend credit to these people rather than buy it and lease it to them?

MR. J. KITCHING: My preference would be the option to buy. They have that opportunity with FCC, there is some private money available for land, although over the history of agriculture we all know that the private lenders have been cautious, but FCC money is an excellent system. I believe they're lending with as little as ten percent down now.

MR. HENDERSON: Yes, this is now the federal plan that's going to come in. It isn't in yet, I don't think, but it's in the legislation I think, and they're increasing the amount they'll loan. I think myself that private ownership is the best, and if you can rent some, as you say, I think it's a very excellent arrangement, only I believe that if the government would stay out of it that you would find many people that would own land whether they live in town or not, they'd own it and they'd rent it to people and it would help them. I think that we had a pretty good arrangement before the government got into it.

MR. J. KITCHING: That's my idea.

MR. HENDERSON: Thank you, that's all.

MR. CHAIRMAN: Mr. Jorgenson.

MR. JORGENSON: I want to deal with one aspect of your brief, it's on the last page when you suggest that farms will become bigger. The demand for capital for sophisticated machines, for skilled labour, will dictate that farms will become larger. I wonder if you can tell the committee--you operate a farm about 1,100 acres or something like that?

MR. J. KITCHING: It's more like 16, 17.

MR. JORGENSON: Sixteen. How much farm labour do you require to operate that size?

MR. J. KITCHING: This varies as you know in the farming business. I try to keep one man full time; I try desperately to establish a cattle feeder unit that would employ a second man throughout the winter period but I don't find anybody who's interested in doing the work that's necessary around cattle, and I found a number of people who don't like to work in winter when they can find social benefits to keep them. But we have a potato business in conjunction with our farm; we employ as many as 20 people in harvest time. The potato industry per se keeps another man busy full time, and until we hired a man who was doing our mechanical work I kept a guy busy in town; he wasn't in my shop but we kept a man busy repairing machinery.

MR. JORGENSON: You have a somewhat diversified and intensified operation. Perhaps you're not the type of operator that I'm looking for. But I wonder say, on a straight grain operation, what do you think would be the optimum size that one man or his family could look after without hiring farm labour?

MR. J. KITCHING: If you're talking of optimum and you use the phrase, "and his family" well then I don't know whether that family has seven boys eligible to drive tractors or not. But assuming you're talking of a one-man unit with some seasonal help, either from his wife or children or semi-retired father, father-in-law or something, he's going to go into a large machine unit and he may well work 800 acres, I'd suspect he's stopped at 1,000, but there's all kinds of possibilities; they're there for you at any size in hiring work done. I could make a whole brief on it. It's a nebulous kind of thing of what is the optimum one man can handle because these alternatives that are available, whether you're large or small, some of these . . .

MR. JORGENSON: I realize that there are variations and I'm not attempting to pin you down to any specific size, but the point I'm attempting to make is that it seems to me that it is becoming more and more difficult to find farm labour, that farmers today are now - I'm not sure whether it's happening in your area but I know of some areas where it is happening - where farmers are now cutting down the size of their farms so that they can handle it without having to hire labour because they find that the difficulties in getting the kind of labour that they want are so great that they're better off from an economic point of view to reduce the size of their farms to what they can handle themselves and not worry about labour. And the point I'm attempting to make is that you referred to capital, sophisticated machines and these other things, as dictating farm size. Do you not also think that the unavailability of farm labour may reduce the size of some farms?

MR. J. KITCHING: Yes and no. Is that a political answer?

MR. JORGENSON: That's good enough. If you will elaborate on that.

MR. J. KITCHING: Labour is a problem because these machines do take a skilled operator, but the thing that puts the single operator in a difficult position on a limited acreage is justifying the capital of that machine which may well have to stand idle too much of the season if there's only one operator, because he can't be making seed beds and seeding at the same time. This has put a lot of people to either a unit that would be a two-man unit or employing some arrangement with a neighbour or some sort to let him get more use out of that machine. I suppose any economist would think that a farmer is plumb crazy when the optimum use of a large tractor is 500 hours per year. No other investor in a machine would hope to make it pay with so little hours' use and yet that's, I read, about the best you can get without jeopardizing your crop production by trying to string your season out too long. And this is the danger of the one man not being able to utilize his machines long enough.

MR. JORGENSON: Yes, I know you're aware, as most farmers are aware that there is such an infinite variety of combinations that can operate a farm, that it would be pretty difficult to set one particular pattern in policy and hope that it is going to accommodate all farmers.

That brings me to my final point - that it is necessary to have the kind of agricultural climate that enables a farmer to exercise his own best judgment as to how he's going to run his operation without any outside interference. Without that flexibility then he becomes placed in a somewhat of an economic straitjacket where he is not farming to what he considers to be the best of his ability or making the best use of his available resources in labour, capital and money.

MR. J. KITCHING: This is true. Agriculture is such a dynamic industry that the operators have to be able to move very quickly towards what they think is an opportunity, to seize it and take advantage of it, and this is why they need all the flexibility they can get and the history of this country has indicated that for the most part it's been very successful. And I'm a little concerned about planners from outside because frequently the best information they have is from records, and with all respect to them, they're a history of what's behind and that doesn't necessarily mean that straight ahead is the direction to go. We've had many operators make their own decisions and the history to me of agriculture has been that for the most part it's been successful.

MR. JORGENSON: I just want to deal with one more point. And it has to do with the so-called energy problem. One of the great problems that I see facing us as a result of the energy problem is the increase in the cost of fertilizer. Do you not believe that very soon, or have we already reached the point of no return on the use of chemical fertilizers? To what extent can fertilizer prices increase before you on your own operation are going to say, well it pays me no longer because there is no return in that kind of investment; I'm breaking even or even losing money.

MR. KITCHING: Here again you're going to have to have 35,000 operators, that's what they are, each using their own pencil and calculating it. Fertilizer is one input, and not necessarily fixed, while the price is, and for myself I'm looking now at some crops which will take less fertilizer, some that appear to me to have less risk in them and I will use higher chemical inputs there adjusting this to what I think is less risk in the growing season or in the marketplace. And everybody is doing this. I don't know where that point is; and it moves, it's not the same place as it was last year, it may not be the same place next year. You can drop the price of cereal grain or up it and the point of economic return has moved with it. That's why it's very difficult. You can make a chart but you'd better not say, this is the point, period.

MR. JORGENSON: And further to that you'd better not plan in the future on what the experience of the past has been.

MR. J. KITCHING: Right.

MR. JORGENSON: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes. I missed part of your presentation although I think I got through your brief very quickly. My impression is that you believe that there is no need or no desire for an opportunity for land control outside of ownership. Is that correct? Or did you say that a free choice is okay? I didn't quite follow the brief.

MR. J. KITCHING: No, Mr. Uskiw. I said that decisions were going to have to be made particularly regarding use, and I think that "use" as you have said on Page 10 of the Working Paper is perhaps the important thing, has some decisions that have to be made and this will be the responsibility of governments, and some of us won't like some of those decisions.

MR. USKIW: I see, yes.

MR. J. KITCHING: But they'll have to be made. Some of them will be against agriculture.

MR. USKIW: Are you opposed to people in your community having the right to lease land as well as the right to own it?

MR. J. KITCHING: No.

MR. USKIW: You'd say that's up to the individual?

MR. J. KITCHING: That's right.

MR. USKIW: You have no objection to that option being made available through the credit program -- or through the MACC?

MR. J. KITCHING: I think there are other alternatives, I would rather develop other alternatives for ownership . . .

MR. USKIW: There are many alternatives but I say, do you believe that people should have a free choice in determining that for themselves? Do you see anything wrong with the right of people to choose for themselves to do what they want to do - whether they want a mortgage or whether they want to lease?

MR. J. KITCHING: No, I think they have that right. I'd like to see them with that right.

MR. USKIW: That's the way of today. So you're not quarreling with the options that are available today then?

MR. J. KITCHING: No.

MR. USKIW: Yes. Okay. Do you avail yourself of lease land or credit or mortgage money or do you yourself in your farming business participate either through mortgage institutions or through private landowners or public landowners on lease land? What is your own operation?

MR. J. KITCHING: Both.

MR. USKIW: You do both?

MR. J. KITCHING: I have some mortgage on the land I own and I rent some land.

MR. USKIW: I see. So you're quite flexible on that score?

MR. J. KITCHING: That's right.

MR. USKIW: Okay. You think the government should maintain its interest in agriculture through the various programs and agencies we have or do you think we should be out of them? That's a general sort of question. I'm talking about the credit program and the options available. Do you think they should continue or should we get out of them or . . . In light of the fact that we have a federal credit agency and we have a provincial one, should the province keep its agency going or should it get right out of it and just leave it up to the Federal Government; or should both governments get out of the financing of agriculture? Or should we both stay in in other words?

MR. J. KITCHING: I think they should both stay in; I think they are going to. Governments are in in many programs through our total economy and I think they have a purpose to play. But my feeling on this is that they should not be overdominant, that they should let the economy work as much as is reasonable and that the government should act as a balancing wheel, if that explains it to any . . .

MR. USKIW: But you wouldn't want us to get out of any of the programs we're now in?

MR. J. KITCHING: I think, Mr. Uskiw, our concern here - and this is not the first hearing I've sat at and listened to the people presenting their briefs - and I think their concern is not with where it is now but that it might grow and grow unnecessarily large.

MR. USKIW: Well let's stop you there for a moment. Let's assume that programs grow but they only grow as a response to the demand placed upon those programs by you, the people. Would you think that you should be denied the right of any program to grow even if it's your wish that they do grow? I mean it can only grow if people participate in them - any programs. And to the extent that voluntary participation is not there they will in fact disappear. You know, you're saying you're worried about the future growth of some of these programs; I'm saying that depends on you and therefore why should that be a problem?

MR. J. KITCHING: Not entirely. It would depend perhaps more on the intentions of the government to develop that program.

MR. USKIW: Well let's assume that . . .

MR. J. KITCHING: Because they can subsidize a program and make it so very advantageous that it has abnormal growth.

MR. USKIW: Well but we have subsidies in two areas. We have subsidies through credit; we have subsidies through leasing arrangements. So I think we're on a sort of balance there, both systems are subsidized to some degree. And I appreciate that you can tamper with either.

My point is that as long as the people of Manitoba or you, the potential customer, have a demand for a program, accordingly that program will either expand or reduce in its scope, and therefore since you are going to be the one to determine that, you know, why should that be of some concern at this point in time? I mean we will respond if you want us to respond and if you don't want us to respond we will say, well no one is using the program, let's throw it off the books.

MR. J. KITCHING: I think where a program is being used, this is evidence that it's good; unless say it is set up to develop government policy to the extent that it is an unrealistic advantage. There are other alternatives in land holding or many of the things we've talked of and government can direct the growth of a nation by use of subsidies and I think this is being done.

MR. USKIW: Are there any unrealistic programs or - yes - or aspects of programs in our present system and in our present program? Is there anything unrealistic about them in your opinion?

MR. J. KITCHING: The thing that I see most often, Mr. Minister, in our subsidy

(MR. J. KITCHING cont'd) . . . programs and many of the others, and this is a criticism you have made of other governments, that they have come too late or too little or at the wrong time, and this is what so frequently happens with government, particularly their subsidy programs.

I don't have the answer as to how this is to be developed but your servants and staff looking back, see what pattern has been developed but the businessman out there trying to stay alive has to be looking more ahead. And I could illustrate this with the cow purchase program that was available until this September. We had the privilege of grants I think to buy female cattle. It was at the wrong time.

MR. USKIW: Why was it at the wrong time, sir?

MR. J. KITCHING: Well this was available and people bought female stock over the last two, three years and I don't need to tell you what it's done; it has aggravated . . .

MR. USKIW: Yes. Do you think people bought cattle because there were subsidies or do you think they bought cattle because the market was good?

MR. J. KITCHING: A government program directed in a certain direction whether or not it becomes one factor, is indicating to the people, first, that the government thinks it's a good direction, and while they may not take advantage of it they think that these people with their knowledge and their ability to assess the situation, because there are economists on staff in the Department of Agriculture and many others, think it's a reasonable direction to go and therefore they follow it.

MR. USKIW: All right, look, let's put it in the right light. Governments usually look at the global picture and in Manitoba the government's global picture would be that we would want some balance in production, some diversity, we wouldn't want to have all of our eggs in one basket, so to speak, and therefore to that extent we would provide incentives to bring about that kind of balance in production. You know, we always sort of seem to think that if we have secondary processing in Manitoba that that is good for agriculture, it's good for labour, it's good for the revenues of the province, there are many spinoff benefits. If you ship out all of the raw resources and let someone else do these things then you are really also in a position to export your labour behind the resources. There are global questions that arise. And while for you as an individual it may not be a good thing to jump into livestock production, in terms of trying to balance the province's economy it may be good to have 40 percent of our economy relating to agriculture, 30 percent to grain and 20 percent to something else and so on. And it applies differently to the individual. So you can't confuse sort of government economic objectives and try to relate that as being a suggestion that each individual should do all of these things, and that's where the people make a mistake quite often. They try to relate the global overview position of any government, federal or provincial, as sort of being the direction that they want everyone to take. And that is not the case. They are really striving for some balance in the total picture, but not expecting that every individual should sort of follow that same trend or pattern.

MR. CHAIRMAN: Mr. Johansson. Well, thank you. Mr. Dillen.

MR. DILLEN: I would like to say that it is very clear from preceding hearings that the people of Manitoba do not want the government to own the land. Would you put all of the people in the same basket as being of that view? And I'm talking about the people I've referred to; the people of Churchill, the people of Thompson, the people of Lynn Lake, Leaf Rapids -

MR. J. KITCHING: We can't hear you, Mr. Dillen.

MR. DILLEN: Okay. You say on Page 4 of your brief that it is very clear from preceding hearings that the people of Manitoba do not want the government to own the land. Are you not placing all of the people in Manitoba into the same position? How do you feel that you're getting that feeling that the briefs represent the feelings of the people of Churchill, or the people of the remote communities, or the people of Thompson, or the people of The Pas, you know? What gives you the impression that all of the people in Manitoba do not want the government to own the land?

MR. J. KITCHING: I think I said "from the hearings." Now, having followed the hearings to some extent, the balance of the briefs -- and, you know, this is a question where you can't have 100 percent unanimity and I was never very good in English and I don't write in too comprehensive a manner, but then that isn't necessary nowadays, but . . .

MR. DILLEN: What you said then was that the position of the people who were presenting briefs was that they did not want the government to own the land.

MR. J. KITCHING: Yes, and I think you must concur that for the most part -- and you wouldn't expect 100 percent unanimity -- for the most part the people have spoken against the

(MR. J. KITCHING cont'd) government ownership. Those who were for it have had as much opportunity to speak and by their silence - there's an expression about that - that they're more or less prepared . . .

MR. DILLEN: Why do you think they take that position? Could you give me a . . .

MR. J. KITCHING: Who are you speaking of?

MR. DILLEN: The people who presented briefs in opposition to government ownership. Why do you think they take that position?

MR. J. KITCHING: I think inherently they have wanted to own their land. They are for the most part - again, we can't have a black and white, absolutely all the people one side or the other - but they prefer to run their own businesses. They're small businessmen, if you want to call them that. They believe in that system.

MR. DILLEN: Would you also refer to them as cussedly independent?

MR. J. KITCHING: That term is a little stronger than I would have used. Independent, but maybe not cussedly independent. I think, too, that their concern would be - it's been expressed here - the concern that the large farmer has the better advantage to grab more land. Dollars beget dollars; power begets power; bureauracy begets bureaucracy. I think this is one of the underlying concerns, that they're afraid that it needs nothing more than an order-in-council to change the lease arrangement or some of the things; that while the White Paper is only a look, and a very inaccurate look, at agriculture today, we've seen White Papers become policy, and I think this is underlying some of their concern.

MR. DILLEN: Would you call that a distrust?

MR. J. KITCHING: Yes, you might call it a distrust.

MR. DILLEN: What is your personal feeling?

MR. J. KITCHING: My personal feeling is along the same lines. I've watched another commission develop and their strength has grown and grown, and whether this is distrust or not, it's been a change from what was an innocuous paper to a policy, and changes come within it. So I think you can appreciate our position, Mr. Dillen, that once an Act is passed it is very easy to make adaptations to it that give those under that jurisdiction even more power. Our farm people particularly do want to keep as much control as they possibly can of their own business, their holdings and their industry.

MR. DILLEN: I think you've heard me say here, just prior to this, that the people that I represent in the mines are very independent as well. They're independent bonus miners. Now, what I failed to mention to you, that a great number of them I would describe as radical socialists. So, the independence is not restricted to one particular political philosophy.

But I want to get back here a little bit because you said some other things. You say that MACC, before it withdrew from bank loans, was also helping; the banks are becoming more in tune with modern agricultural needs. When did they start becoming in tune with agricultural needs?

MR. J. KITCHING: From my experience, Mr. Dillen, they did at about 1942 when I was a 17-year-old kid and rated a \$200.00 loan. The banker gave it to me. That loan has gone up and down, and there have been a few times when I have been farming without bank money, but as I said, credit is becoming one of the tools that we use consistently. Industry does it. And I have found that the banks, particularly last year, you've seen virtually every chartered bank take agricultural specialists, men who had a good deal of agricultural economic background, on to their staffs. They're developing. They've got the trade names for them - bank plan, farm plan or anything you want - but lines of credit for the farmer to operate with. They're financing many, many of the feeder cattle that are being fed in Manitoba on the strength of the value of those cattle. For the most part I think they are in rural Manitoba, into agriculture, and I think they're becoming more so all the time.

MR. DILLEN: Are you the same Mr. Kitching that has a share in the vegetable storage plant at Carman?

MR. J. KITCHING: Yes.

MR. DILLEN: I see some conflict here in your statement that the banks are becoming more in tune with modern agricultural needs. Would you consider that to be a modern agricultural need?

MR. J. KITCHING: Which, the Carman vegetable storage?

MR. DILLEN: Yes.

MR. J. KITCHING: Yes, this building has been held up as one of the significant storages

(MR. J. KITCHING cont'd) in Canada and we have shown groups from Ontario, Saskatchewan. We had an international group who were attending a conference in Guelph, came to Winnipeg and came to Carman to see that storage this summer. They were also interested in how it was financed. Seven farmers, I think--seven of us got together and structured it, using bank money to finance most of it. Pardon?

MR. DILLEN: Bank money?

MR. J. KITCHING: Bank money, when we started it, yes. And it's--I speak on this with pride, I am one of them--it's a darn good storage and it's been a good business venture. Without the Bank of Montreal in 1969 I don't know how we could have got it started.

MR. DILLEN: Why was it necessary in 1970, if the banks were in tune with modern day agricultural needs, for the Manitoba Agricultural Credit Corporation to take over the loans?

MR. J. KITCHING: Banks, just like other people, run into tight policies, shortages of money, and this can happen to banks and I found out in a second time by experience since then, that banks sometimes get to the point, with escalating costs, that if they're going to service the loans they have and the priorities the bank has set up, so much money is going to agriculture, so much will maybe go into Manitoba and no more, the Bank of Montreal was not able to lend us the extra capital we needed, but MACC at that time were entering the field and they took over the loan. But I'm satisfied that the bank's explanation . . .

MR. DILLEN: You didn't feel any sense of distrust of government at that time? You were able to get a loan or a guarantee in excess of a quarter of a million dollars, you didn't have any distrust of government at that time?

MR. J. KITCHING: This was a loan. It's a signed mortgage and conditions offered are there and I don't see how they can change during the lifetime of that mortgage.

MR. DILLEN: So you don't have any distrust, then?

MR. J. KITCHING: We saw the paper; we read it; our lawyer read it, and we signed it and we were satisfied with that. It was a . . .

MR. DILLEN: Then you don't think there's going to be any change? I mean, you feel secure?

MR. J. KITCHING: I would like to think that a registered mortgage document is a secure document and the conditions of it are not apt to be broken or changed.

MR. DILLEN: I certainly hope that is the case as well.

MR. J. KITCHING: Pardon.

MR. DILLEN: I certainly hope that that is the case as well, because I have a mortgage document that I hope the bank doesn't pull away from me, you know.

MR. J. KITCHING: The bank isn't involved in it now.

MR. DILLEN: No, no, but in my own case, I have a mortgage with a bank, you see, and I hope that that's secure. I hope that it's just as secure as any condition that you may have with government.

MR. J. KITCHING: If you live up to your conditions, have you any reason to believe it won't be secure?

MR. DILLEN: No, and I hope you don't have either. If you feel you're living up to your conditions you have no reason to believe that there is any insecurity about that arrangement.

MR. J. KITCHING: I would hope not but I'm . . . just a little suspicion, a little nervousness I should say from your saying that maybe that mortgage is not valid that the MACC signed.

MR. DILLEN: No, no, I'm not saying that at all . . .

MR. J. KITCHING: We're living up to our conditions and if that's the case then we will get out of there awful fast and refinance if we can.

MR. DILLEN: No. All I want to draw from you is that you feel secure, as I feel secure with my arrangement with my banker.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes. Mr. Chairman, I wanted to ask one last question before you cut me off, so to get back to that one. That has to do with why it is that you express a concern that the government would be the owner of land when, within the land lease program, it's obvious that the dice are loaded in favour of the lessee to buy in at some point.

MR. J. KITCHING: I want to see this thing work a little longer before we establish real assessment of it.

MR. USKIW: No, but let me clarify. It's obvious that if land values increase, and to the extent that they do over a period of years, not only does it enhance the position of the lessee to buy but it writes off his subsidy if the land values increase to a certain point. Therefore, that's a decided advantage to the lessee to exercise his option.

MR. GRAHAM: . . .

MR. USKIW: Mr. Chairman, on a point of order, I don't think Mr. Graham has a point. If the lessee wants to exercise that option which is open to him at any time after five years, he can choose to do it at the time that it's most advantageous to him. Therefore, the dice are loaded in his favour. So, how do you see that as resulting in the government owning the land. It's only in transition. It's really in transition, isn't it? Unless he chooses not to bother to take ownership of it.

MR. J. KITCHING: The leases I've read say he may. Does that give him the irrevocable right to buy . . . he says the government must sell to him?

MR. USKIW: The contract provides that at his option after five years he may buy that land - any time he chooses.

MR. J. KITCHING: But if the government changes their policy and . . .

MR. USKIW: Well, he has an agreement. That's an agreement. He can sue us if we default on it.

MR. J. KITCHING: That makes me feel a lot better about it, Mr. Uskiw.

MR. USKIW: Okay. Now, let me pursue another question. Did you know how this program arrived or what was the basis of it, who made the legislation possible for it? Did you know how that happened? Or what is your impression?

MR. J. KITCHING: No, I didn't really know.

MR. USKIW: I see. Do you know that it was the Conservative government that put the Act on the books to allow us to enter that program?

MR. J. KITCHING: This is the original MACC Act?

MR. USKIW: That's right. The powers of the old Act are the powers we are using . . .

MR. J. KITCHING: Yes, I believe . . . but the Act has been changed. I think this is one of the points I've been trying to stress. The Act that was there has been changed, and this can always happen.

MR. USKIW: The Act that was there that gives us the authority to do this has not been changed. Every word is the same as it was. Now, would you feel differently if the Conservatives were still in power and they were running the program?

MR. J. KITCHING: With all respect to your friends and mine . . .

MR. USKIW: Because I don't know whether they had that in mind when they put the powers into the Act. I don't know what their motivation was. They wrote the Act; we are using it; we haven't changed it in that respect. Now, is there a difference in your view as between the Conservative Party running a land lease program versus the New Democratic Party running a land lease program?

MR. J. KITCHING: I find this a rather interesting question when there is my brief to discuss and several others waiting, but I would rather deal with an individual. I think I stressed that in my brief. I'm sorry you either didn't have time to read it and missed it, but I stressed this, that I liked the individual ownership relationship we've had and I would be happier. The first mortgage money I ever borrowed was from a private individual and I'm darned sure I couldn't have got it from FCC then or any government corporation.

MR. USKIW: Would you be . . .

MR. J. KITCHING: I didn't meet their standards but I so far . . .

MR. USKIW: Would you be worried if we had amended that Act in accordance with the provisions in this Act, which is the Ontario one, the Ontario Land Corporation Act, which gives the Corporation the powers of expropriation, would you be concerned if we amended the Act that we inherited from the previous government to give us these kind of powers?

MR. J. KITCHING: The Ontario Act is pretty strong but I think, as I said in I think the third page of my brief, your government and other governments are going to have to take stands on this and do some of this, because we're going to have to preserve, determine the direction of growth, not just agriculture, urban growth and many other things, and I'm disappointed that while it's been called the Land Use Paper, it has hardly touched on that issue; it has talked virtually about ownership. I hope that perhaps another winter, some other time, we can ask for a study of ownership, or use, but you're going to have to, or governments are going to have to have that, because Canada is getting a little more crowded now

(MR. J. KITCHING cont'd) and we're going to have to, as was spelled out by the speaker just before supper, preserve agricultural land, and there's going to be some very unpalatable decisions. But if they're fair and there's compensation for those who have to give up properties one way or another, I'm afraid I can't quarrel with it.

MR. USKIW: Do you think, though, that we should strengthen our Act to have a provision as strong as in the Ontario legislation, which provides for the right of expropriation, or do you think that would be going too far? I think that's going too far, quite frankly, but I'm asking you.

MR. J. KITCHING: I don't know that much about the Ontario Act and I'd hate to comment on it, having seen it only from that distance, Mr. Minister. (Laughter)

MR. USKIW: Well I don't know their intent. They may never use the powers of that Act. All I can assure you, sir, is that if we had put this kind of document on the table in the Manitoba Legislature related to a land tenure system, that we would be accused of being Communists. They haven't been accused of being that in Ontario.

MR. CHAIRMAN: Mr. Barrow.

MR. BARROW: Thank you, Mr. Chairman. I am certainly happy that you have so much faith in banks, but is it true that you borrowed money from the MACC to repay the Bank of Montreal?

MR. J. KITCHING: Yes. Because I think you can understand that when we were refinancing we naturally had to pay out the first mortgage. We didn't want to deal with two major creditors, MACC wouldn't have wanted it any other way, so we borrowed the total parcel and paid off our original mortgage. A Carman vegetable . . .

MR. BARROW: Can you tell me the amount?

MR. J. KITCHING: Pardon?

MR. BARROW: Can you tell me the amount of money you borrowed?

MR. J. KITCHING: Yes. Little brother here has got the calculating mind. What did we borrow? What was your question?

MR. BARROW: Could you tell me the amount of money you borrowed from the MACC?

MR. J. KITCHING: Was it \$397,000? We were expanding the building. Did you know that? We expanded the building. We didn't borrow just because the Bank of Montreal or the chartered bank pulled out, we expanded the building. That's why we've got the biggest vegetable storage in Manitoba, in western Canada, sir.

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

MR. USKIW: Mr. Chairman, I don't think that anyone should have to give the financial details of any transaction with the MACC. I think it would be unfair.

MR. J. KITCHING: I don't mind this, sir, because we have put this information in front of people because as I said, it's been a good working thing and I have no quarrel with our relationship. The Carman Vegetable Storage still does their business with the Bank of Montreal, the original bank, and it was a harmonious arrangement right through, but we expanded and we needed an extra - it was \$147,000, Montreal couldn't put up at that time. The interest rate was high, summer of 1970.

MR. BARROW: Thank you.

MR. CHAIRMAN: Well I don't think that that is relevant. Thank you, Mr. Kitching. Mr. Lloyd Kitching.

MR. L. KITCHING: Mr. Chairman, Ladies and Gentlemen. When I put this together I didn't know that I'd be on the same platform as the preceding speaker and there may be some duplication because obviously we do tend to think in the same channels at times.

I appreciate very much the opportunity of speaking to you today. I'll attempt to be very brief, not because there aren't a lot of things I'd like to say but because your time is limited and I know you must have heard many of the same things many times. Obviously we are going to have some legislation concerning land ownership and use. Most of the other provinces either have at the present time or are about to have some regulations. Our concern therefore is to have legislation that is well thought out and firstly is good for the agricultural industry, because if it doesn't promote a strong and viable industry, able to supply our food requirements and to compete effectively into export markets, our whole province will be the loser.

And secondly, it must not favour agriculture at the expense of the consuming public - and frankly I'm not very darned worried about that one - but any legislation has to be acceptable to the society as a whole.

I would like to commend the government for starting in the right direction by holding these

(MR. L. KITCHING cont'd) hearings and by publishing the Working Paper that's been prepared by the Manitoba Department of Agriculture. Whatever legislation grows out of this, it's bound to have very far-reaching effects, so it's imperative that it be based on well-founded information. When I read the Working Paper, I'm concerned that at best its data is inadequate, and some of the conclusions reached are contrary to the facts as many see them. I'd like to enlarge on one or two examples.

One of the basic conclusions which is emphasized several times is that productivity per acre declines as acreage per farm increases. This conclusion is drawn from Table 27 which shows a farm of under three acres selling \$1,726 per acre and steadily diminishing returns as acreage increases. Personally, I don't think we should really discuss these figures. It's meaningless to compare a two-acre strawberry patch to a 5,000 acre ranch in an area of low productivity; and also it's ridiculous to base any conclusion on one year's data. Every year is different in agriculture. However, since these figures have been used to support this conclusion I'd like to take a closer look at them.

Obviously some of the small acres are associated with large hog, poultry or other highly specialized enterprises. The value of production is directly related not to the land base but to the labour input. Many others are not viable farm operations but part-time farmers with off-farm income. In the 70 to 400 acre size, there's about 14,000 farmers listed there and their average sales are only \$5,000. Well I'm not saying there's anything wrong with this - in fact it's a good way for some farmers to become established - I'm merely saying that it confuses figures. In the farms over 400 acres the difference in sales per farm is much smaller. If you look at the sales per improved acre, which is at least as valid a comparison as the other, we'll note as follows, and I don't want to go through too many of these possibly, but in the 400 acres to 559 they sold \$24.16 per acre of product; in the 560 to 759 size bracket they sold \$22.90 worth of product; in the 760 to 1,119 acre size they sold \$23.02 worth of product; in the 1,120 to 1,599 size range the sales were \$22.45; in the 1600 to 2239 acres size they had sales considerably larger, \$28.00 per acre, \$28.04 actually. The next size figure 2,240 to 2,879, they had sales of \$32.01; and in the largest category listed, over 2,880 acres, the value of sales per acre, per improved acre rather, was \$44.27. This is the table that our paper tells us proves that productivity per acre declines as the acreage increases.

Since I couldn't draw any conclusions from this kind of information, I looked for other sources, particularly the farm records compiled over a period of nearly 20 years by members of the Carman District Farm Business Association. I know you're familiar with that association so I'll only point out that these records have been carefully recorded on the individual farms. They were meticulously audited - and I know what kind of wild guesses go into making up DBS figures - and they were analyzed by economists connected to the University of Manitoba or the Manitoba Department of Agriculture. The information has formed the basis for much of the research in teaching of agricultural economy. I will start that one over. The information has formed the basis for much of the research in teaching by agricultural economists in Manitoba. If we turn to Page 3; I have a chart set out here that is drawn from these records. I don't want to go through too much but if you look at the right-hand column which is the fairly good soils - incidentally these were broken down in our records for farms in the good to excellent soils, the good soils, and the fair to good soils, and then in turn each of these divisions were subdivided into small, medium and large farms, and I've just drawn out here the production per acre, crop production per acre rather, because I figure that is significant, and also the total production per acre. Following down this - well as I say, in the fair to good column, which is the bracket that my farm's always been in, the small farms over the period of years I drew out here had an average production of \$26.00 per acre, the medium-sized farms had an average production of \$33.00 per acre, and the large farms had an average production of \$42.00 per improved acre. I must confess that those average figures were just, they are total production. That's not in your record. I sat down afterwards and just scribbled that out for your information. The others show a similar trend but it's not as pronounced in the other soil groups.

While I wasn't able to file the data for all the years due to changes in the format of the reports, the seven years data attached certainly doesn't support the conclusion that increased size results in decreased production per acre. In fact it definitely indicates that increasing the size of the farm results in an increase in both the value of crops produced per acre and the value of total farm production per acre. When I refer here to the value of production, I'm

(MR. L. KITCHING cont'd) not referring to total sales but to what is actually produced on the farm. For example, if a farmer sells \$5,000 worth of steers but he bought them for \$3,000, then he's produced \$2,000 worth of beef, and you notice the figures that DBS use here are total sales, and total sales figures can be very misleading.

My table was completed only up to 1966 but looking through figures since that time shows the same trend - and I might point out that in '66 there were very few 100 hp tractors in Manitoba. In 1974, 200 hp are quite common and 300 horses aren't unusual. This trend to larger machinery can only increase the efficiency of the larger farm relative to the smaller operator, particularly in field crop production. A look at several years production figures from the Western Manitoba Farm Business Association shows the same pattern, and this is taking figures from the Minnedosa-Hamiota area just for a change of locale. For example, in 1968 the value of crop production per improved acre went from \$20.58 for the smallest group. As the size increased, production went up to \$22.23 to \$23.75, then slightly down to 22.95 for the fourth group, and then the largest group it went up to \$27.04 an acre.

If we look at labour efficiency we find a very big advantage favouring the large-scale operator. For example, the economic report Number 15 published in July of '71 by the Economics and Publications Branch of the Manitoba Department of Agriculture shows the following: (And their farms here were split into five sizes with the medium category representing 50 percent of the farmers whose records were analyzed.) The value of total production per man equivalent on the small farm was \$6,232; the medium small farm, a slight increase to \$6,321; the medium-sized farm \$13,105 production per man equivalent; the medium large, the production went up to \$18,687; and on the large farm, the final category, it was down somewhat to \$18,188. The crop production per man equivalent shows a pretty similar trend - \$4,344 production per man, of crop production that is, on the small farms, and up to \$18,394 on the large farms. The crop production per improved acre, I think, is a pretty meaningful figure. Now on the small farm it was \$16.85; on the medium small it was \$17.44; the medium went to \$21.74; the medium large up to \$25.61 per improved acre; then on the large farms here again it was slightly down to \$22.93. The chart shows it pretty strongly. A three-fold increase per man equivalent and a very significant increase per acre.

The introduction of this bulletin says in part and I quote, "The number of records is, however, relatively large and represents a broad cross-section of farms in terms of size, soil type, enterprise combinations, etc., so as to include most, if not all, variables that could affect a farm business in a given year." There are two real questions raised by this last table: Firstly, when the Department of Agriculture has this amount of data, in which they themselves have expressed considerable confidence, all indicating the advantages of scale, why do they take such inconclusive and meaningless information as is put into the Red Paper on Page 74 - that's the chart that's already been referred to - and then devote such efforts in attempting to show that the increased size leads to decreased productivity?

The second question: Look at the labour efficiency. The value of production per man equivalent has tripled three times. We could even sell buses and aircraft if we could do that in other industries. Well, let's lay this fact out on the table for all Manitoba consumers to take a look at. Can the consumers afford a policy that would put three times the labour cost into our farm area food products? Remember too that we have to export into a competitive market. There's a plant in Winnipeg that made many millions of dollars worth of two and three hundred horsepower tractors last year. They're either for us or for our competitors. Manitoba farmers have to be able to operate on the same scale as U.S.A. and other farmers or we'll be dead in the marketplace.

One other major conclusion is emphasized repeatedly: "If the ownership of land is separated from the operator all or the major part of the benefits of increased productivity or price will go to the owner." And this is repeated several times through the paper here. Well fortunately repeating it several times doesn't make it true. The owner's land isn't worth anything to him unless someone farms it. Actually he needs the tenant much more than the tenant needs the land, and the tenant, particularly if he has a record of being a good operator, is not an economic vassal of the landlord.

Personally, I own about half of the acreage that I farm and I rent the balance. I rent land at the present time from four private individuals. One parcel, like my brother, I've had for 25 years in spite of its change of ownership - all four of them are local people and they understand farming, the bad as well as the good, and I'd rather deal I think with any one of them

(MR. L. KITCHING cont'd) than with a government agency. I feel more confident of continuing on the land than most of the people who presently have government leases, grazing permits, etc., and I'm not thinking primarily, at least completely of Manitoba, I know other provinces where they've had problems in this area.

I mention my personal experiences here not because it's unique in any way but rather because it's so typical of the present system of holding land. In fact Page 68 of the Red Paper here shows how this mix of ownership and renting has increased tremendously. I think it illustrates that the industry is adjusting very well to meet changing conditions. It's claimed that foreign investment to land is a real threat, but it's admitted that depressed conditions in agriculture and subsequent decline in land price have opened the door for outside capital. If economic conditions are maintained that make it attractive for a farmer to stay in business, the main impetus for foreign investment is gone; in Manitoba farmers will be the aggressors in the land market.

There is some doubt that increased land costs add to the cost of food, and there should be a period in there, gentlemen. I guess some of you might put a question mark but I put a period; my secretary didn't put anything. Competition for land and the higher cost ensures that a greater percentage of the land accrues to the more productive operators. The increasing production may more than offset the increased land cost and the end result is cheaper food. This part of the province, the Red River Valley, during the last 15 years has seen a gradual, quite noticeable, exodus of farmers who for various reasons were not producing as much value per acre as their neighbours. Many of them have relocated on cheaper land in other parts of the province, others have joined the labour force and we find an excellent source of skilled farm labour. For the most part everyone has benefited.

We have to face the question of how big a farm should be, and it's been kicked around quite a few times here today, but I think the very nature of agriculture puts an effective control on farm size. In the past some non-agricultural corporations have ventured into farming and most of them have found it a disaster. It's hard for a large-scale operation to provide the attention to details and the day-to-day, or indeed the hour-to-hour decisions that are needed in a successful farm. And the same thing applies to a privately owned farm.

Managerial ability and desire put a pretty effective ceiling on the size of most operations. Even though much of the work is done by hired labour on the larger farms the operator usually is the guy that has to run the machinery after the others have called it a day and on weekends, and fill in on every emergency. These extra hours and the on-the-spot decisions are what enables the family farm to survive during the tough times. If the farm gets too large these same factors work against continuing expansion. And I digress here a bit from my script too.

We talk of the high price of land and how it keeps young people from starting farming, but land is only one factor. While it's a lot of money, it doesn't depreciate; in fact it tends to appreciate in value, so land is much easier to finance than machinery, which can depreciate 50 percent or more in a couple of years.

The Working Paper here says that the price of land in Winnipeg puts home ownership out of reach for many people. Gee, I've got enough land for thousands of houses and I'm still living in an old one. It's the high cost of materials, and especially the high cost and relatively low productivity of labour that makes the new house so expensive, and as most of you know, most of the material cost in a house is made up of labour because the trees aren't too expensive when they're grown out on the back forty. Similarly, if farmland was all for free you'd hardly notice the difference at supermarket checkout, and that has been dealt with previously. Any farm policy must encourage labour efficiency. This has to be a key factor no matter what.

In conclusion I want to say that the time is certainly ripe for further study and action but by no means is it time to push the panic button. I hope the government will set up an independent commission to make a thorough and unbiased study, then make the facts public. Once we have data that's accurate and reliable, then we can have a base to formulate a policy to serve the needs of the agricultural industry and of society as a whole in Manitoba. Thank you very much, gentlemen.

MR. CHAIRMAN: Thank you, Mr. Kitching. Mr. Uskiw.

MR. USKIW: Yes, the statistics on net income of farm tax filers in Manitoba for the year 1972 suggest the following: That a gross farm income of 35,000 netted about \$4,046, and a gross of 50,000 or over netted 4,790. Hence a very diminishing return on the balance of gross farm income between 35,000 to 50,000. In other words, diminishing returns in each

MR. USKIW cont'd). . . . category from 11-1/2 percent on gross income in net returns to about 9-1/4. What explains that? Those are DBS for Manitoba for 1972.

MR. L. KITCHING: Did you say those were based on income tax return figures?

MR. USKIW: Yes. These are income tax filers for the Province of Manitoba for the Province of Manitoba for the year 1972. Up to 35,000 - 35,000 seems to be the optimum position of gross income in which case the best percentage net return results, but once you get beyond that you start slipping in net return on the additional investment.

MR. L. KITCHING: Well, Mr. Uskiw, I'm sure there are much better sources of information than the tax returns; some farmers have even been known to cheat a wee bit.

MR. USKIW: Oh, all right, that's fine then.

MR. L. KITCHING: But the fact is . . .

MR. USKIW: If that explains it then I understand, sir.

MR. L. KITCHING: No, I will attempt, I'll attempt to explain it a little more thoroughly for you. I can say from my own experience that most years when you have the most profitable year you pay the least income tax.

MR. USKIW: Okay. That's fine.

MR. L. KITCHING: This is because your income tax is based on cash receipts, and in a year when you have a good income maybe you pay expenses that you've carried over from the previous year, or you buy fertilizer for the next year, and actually the figures that I see in the actual records that I've quoted give you the actual picture of the cash production on the farm.

MR. USKIW: I might make the observation that it seems that if that is the explanation then all of the farmers, virtually all of the farmers in Canada cheat about the same because that's the grass . . .

MR. L. KITCHING: I think most of the farmers in Canada have had a pretty tough time through those years.

MR. USKIW: The picture is identical right across Canada once you reach past 35,000 gross income.

MR. L. KITCHING: I'm sure that agricultural economists who have figures to work with would have lots of figures to prove that \$35,000, you know, a farm that's only going to produce \$35,000 isn't going to be a viable operation in today's world.

MR. USKIW: No. I just wanted to know whether you had an opinion as to why the statistics seem to indicate that. I'm not arguing whether that's right or wrong, or what conclusions we can draw from it. I wanted to know whether you would draw any conclusions from it.

MR. L. KITCHING: Well I'd like more accurate information than that because I'm sure that farmers, they take in a tremendous range and there's an awful group of people classified as farmers that aren't in the really what we'd call serious commercial farm production.

MR. USKIW: Okay.

MR. CHAIRMAN: Thank you, Mr. Kitching. Mr. Delichte, livestock producers. Mr. Delichte, you're the livestock producers, and where are you from?

MR. DELICHTE: Mr. Chairman, we represent a fairly large area about 50 miles north-west of here. We comprise several towns and there's three of us going to attempt to answer questions and one of our group will present the brief. You've got me recorded as a livestock producer but I'm a mixed farmer and also grain farming, and the whole area is representative of a real thriving mixed farming area. We're not just speaking on behalf of one agricultural commodity.

MR. CHAIRMAN: Would you indicate - you're from?

MR. DELICHTE: I'm from St. Alphonse.

MR. CHAIRMAN: And would you introduce the two gentlemen who are going to be assisting you.

MR. DELICHTE: Roger Perreault from Somerset, and Emmanuel Vandavelde from Mariapolis. I'm in the centre of a 20 mile radius which represents a similar area, similar type of thought, and we are trying to express the thoughts of all these people.

MR. CHAIRMAN: Fine. Thank you. Proceed. I don't believe I got the spelling, sir.

MR. VANDELDELDE: Vandavelde. It's going to take a while if you want me to spell it.

Mr. Chairman, Mr. Minister, Committee members, ladies and gentlemen, I'm glad we still have a few with us tonight. We had a good representation to start off with but, like our fellow member said here, we are livestock producers and some of them had to go home and do their chores.

(MR. VANDEVELDE cont'd)

I am presenting this brief on behalf of a group of farmers and their families from the communities of Mariapolis, St. Alphonse, Bruxelles, Swan Lake, Somerset, Greenway, Baldur, Cypress River and Holland. The purpose of these hearings, as we have been led to believe, is to get our feelings and views on land use and on land ownership. Your objectives of promoting smaller farms, encouraging young farmers, and controlling foreign ownership, are certainly a move in the right direction and would have the support of most farmers. However, the method being used to carry out these objectives certainly does not carry the support of many, and in particular those farmers represented by this brief.

We are concerned that the effects of the program and policy could develop into something disastrous. We are approaching this hearing emotionally because we feel very strongly about the issues. This is of deep concern to us. We are land owners, as our forefathers were, and our love of the land has been ingrained in us since birth. A few of us have attended previous meetings, previous hearings that you held, and our general reaction was one of shock and disbelief at the mockery made of the briefs dealing with such an important subject. The impression we've received was that the Government was more interested in breaking down the arguments in order to justify their own policy stand than using this information given by concerned and informed groups in formulating their new policies.

We are sincere citizens and would like our brief to be considered as a document of our genuine feelings. When governments fail to listen, people become politically apathetic. Or is this what you want? We are in favour of land zoning, that is, classifying and using land to its best productivity. Industrial and urban expansion should be directed toward unproductive land areas. Perhaps in this light there is merit in government ownership of certain parcels of sub-marginal land. We believe that foreign ownership is not a major problem in Manitoba at this time. If and when it should become so, it can be easily controlled through legislative policy.

Our area of largest concern is the issue of provincial ownership of land and their leasing program. Granted, the discouraging of foreign ownership and the encouraging of new young farmers is important, but we feel the solution through government land purchasing is not the right one. We are not against government ownership of land for recreational purposes, wildlife conservation, or returning some submarginal land to grazing. However, in most cases, especially when productive land is concerned, we are totally against government ownership of land with public funds.

Let's look a bit closer at private ownership and the dignity and pride and initiative it instills in a person. Our forefathers and their families fought for developing the land. Toil, sweat, blisters and sore backs were all part of the hacking down of tree after tree, acre after acre. But all that didn't matter because he knew it was his, and what he had he could pass on to his children. Burning, red, sore eyes from picking roots and stones in 30 mile per hour winds, and spreading straw on drifting soils when you couldn't see 20 yards past you. But all this was done with courage and heart because the land was his and would eventually be given to his children. Controlling erosion. Painfully hand seeding small water-runs to grass. Conserving your straw in the fall versus burning. Planting and weeding new shelterbelts. All that in good heart because you knew the land was your own.

Now, how would this compare to someone on leased land? Why the hell would you knock yourself out if the land wasn't yours? Pride in your farmstead, repair work, painting, landscaping, making your home a more pleasant place to live. Would this happen if you were leasing and didn't know for sure whether or not the land would be yours, or would the government hire repair, paint and cleanup crews to keep these places livable? And what about the initiative and drive in private ownership? If you know that a bankruptcy is possible and that you could lose your payments and security on your loan, you'll jolly well make a go of it. Eighteen hours a day in seeding and harvesting will be possible, all right. You'll know that timeliness is the most important factor in successful farming. On the other hand, how much effort would be put out if you were on a leasing program? Maybe 12 hours a day would seem quite long.

In promoting young farmers we feel our past low interest credit program was more effective than a government land-leasing program, because of the additional incentive in private ownership. Yes. Never would you work harder or be more concerned than if the land was yours. Decisions, whether they result in failure or success, will be much easier to live with. The will to succeed is the best assurance of getting ahead.

Another concern we have about government land ownership and leasing is in the selecting

(MR. VANDEVELDE cont'd) . . . for land rental, in the selecting of candidates for land rental. There is a possibility that political favouritism would be involved, and besides the unfairness of competing for land with public funds, individual incentive for expansion will be reduced because of large government funding.

The publicity of these hearings and their content was almost non-existent. Not all farmers were given an equal opportunity in expressing their views because of the small number of meetings held throughout the province. Surely an issue of such importance to farmers should have sufficient time and publicity to make all aware of the situation. How come the Department of Agriculture is in such a state that they can't inform farmers on farm policy planning? It seems not too many years back these type of meetings would have been publicized and promoted by our agricultural representatives. At that time ag reps were helping farmers to be more aware and interested in government planning of farm policies rather than just that of food production. Why has the picture changed so much in recent years?

In concluding, let me say that we are the occupants of rural Manitoba and we are well aware of what working and living conditions are like. When an outsider, a foreigner and not a landowner, comes in and exerts great influence on our government to change our style of life, our beliefs and our freedoms, then we certainly have the right to question his actions very closely. It should be the right of every farmer and landowner to be made aware of what is happening and what this type of program could lead to. For this reason I urge you to give us sufficient time to have all farmers participate in the initial stages of a policy that is of such importance to our lives and those of future generations. Beware of that sacred cow known as land. People have died fighting for it and will again.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: That was a most interesting submission, Mr. Chairman, and I should like to say that it's obvious from it, the contents of it, that there has been an awful lot of mis-information conveyed somewhere along the way. So I should attempt to clarify, for your benefit, sir, just the reasons as to our being here this evening.

Your opening remarks had to do with the way in which the meetings or hearings had been conducted, and you tried to suggest that there is already a government land policy, and I should like to correct your impression on that. The reason that we are here is because there is no government policy on the question of land ownership and its use, and it emanates from a discussion in the Legislature promoted by the Liberal party of Manitoba. And I want to say that that doesn't reflect badly on them; I think it's a valid subject matter to discuss publicly, as we are. The questions on the horizon, and indeed questions that are apparent today, are real ones so that it is worthwhile having this exercise. But the basis of the committee's work has to do with the fact that there is no government policy, and because there is no government policy it was decided in the Legislature that all parties would participate through these hearings and that this committee would report back to the Legislature.

Now, the question related has to do with why the Department of Agriculture is not very much involved in this question as a department, and why it's not involved with respect to the publicity as to the hearings and so on. If you understood the way in which the Legislature works, you would not have asked that question, sir. Once a committee of the Legislature is set up to conduct hearings, it is then the responsibility of the Clerk of the Legislative Assembly, who is here this evening, to inform the public as to the nature of the hearings, the time and place. And really, any department of government should only be minimally involved, if at all, in that there is no position of the government on the question, so that we wouldn't want to leave the impression with the public at large that, because there is departmental involvement, that a position is already taken. This is a fact-finding discussion; this is what we're all about; so that conclusions are far from coming at this point in time, certainly premature to arrive at any, based on the discussions that we've had so far.

Now, you also appear to be totally unfamiliar . . .

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

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

MR. GRAHAM: I think Mr. Uskiw has laid quite a bit of blame on the shoulders of the Clerk. I think it's the committee who are the ones who set the meetings.

MR. CHAIRMAN: Mr. Graham, there is no blame being placed anywhere. That is not a point of order. The meetings have been advertised, as you know, in all cases and there is no one blamed anywhere. I think if it could be stated anywhere, it's up to the members

(MR. CHAIRMAN cont'd) . . . themselves to have informed the people in their community and I think Mr. Henderson did a very excellent job of informing his constituents, so don't . . .

MR. . . : Thank you. Your coffee was very good too.

MR. USKIW: Now the point I was on, sir, was your apparent confusion, or misunderstanding of the existing land lease program through MACC. From the comment you made you obviously don't understand the program. You talk about government having to fix buildings and paint them and things of that nature. You know, if you'll look at the agreement you will find that the government has no interest in the ownership of the buildings or the building site whatever. That is something we are not at all involved in through the land lease program. You will also recognize, if you look at the contract, that there is an option to purchase, and therefore there is no way in which the Crown could become an owner of land unless the people leasing it do not opt to purchase it at any given time, and it would only be through their decision that the Crown is left with the land, but not the decision of the Crown.

You then alluded to security of tenure, and there again that is an indication that you are completely unaware as to the terms of the security of tenure that are provided within that program. Your other point was political favouritism, and I don't know just how to draw conclusions from that but I'll put to you a question related to it. Is it your concern that somehow political favouritism will decide who should lease land and who shouldn't? Is that the point you're making?

MR. VANDEVELDE: Mr. Minister, or Mr. Chairman, I'd like to start off. You have several questions there.

MR. USKIW: Well, no, the others are observations. This is my first question.

MR. VANDEVELDE: Yes, I know, I know. They're observations, but you've been talking for awhile and perhaps I might get a chance here. First of all, we wrote this brief and perhaps if we had a chance to rewrite it and we had lots of time, which hopefully more meetings would satisfy, we would have realized that it is not policy. However, it certainly is your line of thinking. This seems to be what you are defending, the fact of government ownership and leasing, so if it is not policy and if we can't express our feeling soon, that it may become policy very quickly.

The other point is, you say the Department of Agriculture, ag reps for instance, shouldn't be involved in publicity, but if you are really concerned about us farmers in a program where our land is at stake, our lives, our backgrounds, then perhaps you should be informing your agricultural representatives to help in the publicity, because we have built up in the past a confidence in them to keep us informed along these lines. Perhaps some of our representatives in parliament are not doing their job, so we are hoping that our Department of Agriculture, ag reps, are doing that type of thing. Now what was your question you wanted me to answer?

MR. USKIW: Well just on that point, sir, obviously there has been no lack of information around the Morden community because we've had one of the bigger meetings of all the meetings that we have had so far.

MR. VANDEVELDE: I'll have you know that about 35 percent of those people out here came from our area, not Morden.

MR. USKIW: You've been aware of it, though, that's the point. Now . . .

MR. VANDEVELDE: Through accident.

MR. USKIW: . . . the question specifically that I put to you was, what is your meaning of political favouritism? Is it the fact that you believe that somehow there would be politics entering into the consideration of a lease application, or what is . . .

MR. VANDEVELDE: Well, let's just say that there is some leased lands that goes back to government ownership. If the price of land went down, this farmer who had a lease with you may just not be that satisfied in paying your purchase price and he may buy an adjoining parcel of land at a lower price, so the land remains in your hands. Now who is the next candidate to get ahold of that land in a leasing program? I'm saying it's possible, you know, going from past experience, it is possible that you might favour somebody who is politically inclined towards your party - and this isn't necessarily your party; it could be anybody's party, whoever's in power. I'm just saying there is a possibility towards it. I think we've seen these things before in appointments.

MR. USKIW: All right then, let me then pose the next question which relates very directly. Isn't that true about any governmental program? If you have so little confidence in

(MR. USKIW cont'd) your political system, wouldn't that be true of nursing homes, with senior citizen accommodation, with hospitals, with almost everything that government provides. Wouldn't that be true? Highways? I mean, somehow we've survived that problem with a million programs that provide a general service to the people of Manitoba, and you're implying that this additional program would not escape that, that somehow it would become a problem with one new program that we've introduced.

You know, I would like to tell you, sir, that since the MACC has been in business, it has provided \$83 million worth of credit to the farmers of Manitoba, and there's been a distinctive pattern established there. If you want to analyze it on political lines, most of that money went to Conservative-held ridings, including after the time that this government took office. I don't know why it happened that way but it happened that way. Now, if one wants to be very cynical and draw those kinds of conclusions, you know, I think we'd be in a position where we would feel we don't want to live in this world any more. We have to trust our fellow man to some degree, and the system. We have to work with it and to make it work.

MR. VANDEVELDE: Well, granted, Mr. Minister, under normal conditions we wouldn't worry about this, but if you would get a party in power who perhaps would get a little out of line, here the network would be set down for just another place where you could use this type of political favouritism, and if it can be avoided, then let's avoid it. But I think the real essence of our brief is the feeling we have towards private ownership versus your government leasing.

MR. USKIW: You mention, sir, that because of past experience that you have that concern. Would that be based on some knowledge of political favouritism at some point in time that you are alluding to? When you say past experience, what are you referring to?

MR. VANDEVELDE: Let's dwell on the important things of what we are discussing here today and at the hearings. I think we are maybe missing the point of land ownership by government and the leasing program, Mr. Minister.

MR. USKIW: Well, I've already made the point that the government isn't interested in owning the land and that, if it does, it will only be because some people don't exercise the right to buy it. So that is not our decision as a government, whatever the government may be at any given time; that is a decision of the private individual. It's a voluntary program. It's optional.

MR. VANDEVELDE: I know, but in past times we have seen the price of land going up and down, and we know that for sure that when the price of land goes down after the time that you purchase it, the guy is going to have to be awful strong on his feelings about where he lives or else he won't purchase it. Because if he can get adjoining parcels at any amount lower, there's no reason why he would buy your land, and you can eventually in this system build up quite a land holding.

MR. USKIW: On the other hand, he may decide to continue his lease and exercise his option at another time where he wouldn't have to pay back the subsidy. It's a flexible thing both ways, quite frankly. Now, you alluded to a specific experience but you are not prepared to indicate to us what it was that you base your political considerations on, or where you allude that there might be politics involved. Are you aware of a document that was produced by the previous government which, in fact, was a research document put together by a group of civil servants, the Treasury Board document of 1968, where, in fact, it was suggested that that is in fact how government should function, it should relate only to the political needs of the government in power. Are you aware of that?

MR. . . . : That proves his point.

MR. USKIW: Well, I know that it proves his point but I wondered whether that's what he was alluding to when he mentioned past experience, and I have a copy of it here. You can have it if you wish. It's the most astonishing revelation in my lifetime, sir, as to how a political party would abuse its power, and I can assure you that the political party in power today would never resort to that kind of thing. -- (Interjections) --

MR. VANDEVELDE: Now okay, Mr. Minister, Mr. Chairman . . .

MR. CHAIRMAN: Thank you. I shall chair it here until the gentlemen settle down. Proceed.

MR. VANDEVELDE: You were wondering if I knew where political favouritism may have occurred. Well, perhaps with the new program, our Autopac, I can only say when new programs start off it's a little bit easier to appoint people in higher positions. When older programs are in effect, then it's pretty hard to have new political appointments, so to speak,

(MR. VANDEVELDE cont'd) . . . But I think in new programs there is this possibility. Now just for one incidence here, we have an Autopac representative who seems to carry a lot of weight, going around to different Autopac agents, and I suppose it was a coincidence that he was an NDP but he made no shortcomings of letting his feelings be heard, because he was at a local Autopac office. I'm assuming of course that he got put into the position without any reference to the fact that he was NDP but, in my opinion, this is a case that something could happen along these lines and that's why I mention in the brief that it was a possibility, and I don't think it can be overlooked.

MR. USKIW: Were you aware, sir, as to how the Autopac agents were appointed? The formula that was used?

MR. VANDEVELDE: No.

MR. USKIW: If you were aware, you would perhaps not make those observations. There was a formula . . .

MR. VANDEVELDE: I wish, Mr. Minister, we were aware more of what's going on in policy because I also wasn't aware of when MACC was changed from their mortgage lending to this land buying and leasing program. Why are we not aware of these programs before it happens?

MR. USKIW: Well, let me then ask you, how long have you been farming?

MR. VANDEVELDE: Oh, for about fifteen years.

MR. USKIW: Did you not receive a document from my office, or my department, indicating all of the changes in programs, the new programs introduced about two years ago, where this was included and explained? Every farmer in Manitoba got one or should have got one. There were some 35,000 mailed out, one to every farm household. It's never been done before, incidentally. I was accused in the Legislature of playing politics by telling the people of Manitoba what the programs were when that document was mailed out.

MR. VANDEVELDE: It's too bad it wasn't mailed out because a lot of that stuff I . . .

MR. USKIW: Oh, it was.

MR. VANDEVELDE: . . . file under "G" and . . .

MR. USKIW: Oh, it was mailed out.

MR. VANDEVELDE: Did it come in a nice letter with a sealed envelope . . . ?

MR. USKIW: It came in a very attractive colorful brochure form, but my colleagues to my right thought that that was a wrong thing . . . Here, this is the one here. 35,000 went out explaining all of those programs. So, you know, I think we have tried to communicate to some degree.

MR. VANDEVELDE: Did this just go out recently?

MR. USKIW: That went out two years ago, sir. What was the date, Mr. Chairman?

MR. CHAIRMAN: May I see that please?

MR. USKIW: You know, one of my problems is that not everyone explains the government's programs as they are, and I don't know why some people choose not to do so. Some do because they don't know the difference, others do because they know the difference. That's one of our problems in communication.

MR. CHAIRMAN: It doesn't give the date but the Programs for Progress is the title and, Mr. Vandevelde, I might mention that in 1970 to 1972 the committee or rather these members today were members of an agricultural committee that held meetings for the first time, as far as I know, in the history of Manitoba, throughout the various farming communities of the province, to bring to the attention the problems of rural depopulation, to get that type of information from the people, and there was some legislation to that effect. Again, in the same period of time, there were some 20 meetings held with respect to municipal affairs dealing with the local government districts throughout various parts of the province.

MR. . . . : What has that got to do . . . ?

MR. CHAIRMAN: What it has to do is the statement that this is not brought to the attention of the people. The fact is that this government, for the first time, has been going out to try to get the response from the various communities in the rural parts of the province and this is what this exercise is about. We're getting your presentation, your views. To say that we have not been responsive would be incorrect. Thank you, Mr. . . .

MR. USKIW: Mr. Chairman, I just wanted to conclude my remarks. I simply wanted to point out that this brochure should have been kept, if only as an informational piece, because within it were listed the various programs, the various departments or branches of the

(MR. USKIW cont'd) department, the people in charge of those programs in the City of Winnipeg, throughout the regions and their phone numbers, so that if anyone wanted information on any program it was made very handy for them.

MR. VANDELDELDE: Okay, Mr. Minister, I would like to commend you for that type of a thing because this is what we do need. And as well as that, I would like you to perhaps remember what I said about our agricultural representatives, that we do have confidence in them, we do like to refer to them when things like this come up, because they usually are much closer connected to government than we are. If new policies come out they'd be the first to know about it. So just keep them in mind because we do drop in their office quite often.

MR. USKIW: Well that is a standard procedure, sir.

MR. VANDELDELDE: Well it wasn't in this case.

MR. USKIW: In which case?

MR. VANDELDELDE: In this case of these hearings. Some of these ag reps knew nothing at all about it.

MR. USKIW: These hearings are not the responsibility of the Department of Agriculture, they're the responsibility of the committee of the Legislature wherein there is no program or policy but where we are searching for policy answers.

MR. VANDELDELDE: I know, but the point is . . .

MR. USKIW: You know, you can't confuse the two, sir.

MR. VANDELDELDE: I'm not trying to confuse it. The point is that it's of real concern to farmers, and agricultural reps are looking after concerns of farmers - at least it was a few years ago and I hope that hasn't changed, because . . .

MR. USKIW: Let me assure you that if our ag reps and all of our field staff were not aware of these hearings and these discussions, then I'm going to be a very disappointed person that my staff isn't at all interested in what's going on.

MR. CHAIRMAN: Mr. Johannson.

MR. JOHANNSON: Yes, Mr. Vandevelde, you have felt free to make some pretty harsh criticisms of the government and the committee, and I find your attitude frankly a bit puzzling. You express shock over the fact that committee members you say had some mocking questions for people who made presentations before our committee. Now, is your idea of democracy that you should be able to say whatever you want about somebody else of whom you disapprove or whose policy you don't like, but they shouldn't have any right to question you or reply? Is this your idea of democracy?

MR. VANDELDELDE: Okay, Mr. Johannson, I'll reply to that before you confuse the question any further. If we wouldn't have had that much of a waste of time we may not have been here tonight. My cows are still not fed. But . . .

MR. JOHANNSON: Well you were the one who raised this, my friend, and if you're talking about mocking you've been indulging in a great deal of it tonight in a very, very rude sense . . .

MR. VANDELDELDE: And I'm saying to you, Mr. Johannson, I'm saying to you that there is a difference between constructive questions . . .

MR. JOHANNSON: I agree.

MR. VANDELDELDE: . . . and running up and down a guy one side over and down the other side.

MR. JOHANNSON: What have you just been doing before this Committee?

MR. VANDELDELDE: I'm presenting a brief of the feelings of the people in my area.

MR. JOHANNSON: You have just threatened violence.

SOME PERSONS: Oh-h-h. Boo.

MR. JOHANNSON: The last statement . . .

MR. CHAIRMAN: Order please. Order please.

MR. JOHANNSON: Now, Mr. Chairman, you know, that sort of response isn't going to engender any greater respect in me when people react that way. The area I come from, the Interlake, is a rural area also, and an audience there would not behave in that sort of fashion. They have a certain degree of hospitality which this audience doesn't seem to have.

MR. CHAIRMAN: Mr. Johannson, I believe you have questions?

MR. JOHANNSON: I do, if I can get to them. Now you have expressed what I can only call a very violent opposition to government ownership of land, and you say that private individuals should own the land, so I assume you are a free enterpriser, are you? You're a real free enterpriser?

MR. VANDEVELDE: Yep.

MR. JOHANNSON: And yet, you know, in this particular area of the country, unlike the area from which I come, the vast majority of MACC loans have been made in this area. These are subsidized by the taxpayers of this province.

MR. VANDEVELDE: That's why we want to use them.

MR. JOHANNSON: So you want subsidies from the rest of the province. That's your version of free enterprise, is it?

MR. VANDEVELDE: No, I'm just saying if we're paying for them then maybe we should use them.

MR. JOHANNSON: But the thing is that the taxpayers of the entire province are funding this particular program but the benefits seem to have been concentrated largely in this area. Now this is the area you say of great free enterprisers. This is your version then of free enterprise, making use of subsidies from the taxpayers of the province.

MR. VANDEVELDE: Mr. Chairman, can I reply to the question? I sort of lost it a little bit back there but you were talking about MACC, and I think that if you pass my brief on to Mr. Johannson, we are in favour of low interest rates because we do believe that young farmers should get a chance of starting to farm. There is nothing wrong with MACC or FCC. If they're duplicating things perhaps one of them should be cut. FCC likely wouldn't be, but the point is that if FCC isn't giving low enough interest rates to suit your government and us, then perhaps you should be keeping MACC with lower interest rates, but we're maintaining that they will own the land themselves and because of it they'll be that more aggressive, they'll have more initiative and what have you. They'll be private owners.

MR. JOHANNSON: So you think that an aggressive, hard-driving free enterpriser is one who gets subsidized interest rates from my constituents in the city.

MR. VANDEVELDE: No, but I'm worried about your point of view. You want to promote smaller farms?

MR. JOHANNSON: No.

MR. VANDEVELDE: You want to promote new . . .

MR. JOHANNSON: No. Frankly, from the feedback that we're getting here, I'd be quite willing to cut back on a lot of agricultural programs, if you simply list the programs that you want the government to get out of.

MR. . . .: Autopac.

MR. JOHANNSON: . . . about agricultural programs.

One final question, Mr. Vandevelde. If you are so concerned about political favouritism and government domination, why don't you just go buy your land from a private individual and use the bank? Then there's no danger of government interference. Why don't you go to Mr. Blake's bank and borrow the money?

MR. VANDEVELDE: I'm not worried about that. It's the young farmer who maybe doesn't have the finances. I am worried about him because I think he should have a chance to get started, and I hope that all of you on this agricultural committee should keep this in mind, that we do want to have young farmers keep farming and have a chance to farm. If they have the qualifications, why not? But the point is, how do we go about giving them this chance? We, as a group in our area, just felt that your White Paper here promoting buying up land and leasing it out to them can lead to something that maybe we don't want. Maybe it can get out of hand. I think we'd sooner stick with MACC as it used to be, with low interest rates.

MR. USKIW: On a point of order, Mr. Chairman, I think the gentleman has misread again the intent or the purpose or the make-up of the Committee. I simply want to correct him. This is not an agricultural committee, sir; this is a committee of the Legislature.

MR. VANDEVELDE: Okay, I'm not concerned about details like that. It's the principle of the thing, land ownership.

MR. USKIW: No, no. The paper you're dealing with is not a White Paper, it is a Working Paper. There's a big difference. There's a difference. It has nothing to do with politics.

MR. CHAIRMAN: Thank you, Mr. Vandevelde. Mr. Gauthier, Notre Dame de Lourdes, Order please. You may proceed.

MR. GAUTHIER: Mr. Chairman, members of the Legislature, ladies and gentlemen, Regarding the government land policies, some years ago I presented a brief in Carman to a Standing Committee on Agriculture concerning the Manitoba farmer, which ended something

(MR. GAUTHIER cont'd) like this. "Never in the history of the west has the farmer been made to give up so many of his freedoms. Never in the history of Confederation have so few been made to give so much to so many for so little." Our parliamentarians, I fear, would like to add to their list of "Thou Shalt Not" the following: Thou shalt not sell or buy agricultural land in Manitoba without the approval of the Department of Agriculture. It would seem that in some strange way they fear that foreigners are interfering through the acquisition of farmlands in our rural way of life; that too much land is being bought by these foreigners. I would like to mention a few of these things that interventions by Acts of parliament to the free trade of farmland would harm.

It would stop badly needed foreign capital from entering Manitoba and thus our economy. It would deprive many of our retiring farmers from getting the maximum from the sale of their lands, and in many instances the lack of buyer competition would mean the difference for a retiring farmer between being self-supporting and the necessity of public financial assistance. I feel that there is no cause for alarm at the amount of foreign bought land.

If I may, I would like to go back in history to the beginning of colonization of Manitoba. The Hudson's Bay, the Northwest Land, and other subsidiaries of parent companies located outside of Canada owned vast tracts of agricultural land in Manitoba. These companies were soon to realize that in order to profit from these lands they had to be sold. History repeated itself in the era known as the "Dirty Thirties" where, through lack of markets, many farmers were unable to meet their financial commitments, and corporations such as Trust and Loan, Credit Foncier, with parent companies in England and France, found themselves holding large holdings of agricultural land, paying taxes and receiving no revenue. They were as happy as the farmer to see the rains fall and witness the improvement in the market.

The lands were once more off their hands and in the possession of the farmer. It is strange that every time a socialist government is offering its help to agriculture, it is at the expense of the farmer's freedom. In this instance I fear regimentation of the sale of farmland. There are many areas in which the government could help make farming more attractive without regimentation. I would like to mention but a few of these possibilities.

The tax area. I believe it is entirely possible to exempt from income tax, revenue that a farmer uses to purchase farmland, and that the financial impact on public revenue would be very very minimal.

The removal of succession duties collected through the inheritance of farmland.

The removal of the Real Property School Tax, where the farmer at present is made to pay more than his fair share of the educational expense. It is revolting for a farmer who is paying \$1,500 to \$1,800 a year in school tax to realize that a doctor or a lawyer in town, having an income subsequently larger than the farmer, is paying approximately no school tax at all.

Research. Through the improvement of swine, dairy, beef, we could make agriculture more competitive, and so, more attractive.

Research in the field of cereals, which would bring about grains that are more adapted to our soils and climatical conditions.

Research in the field of agricultural machinery, where the government could have testing stations and data and reliable information available before the purchase of agricultural machines.

The forecast of agricultural markets. This could be improved immensely. In the past, the non-farmers, so-called agricultural government experts on the sale of agricultural produce, have established quite a record as devisers of worthless advice which has cost the farmers millions of dollars. In my own experience I have found out that when advised by our government to increase my beef production, that it was time to phase out the operation. The same can be said of pork, eggs, grain, etc. I'm sure it is entirely possible to ensure the producer receives sound and reliable information without added expense to the taxpayer.

However, our government chooses to go into business. They become purchasers of agricultural land. They become competitors on the land market and so are direct competition to the farmer, who is made to compete against his own tax money. If this new venture is no more successful than other business ventures entered in by them in the past, it will be a genuine flop. I could not help but think of Saunders and Flyer where millions of tax dollars are being pumped in annually, and Autopac and its unknown cost to the taxpayer, and I wonder if the day is not coming when a farmer will, through Acts of parliament, be barred from

(MR. GAUTHIER cont'd) owning his own farm. What has happened to the Russian agriculture could repeat itself in Manitoba; that we, through lack of private ownership and lack of interest by the farmer in his communal farm work, could make us importers of the very produce we are now exporting. Or will our socialists become non-socialists, as they are when questioned about the prices paid by Japan regarding their contract with our Pork Marketing Board? Regimentation of the marketing of agricultural land would only add one more bar to the already imprisoned primary producer, and help make us no freer than the inmates of Stony Mountain. In any event, I think the farmer should retain ownership of his farm and definitely, very definitely, the government should abstain from entering in the markets of agricultural land. Thank you.

MR. CHAIRMAN: Thank you, Mr. Gauthier, Mr. Uskiw.

MR. USKIW: Yes, I should like to ask you, sir, whether you feel that the Department of Agriculture should reduce its budget very significantly so that we wouldn't be guilty of giving you all that bad advice. Should we fire half the staff or three quarters of it or what should we do? Should we scrap the department, is the suggestion here.

MR. GAUTHIER: I feel, Mr. Uskiw, that we're entitled to as much government help as the taxes that we are contributing.

MR. USKIW: No, but your suggestion is that government advice and help in the Department of Agriculture has been worthless. So I would think that you would be money ahead if we didn't have it.

MR. GAUTHIER: When I bought cows at \$500 and sold them for \$200 on their advice-- I think I'd have been further ahead.

MR. USKIW: Did the government tell you that your cows should be sold for \$200?

MR. GAUTHIER: Cows don't live forever. They have to be sold some time.

MR. USKIW: No, but the government doesn't determine the price of your cows.

MR. GAUTHIER: If they had of given us sound advice they'd have told us to stay away from buying more cows.

MR. USKIW: I see, I see.

MR. GAUTHIER: There was a build up of animal meat the world over. If they had given us the right information, I'd have phased out my operation two years ago, I'd have made money.

MR. USKIW: Do you think then that the government should have not believed the trends of the world at that time when the trends indicated that consumption of meat was going to go up and up, and instead they went down?

MR. GAUTHIER: Let's face it, they must have been badly informed. The proof of the pudding is in the eating. It went down.

MR. USKIW: That was based, sir, on the proof in the pudding, that's what was happening in the world on meat consumption for a good number of years.

MR. GAUTHIER: An awful pudding the farmers got into.

MR. USKIW: That's right. I agree with you. The fact is though that I don't think that you could suggest that government had any role to play in people's attitudes to their diet.

MR. GAUTHIER: Certainly some advisors boo-booed some place.

MR. USKIW: Do you think the Government of Manitoba should have foreseen the Arab oil prices five years ago, which had also a detrimental effect on meat consumption?

MR. GAUTHIER: I'm sure that they should've seen this build-up of cattle and of pork and other meat stuffs. That was the world over.

MR. USKIW: Then obviously, sir, you would not mind if the Department of Agriculture had a lower budget and a smaller staff than it has, because you feel they are not doing a good job for you?

MR. GAUTHIER: They didn't do a good job. I bought cows at \$500 a cow and I've got to sell them for \$200.00. I took an awful loss.

MR. USKIW: And you think that's their fault?

MR. GAUTHIER: Well, through their information; I thought they were smarter than I was.

MR. USKIW: But you know, let's put that in perspective. Did you ever think that your prices of cattle would be higher or lower; did you have any idea yourself?

MR. GAUTHIER: Well I keep on the farm too much, I haven't got the staff to go around from one country to another to see how much cattle there is, and get the data . . .

MR. USKIW: No, but now that you know that you can't rely on the Department's advice, I presume that you will be making decisions based on your own knowledge from here on in. You will not use . . .

MR. GAUTHIER: I haven't got too much knowledge; I can't acquire it.

MR. USKIW: I think you're in trouble because you don't rely on advice and you don't have any knowledge of your own.

MR. GAUTHIER: I sure am, sir, I sure am, sir. The trouble is, sir, that having no knowledge and the Department of Agriculture and our Minister having less, I'm in a terrible fix.

MR. USKIW: Well let me get on to the other point that you raise, sir.

MR. CHAIRMAN: Obviously this is a much better shown than the programs on TV tonight.

MR. USKIW: Are you saying, sir, that government should not be involved in credit programs?

MR. GAUTHIER: I believe that policy-making legislation should be the extent of government. I don't think that, well . . .

MR. USKIW: We should get out of credit, should we?

MR. GAUTHIER: Well look, like we'll say Flyer, Saunders, Autopac . . .

MR. USKIW: Should we get out of credit?

MR. GAUTHIER: I beg your pardon?

MR. USKIW: Should we get out of credit? Should we not finance Flyer, should we not finance Saunders, should we not finance Morden, should we not, you know, should we get out of that business?

MR. GAUTHIER: As long as it's not costing the taxpayer too much money. Can we afford too much of that, like Saunders and Flyer - can we afford . . .

MR. USKIW: Well I think that can only be determined by the future; we don't know.

MR. GAUTHIER: Well how much is it costing now?

MR. USKIW: Pardon me?

MR. GAUTHIER: How much is it costing now?

MR. USKIW: We don't know if it's going to cost anything. You know, we are not in a position to know, but let me . . .

MR. GAUTHIER: Let's discuss farming. . .

MR. USKIW: Do you know how the government got into those enterprises? Do you know how they got into them?

MR. GAUTHIER: I only know that they shouldn't have.

MR. USKIW: No, no, but do you know how they got into them? Do you know that the Government of Manitoba for many many years loaned money, or financed private investors into these programs, who went broke, and the only way the government could try and recapture its financial position was to seize the assets and to try to make them work. These were not government ventures, these were private ventures.

MR. GAUTHIER: Well, some people are luckier than I am. Every time I have any dealings with the government they take my income tax, they take this, they've never given me anything, except advice. Except advice and it was no good.

MR. USKIW: All right. Obviously you're taking the position that government should not finance private business of any kind.

MR. GAUTHIER: I think they should finance viable ventures where it's going to make money for everyone, yes.

MR. USKIW: Oh! So we should get into the good things like banking and oil companies. . .

MR. GAUTHIER: Yes, anything that pays.

MR. USKIW: We shouldn't get into things that other people are afraid of?

MR. . . .: Fertilizer companies.

MR. GAUTHIER: Yes, that pays.

MR. USKIW: I see, okay. Okay.

MR. GAUTHIER: Of course it goes up every year.

MR. CHAIRMAN: Thank you, Mr. Gauthier, Mr. Beer, Darlingford Cow-Calf Association. Order please. Do I have your spelling correct?

MR. BEER: Beer, and it's B-E-E-R, just like Labatt's or Carling's.

MR. CHAIRMAN: Fine.

MR. BEER: Mr. Chairman and members of the committee and ladies and gentlemen, I wish to thank you for this opportunity to bring a brief forward. We have a brief to the Committee In Search for a Land Policy for Manitoba by the Manitoba Cow-Calf Producers Association Incorporated for the Darlingford region. We, as Manitoba cow-calf producers, welcome this opportunity to come before this committee and express our opinions and views.

The Working Paper, In Search of a Land Use Policy for Manitoba, deals mainly with the dangers of foreign ownership of land, the depopulation of rural areas. If foreign ownership is a problem, the government should check the applicants who wish to buy land in the province and if the intent to become citizens within a given time is exercised, we find no fault. The depopulation of rural areas we see ourselves as a problem, but we know too well why our young people leave the farms and the small towns to go to the cities. Young people are able to make more money elsewhere.

Everyone in Manitoba should know how much land is set aside for agriculture, recreation, wildlife, urban sprawl and parks. With the high cost of developing land, let alone the work involved with the whole family picking roots and stones, many farmers in the high cost of production squeeze, with no one to pass the costs on to, find they have nowhere to turn. With incentives to produce more and more they can come to only one conclusion; that they are about to lose their farms and a way of life. State control takes away this way of life that we know today. All we have now is democratic socialism with democracy used as a cover-up to implement, not the people's wish but a few politicians who are determined while they have power, regardless of public opinions or to the cost of the public at large, to have their determined way. If government denies this, will they then please explain to me and everyone else here why, on so many issues, does and has government seen fit to implement their own policies regardless of public opinion.

It should be clear to government now, as it is to us, that the majority of opinion is definitely against government ownership and that what is really wanted by the people is a better break as far as a young man starting farming is concerned. Such as lower interest rates and perhaps no interest for the first three years with much lower down payments. If government is at all responsive to the wish of the people, as they say they are, they will then surely move in this direction and forget the silly notion of owning the land.

Under the MACC purchase and lease to farmers plan, the conditions on which the farmers shall buy the land and make it almost impossible to do so, we also state that as taxpayers we do not wish to have MACC compete against us for the land with our own money. The Working Paper makes no mention of the land already purchased by Manitoba Agricultural Credit. We understand in the past MACC has purchased 66,000 acres taking the length of time of the program on a quarterly basis.

Some proposed amendments to the Farm Credit Corporation Act make it easier to transfer land from father to son and will help young farmers get started in farming. Also amendments to the Estate Tax Act and the Revenue Tax Act to permit transfer of land within a family without capital gains should be considered. Public ownership of land is not in the favour of true farmers, so these lands which are publicly owned may become taken up with an undesirable tenant and that the land lay fallow. Possibly then the government will see fit to pay people to farm this land. Then, and only then, will the true value of good farmers be found. We, as cow-calf producers, would urge the government to extend these hearings for at least one year and cover the entire province. Thank you.

MR. CHAIRMAN: Thank you, Mr. Beer. Mr. Uskiw.

MR. USKIW: Yes, I want you to elaborate a little more where you allude to "state control". What are you trying to say in that statement? I mean what is the example that you wish to give in that respect? You know, every act of parliament or every act of the legislature has some effect on the lives of people involved, directly or indirectly. So if you want to take a broad interpretation, once you have more than one people living in the land you have lost some freedom; and once you have ten people living, you've lost more freedom. And when you have a million and ten you give up more freedom, and the denser the population the more the demands of different groups have to be met and the more regulatory the system becomes. What are you alluding to when you talk about state control? Are you talking about legislation or what are we talking about?

MR. BEER: No, if this keeps going with this government, ownership of land, it eventually is going to get out of hand.

MR. USKIW: Where do you see government ownership of land?

MR. BEER: Well, we already have 66,000 acres government owned.

MR. USKIW: No, but it's under contract with an option to purchase.

MR. BEER: Yes, but how many of these are going to be exercised?

MR. USKIW: Well that is the freedom of the people of Manitoba. That is not a government decision, that's a people decision.

MR. BEER: It's still relying on the government . . .

MR. USKIW: No, it's relying on the people, sir, as to whether they will purchase it or they won't. It's not a government decision. Wherein lies the problem in your mind?

MR. BEER: That if the purchase part of the leases are not exercised, this leaves the land state-controlled.

MR. USKIW: But it can be exercised forever and a day, next year, the year after, ten years from now, twenty years from now. There's nothing in the contract that says . . .

MR. BEER: Have we any guarantee on this?

MR. USKIW: Pardon me?

MR. BEER: Have we any guarantee on this?

MR. USKIW: The agreement that one enters into provides the guarantee. The option is there at the discretion of the lessee after five years. So how are you suggesting that there is some way state control?

MR. BEER: Well, on this land lease there are certain limitations in there.

MR. USKIW: There are limitations in any lease.

MR. BEER: Yes, I know but these limitations are rather poor, I figure.

MR. USKIW: No, but you have entered into a contract.

MR. BEER: Yes.

MR. USKIW: You've accepted the conditions of the contract and at any given point in time, after five years, you can opt to purchase that land. Wherein lies the problem of state ownership.

MR. BEER: You take now myself, for instance, I would not come into a land lease program at all. I am not classified in that group.

MR. USKIW: You mean because you have assets that are too great or . . .

MR. BEER: Yes, I have assets that are too much.

MR. USKIW: Are you saying that the program should be more flexible to include fellows like you ?

MR. BEER: Well if it's going to be carried out, it's going to have to be changed or something to make this work. But I'd rather see it not . . .

MR. USKIW: You think it is too restricted? You feel it is too restricted?

MR. BEER: To a certain extent, yes. It should be either opened wider or closed off completely and forgotten about.

MR. USKIW: If it's opened wider would you then not accuse the government of wanting to buy up more land than we are now buying? Because we would have to double our budget if we open that thing up a bit.

MR. BEER: There again we enter in with our tax dollars. We are bidding against our own money.

MR. USKIW: No, no, but you're saying that you would like to get in on the program and therefore we should sort of change the eligibility criteria to allow people with greater assets into the program. Now I think that's a fair observation, especially because of the inflationary period we are in, We probably are too low with a \$60,000 limit on assets. But I don't think it should be wide open because if we do that even Mr. Jorgenson will want in on the program if he can see a way of getting a capital gain out of it.

MR. BEER: This can't be wide open.

MR. USKIW: I don't know that I would be comfortable if we got to the point where Warner would accept the program.

MR. CHAIRMAN: Mr. Henderson . . .

MR. USKIW: If you're properly understanding the program, you know, unless there is some point that you need clarification on, but if the option to purchase is there, then obviously there is no state control of the land.

MR. BEER: Well we have no guarantee that this isn't going - as we have gathered from some of the previous meetings that land has been bought up and it is laying fallow and has for a few years.

MR. USKIW: That is not correct, sir, that is not correct.

MR. BEER: Well I just wish I had the person here that has the figures that could bring this up as proof.

MR. USKIW: Now you raise the question of estate taxes as being a problem. How large a farm do you have, sir?

MR. BEER: A section.

MR. USKIW: Does an estate tax, as you know it today in Manitoba, present a problem for you if you were sort of wanting to will your property to your son?

MR. BEER: Yes, it would.

MR. USKIW: You feel you have assets in excess of \$200,000?

MR. BEER: Yes.

MR. USKIW: Net worth? I mean that's clear assets I'm talking about.

MR. BEER: No, not clear assets.

MR. USKIW: So you wouldn't be taxable then, or your son wouldn't be taxable today if you were to transfer your property by way of . . .

MR. BEER: But also there is your succession tax.

MR. USKIW: That's that I'm talking about. There's a \$200,000 preferred beneficiary exemption.

MR. BEER: There's your estate tax.

MR. USKIW: That's what I'm talking--it's the same thing.

MR. BEER: Then I have been misinformed.

MR. USKIW: Oh. All right. You don't see \$200,000 exemption for the preferred beneficiaries as being too low?

MR. BEER: No, if this is the case, I don't feel that this is too low.

MR. USKIW: Okay.

MR. CHAIRMAN: Mr. Henderson.

MR. HENDERSON: Mr. Beer, you have been saying that you don't believe in this option that the government have because it's very hard for people to exercise it. Is this not right?

MR. BEER: Yes, it's something, like it was brought up here before, it could be swayed, a change of government and what else, and what have we got?

MR. HENDERSON: You have probably heard from other meetings, I know I have heard from one. The chairman of the board was asked and he said that anybody that was exercising the lease option would very likely never become an owner.

MR. BEER: Right.

MR. HENDERSON: And this is your concern that . . .

MR. BEER: Right.

MR. HENDERSON: Well then, the government program couldn't be effective unless they purchased more land, because they wouldn't be able to help other young people starting farming, would they?

MR. BEER: That's right.

MR. HENDERSON: So you're concerned about the government getting more and more land so as to help more and more young farmers?

MR. BEER: That's right.

MR. HENDERSON: And it all ends up in the government bank then?

MR. BEER: Yes.

MR. HENDERSON: So you're concerned about how much the government wants to own before it says it has enough?

MR. BEER: Right.

MR. HENDERSON: I think this was the concern of everybody. Thank you.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, I want to pick you up on that. If you have a neighbour that wants to lease land from the Crown through this program and we don't have a lease program, so therefore he's forced into the position of trying to find some money to buy it. So then we say, all right, we will give them a very good opportunity to buy it; we will give him a capital grant of \$20,000 against the price of \$100,000 for the land. In that way we will help him own this land. Wouldn't that also create the same competition for land that you are worried about through the lease program? Mortgage financing . . .

MR. BEER: Yes, in a sense it would have . . .

MR. USKIW: Mortgage financing gives you the same competitive factor.

MR. BEER: Right.

MR. USKIW: To the extent that mortgage money is available and more available, you have more competition for the same acre of land.

MR. BEER: Yes, but there again it would go through the Federal Farm Credit.

MR. USKIW: No, no, but all I'm saying is there's no difference as far as the competition for your neighbour's land is concerned . . .

MR. BEER: Right.

MR. USKIW: . . . as to whether we give him mortgage money or a lease arrangement. The competition is exactly identical.

MR. BEER: No, it isn't.

MR. USKIW: It certainly is.

MR. BEER: Somehow I lost you in the fog.

MR. USKIW: Well let's assume that instead of the lease program that we have . . .

MR. BEER: Right.

MR. USKIW: . . . as a means of helping a young fellow get started . . .

MR. BEER: Yes.

MR. USKIW: . . . and eventually to purchase it. Instead of that, we gave him a grant and said go and buy it, the effect on you is the same. He has a way of getting into the land market whether it's through a mortgage or whether through the lease program. So you haven't changed the demand for land.

MR. BEER: No, you won't change this but why would you give them a grant?

MR. USKIW: Well, I'm basing that on the representations that we have heard today and almost everyone said, don't lease him the land, help him with cheap money, give him some forgiveness on money.

MR. BEER: Right.

MR. USKIW: And that amounts to the same thing. If you look at the example that we had on the part of the young farmers, they said give him \$107,000 to help him buy a half a section. If I gave your neighbour \$107,000 to help him buy a half a section, wouldn't that put more competition for that land than even the lease program would?

MR. BEER: Yes, it would. But there's also, on your . . .

MR. USKIW: So wherein lies the unfair competition?

MR. BEER: . . . your grant program, you take a first mortgage on that, any default of payment this becomes the government land again.

MR. USKIW: Well you foreclose and you resell.

MR. BEER: Right.

MR. USKIW: But the pressure on land doesn't change whether you use it by way of lease or whether you use it by way of mortgage; the demand and the pressure on land is identical.

MR. BEER: Right.

MR. USKIW: Doesn't change whatever.

MR. CHAIRMAN: Mr. Henderson.

MR. HENDERSON: Yes, with regard to Mr. Uskiw's remarks that a mortgage and a lease is the same as far as you're concerned, it's not right. Because with a mortgage what you have to do is pay off your payments and then you own it. In a lease you make the payments and you don't own it. You have the privilege of being able to buy it later from them, but you could pay for years and years and you wouldn't own it, and then if you do exercise the option it's on whichever's the higher, the market value at that time or else at whatever you got it plus all amounts that had been subsidized. So on a lease you are not going to become an owner unless you exercise it, and under the present lease you're not very likely to ever exercise it.

MR. USKIW: On a point of order, Mr. Chairman, Mr. Henderson completely misinterpreted or misunderstood the question. The witness before us suggested that the lease program provides additional competition for land and therefore is unfair competition in that it's the Crown buying land on behalf of the lessee; and my question was what difference is it than if the Crown was to take and mortgage the same land on behalf of the same person. The competition for that acre of land is identical. The effects on him, being the neighbour, are exactly

(MR.USKIW cont'd). . . . equal whether you finance it to a mortgage or whether you arrange a lease. No difference. That's the point we're dealing with.

MR. BEER: The effects on myself would be this, yes, but it would be a different effect on the man buying.

MR. USKIW: Oh, that's correct, that's correct; there's no question about that.

MR. BEER: But for myself the competition is still there the same, but there again it's - well I shouldn't say that; I was going to say it's not the tax dollar, my tax dollar, that's bidding against me.

MR. USKIW: Well it is in a mortgage, too, to the extent that it's subsidized.

MR. BEER: Yes, it's subsidized then.

MR. USKIW: All farm credit is subsidized. Always has been. So therefore we have had tax dollars sort of forcing people to compete against each other and the same tax dollar was doing it. The tax dollar financed your farm, it financed my farm, and sometimes when we both tried to buy the same farm, the same tax dollar was putting us into competition.

MR. BEER: That's right.

MR. USKIW: It doesn't change.

MR. CHAIRMAN: Thank you, Mr. Beer. I have one brief that was submitted to me. I will ask that the Clerk has it included in the transcripts. It's from Mr. John Harms, Snowflake.

BRIEF OF MR. JOHN HARMS: Mr. Chairman, it is indeed a privilege to present this brief on behalf of Pool Elevators Council District 306. District 306 represents areas surrounding Pilot Mound, Manitou, La Riviere, Snowflake and Purves.

We appreciate the opportunity to present our views on land policy in particular related to land ownership. We believe a lot more is involved in the question than merely who should own the land. It is also a question of philosophy, a way of life, freedom, rights of the individual, self development related to more efficient and greater production.

There are today two basic philosophies in the world. These philosophies stand in direct opposition to each other. The first philosophy is one which conceives of all power arising from a point external to the individual. The second philosophy conceives of all power arising from within the individual.

The first philosophy automatically leads to policies which necessitate a certain type of organization in order to impose certain conditions upon the individual. This philosophy results in the interest of the individual being subordinated to the state or system. This philosophy is behind the policies of many people who we have been told are opposed to each other.

For example: The interests of Communism, Socialism and Monopoly Capitalism are said to be in conflict. However, if we consider the views that all these groups hold about the relationship of power to the individual, we can see that all of them have the basic philosophical inspiration.

The alternative philosophy recognizes that no system has any justification apart from its satisfaction of the interest of the individuals who participate in it. This philosophy which conceives of reality as an environment in which the individual can make the greatest progress towards self development, gives rise to a social structure in which there is the greatest possible decentralization of power.

The individual is not born into society to be a slave to external authority, but was born to be a free self-governing entity, and he will develop more rapidly towards these goals if external controls upon him are removed and the sphere of his personal decision-making power is extended.

We believe in the right of the individual to own his own home and land. We also believe that some people, because of their own greed, take advantage of this right without concern for others, and this unfortunately at times necessitates legislation.

We believe at this time we need legislation to forbid all government ownership of farmland. Government ownership of land is only another step in gaining greater control of the people. If you drop a frog in a pot of boiling water he would hit the ceiling; put him in a pot of cool water, however, you could slowly bring it to a boil and cook him without him realizing it. Chances are the Manitoba farmer is already in lukewarm water.

We believe at this time we need legislation to curtail or at least limit foreign ownership of Manitoba farmland with the exception of positive potential Canadian citizens.

We believe at this time we need legislation to limit the amount of farm land owned by an individual, corporation or co-operative.

We believe at this time we need legislation that will allow young farmers to borrow money for land at interest rates of two to three percent.

(BRIEF OF MR. HARMS cont'd)

Protests are heard from many sections when land prices reach \$200.00 to \$300.00 an acre. But no heed is paid to financial institutions receiving more than two or three hundred dollars per acre merely for servicing an ownership transaction.

We believe the legislation we have proposed will stabilize land prices (at least to the current rate of inflation), will give young farmers a feeling of security, self-determination in knowing that it's possible for him to own his own land. We believe that this legislation will help to maintain a good rural base, strong self-governing communities and a family farm way of life.

We believe that this legislation will help to maintain top agricultural production with better land utilization in diversified farming and better conservation practices.

In order for the farmer to live in financial security and receive a reasonable return for his efforts within an environment of monopolistic unions, inflation, international monetary manipulators, changes will have to be made in marketing his products.

In conclusion, we wish to thank the government for their willingness in holding these hearings. It is our hope that they will exercise the same willingness to listen.

MR. CHAIRMAN: Mr. Parent.

MR. PARENT: My first point before starting this brief - which I haven't written down, this point I mention - is that Mr. Henderson just said that the lessee would be paying on that leased land, but he neglected to mention that he would not be paying on the principal, only the interest, which is not the same amount of money as when you're buying. This is the impression I got.

Now then, Mr. Chairman, ladies and gentlemen, members of the committee, I would like to open this brief with further discussion on the part of a brief which I presented at Brandon concerning a lessee's option to purchase building sites and a minimum 20 acres of land. I will now suggest this proposal in detail.

Any lessee of public land should be given an option to purchase any 20 acres of land that falls into the lease for the purpose of establishing a residence and thus permit people to retain their freedom and reside where they please; as well as construct, remodel or remove all or any part of a building or other improvement and sell this property to anyone they choose whenever it so pleases them. This option to buy should be available to any lessee at any time during which he is a lessee and any time within 30 days after his lease has expired or is revoked - because there are people who expect to have a lease revoked. Credit to purchase this 20 acres, or less, could become a problem of security for a bank or credit union, etc. They don't want a security on something that's that small. Therefore, financing should be offered by MACC under similar conditions offered by banks with respect to interest and term; security, however, should be of moderate consideration but with good protections.

At this point I would like to express my personal opinion that MACC should not own any buildings for a long period of time, because of the attitude of tenants towards landlord's property that now exists in cities and other places. I find abuse of buildings by tenants totally disgusting to the society in which we live. I now repeat that I have mentioned any 20 acres and by that I mean, not necessarily that which already has buildings upon, but that which may be chosen elsewhere on any land in that particular lease. It should also be restricted to have a boundary by road or road allowance of no less than 50 feet per acre being purchased, then somebody can't slice a piece of land in half. The price of this property should also be realistic. I suggest an upcharge of three percent plus one percent per month interest calculated upon the price paid by MACC plus any improvements that are made by MACC or which were - yes, that's fine. MACC should be obliged to produce title to the property within 90 days of the date on which such an option is exercised, providing that the purchase funds are available.

Now, during lunch hour discussion with Mr. Uskiw at Brandon, I mentioned this 20-acre plan briefly, and I mean briefly. He then expressed the possibility of undesirable effects of having the countryside dotted with dwellings. I see no such negative effects. What I do see, however, is a home for people who enjoy privacy in close relationship to that ever so pleasant unpolluted outdoor life, and 20 acres is nothing. I can see a way of curbing further reduction in size of small towns and villages. If there is a large enough community, the one mechanic, the one dealer, the one store, the one cafe, the one beauty salon, etc., etc., would not have to move out in order to have a modest means of self-support as well as a chosen life style.

(MR. PARENT cont'd)

City people who make decisions that affect the lives of country folk just can't understand why people would want to give up all those wonderful conveniences provided by the city in exchange for a simple life in the country with dusty roads and outhouses and those neighbours who take the trouble to become your friends without being asked to. But then the country folk have their drawbacks too in their view of city folk. However, this is one thing I just thought I could mention, I don't think there is any way to stop public ownership of land in this country or this province until the economy of the world takes a swing for the better, and that will not happen for some years, I expect.

I call on the people of Manitoba to do everything they can to help make this public land ownership program one that will benefit the people of Manitoba. Let's get all we can out of it, any advantage, and minimize all disadvantages. I believe this committee is here today asking for guidance. Many of them need further education to the problems they are encountering or the problems which they might create. If we, the public, don't put anything into this program and it goes through anyway, how the hell are we to expect to get anything out of it? I further believe that the best interests of the majority of the people are seldom represented at public meetings. Nor is the majority well represented on by-line radio programs, etc. The problem in both areas are the same, and that is because very, very often we hear the very same people express their opinion at meetings, at any meeting or radio program that comes along. As a challenge to this common problem, I would like to suggest the following solution.

Everyone who has a telephone receives a monthly computer statement card, like this one. This large card is blank on the reverse side. Upon this blank side could be printed numbers, one to five, for example, then when a controversial subject has been introduced on to a Working Paper, people could be asked to cast a vote by circling one of the five numbers or whatever it was on the card, which would be designated to a certain response that would be printed in newspapers and on television. I show you here a large scale model of the same telephone card. Now here is an idea of what an ad can look like in a newspaper. There are two of them here. The one on my left says, Manitoba Resident Poll. Question: Should foreign ownership of Manitoba land be permitted? No. 1. Yes, no change from the present system, 2. No, to all foreigners. 3. Limit total number of acres owned by all foreigners to a maximum of five percent of any rural municipality. 4. Yes, provided they establish permanent residence on the property before they are allowed to receive their land titles. 5. Also yes, provided that many restrictions are enforced until the foreigners have become Canadian citizens.

Now, if you want to take the trouble to circle something on the back of a telephone card, which you have to submit anyway because 98 percent of the people pay their telephone bill monthly, well then you would have a system of representing yourself, and it's an inexpensive system because this card is already in existence; we don't have to go out and print millions of dollars worth of cardboard in addition to what we already have. We also don't have to hire a million people to administer this. It would only take a few people, a handful, to intercept these cards as they come into the Telephone Office. This is only a suggestion that I have and it's one that could work.

Here is another example of a Manitoba resident poll. Question: What should be done about Autopac? No. 1. No change from the new increase. No. 2. 1974 rates plus taxes on gasoline and liquor. Or No. 3. 1974 rates plus make the person at fault in an accident pay for one-half of the damages to his own car. That might straighten some of them out and it might cut down on drunken driving, too. No. 4. Introduce competition by free enterprise. You could also have two more letters on this card such as Z or X. Z designated to no vote, lack of information; or you could circle X, no vote for personal reasons. That would often be a possibility no vote for personal reasons. And if so, as long as the letter X was designated, then no one else could use your vote as the card changes hands. And as I mentioned before, this ad could be printed in a newspaper and it could also be publicized on television and this would be formulated by members of the Legislative Assembly. They would have plenty of time to publicize it, they'd have a whole month between cards; there'd be plenty of time for the Opposition to do whatever they wanted to - if they had anything to say.

Now, I would like to dwell upon the great option of purchase or repurchase of lease land. I ask the people now why should anyone want to purchase or repurchase lease land. The obvious is speculation or sure profit from immediate resale.

It would be economically unfeasible in my mind to repurchase lease land. That is repurchase. It is so obvious that practically everyone has figured it out when reading the

(MR. PARENT cont'd) conditions stipulated by MACC. However, many people beam with pleasure and discontent because they think they have uncovered a great ripoff hidden in tricky wording. I see nothing wrong with including the option because someone could want the land for some legitimate reason or whatever; therefore, let's keep that option. But it's very obvious and easy to see. However, if you sell a cow or a tractor would you include an option that allowed you to repurchase if your replacement is not satisfactory, or if the cow has a nice calf whereby you wouldn't stand to lose any money? Anyone in their right mind can obviously see that if you sell something and then want it back, that it's sure to cost more than you sold it for. No one is foolish enough to purchase property and resell without profit and if you ask the government to do that for you - God! - at the same time taking the risk of declining value. Let us now put an end to the useless argument and misleading information that surrounds this optional clause. It can't hurt anybody.

Now I would like to answer Mr. Uskiw's question directed to the second Mr. Kitching dealing with a graph of economic efficiency at levels of 35,000 gross compared to 50,000. I would like to point out that the latter farmer probably produced more grain per acre than did the first but for a smaller percentage of net profit. This situation is easily seen when comparing the use of \$3.00 worth of fertilizer to produce an extra \$10.00 worth of grain to another person who would use \$6.00, that's double, worth of fertilizer to produce 15, one and a half times as much, \$15.00 in extra grain. To return an additional \$5.00 it took double the amount of investment of fertilizer. But that's done every day. Another example is the feed lot that produces beef with a small margin of profit per head, but a large net profit compared to the individual who strives for a larger profit per head.

Efficiency and production are often in conflict because of the demands of the consumer. These change day to day. It seems it is now time to phase out of land ownership, as indicated by Mr. Gauthier. I believe that land prices will decline whether the government buys land or not. If MACC is paying the highest price for land then why doesn't everybody sell? I bought ten cows at \$400 and have lately sold three of them for less than \$100.00. I knew this would happen but I was speculating on the possibility of selling all my cows with calf at foot for \$700 in the spring of 1974. I can't prove how I knew cattle prices would decline no more than I can prove how I figure land prices will decline, but the signs were everywhere. Perhaps it has something to do with my education of the world. I'll leave that for now and answer any questions if there are any.

MR. CHAIRMAN: Mr. Henderson.

MR. HENDERSON: Mr. Parent, I was interested in your remarks about major decisions made on a mail-out ballot that would go in something like our telephone card.

MR. PARENT: Yes.

MR. HENDERSON: Do you think such major decisions could be made in such a way?

MR. PARENT: They don't have to be a decision. It's a poll. It's a guidance for the government. Now it can serve the opposition as well as the government in power but when there is an issue, such as the one we are here to deal with now and this example here of foreign ownership, it would be much nicer to see what the whole population of Manitoba has to say than what people who can turn out at meetings have to say. Many people who come to meetings have the time to come to a meeting but many don't.

MR. HENDERSON: Are you aware of how many constituencies had trouble with their elections last time, even with an awful lot of policing? Can you imagine what kind of a result we could have from such a mail-in vote?

MR. PARENT: As I've just said, this would not have to be law . . .

MR. HENDERSON: It certainly wouldn't need to . . .

MR. PARENT: . . . it's an opinion, and a very strong one, and it would be fairly accurate, as I'm sure you would see. These cards could also be colour-coded at very little expense because of the computer system they run through - anything can be done with those computers. We could have a coloured . . .

MR. HENDERSON: So if they work like the computers did on the school programs it would be darn well if they didn't have them at all, because every student that applied for a loan, everything got stuck in the computer and nothing turned out.

MR. CHAIRMAN: Well, Mr. Henderson, I think you should be corrected. There were I forgot how many thousands and it amounted to some hundreds.

MR. HENDERSON: Of mistakes.

MR. PARENT: This morning I heard on the radio that a woman died, according to the computer, and she was mad because she was no longer getting her cheques. However, it's a man-made machine and we have to take the responsibility for small problems. They usually are corrected because if they weren't we'd never have found out they exist.

As I was saying, these could be colour-coded to represent pensioners, farmers - that would be a rural telephone so if the person was just a resident on country land, he would still classify as a vote that would likely concern farm issues - and it could be for city residents. And by colour this would be hand sorted likely, to be inexpensive and quick; it could be done by a handful of people in a small room just before this enters the telephone computer.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes. You suggested that the MACC should not own buildings and I simply want to draw to your attention that they do not. The buildings are sold along with the property site to the lessee under an agreement of sale so that it is not now, nor is it the intent that the MACC should own buildings or the building site.

MR. PARENT: They will buy them with the farm.

MR. USKIW: And then they sell the building site to the lessee.

MR. PARENT: And at what price? How is this price calculated?

MR. USKIW: A negotiated price, whatever the appraised value is, I don't know - but they do not retain the ownership of the buildings or the building site. And the building site usually is determined, or to some extent determined by the municipal bylaws which require certain minimum acreages, or whatever, to be held in title.

MR. PARENT: But what about the land under those buildings? What about the three or four acres?

MR. USKIW: That is also owned by the same person. Land and the buildings . . .

MR. PARENT: How many acres?

MR. USKIW: Well it would vary, I would think, depending on the rules of a municipality. For example, some municipalities allow a person to parcel off as little as four or five acres while others require a minimum of 40, so that we would have to conform with the rules of the municipality.

MR. PARENT: Well I would like to see a minimum of 20 for any MACC lease-land because this gives the person who wants to retire a chance to keep three or four cows or a couple of horses or - it's a lifestyle, and if he's only got three or four acres he may as well move into the city.

MR. USKIW: All right. Now that is not provided for in the program because. . .

MR. PARENT: I would like to see more study or - I shouldn't say more study because that sounds like more stalling, I would like to see quick results on an efficient system.

MR. USKIW: The present provisions provide that if the lessee doesn't opt to buy the land then when he gives up the land he must sell back the building site and the buildings.

MR. PARENT: Well this is one thing I would like to see changed because a lot of people would like to remain in that community. They are part of that life, they've devoted several years there, and they don't want to change their lifestyle, they don't want to change their friends, their neighbours, they want to stay there, and 20 acres is very little in the countryside. I don't think you'd see building sites increase by more than double what they are now because it's not everybody that would stay and live there in the country.

MR. USKIW: The problem with that is that if you had four leases in a given period of years you might end up with four building sites on a section of land and that's the kind of concern that we're trying to grapple with; that's the reason why we are saying that when you don't opt to buy the land then you must sell us back the building site so that the next lessee takes the total package.

MR. PARENT: You could have four on a section of land which would take up 80 acres but it's quite unlikely because of many things such as availability of water, for one thing, and the people don't always want to stay there. If they haven't stayed there for 10 or 15 years they likely would want to move away, but it would be so seldom that you'd run into a condition such as four people wanting 20 acres on a section of land, or even two sections, that it wouldn't have any effect to speak of, but it does create discussion. I'm all for the government buying this land. I think it's going to end up to the better of the people in this province. But I would like to . . .

MR. CHAIRMAN: Thank you, Mr. Parent.

(MR. CHAIRMAN cont'd)

Are there no further questions? No further questions. Thank you, and I wish to thank the people for your long indulgence with us. The program here must be much more interesting than the television, as I mentioned. Yes, Mr. Parent.

MR. PARENT: I have one more thing here I missed. In answer to something Mr. Uskiw was speaking about previously, I'd like to mention that I did offer my farm for sale to MACC last summer, I offered my second farm to MACC. An appraisal was conducted in July and then returned. A representative from Killarney then informed me that MACC would not purchase my second farm of three quarter sections unless I included the 40 acres that the buildings were located upon, which I had left out of the original appraisal. I then consented to sell the 40 acres but without the buildings. All appeared in order, it was now August, and an additional appraisal was conducted on the additional 40 acres. Why is it that this 40 acres was so badly needed, do you think?

MR. USKIW: Well I would think it's to keep the total parcel intact. We are not providing for subdivisions of land within the program. We don't want to have subdivisions. That's the present policy.

MR. PARENT: I would also like to mention that . . .

MR. CHAIRMAN: Order, please. Proceed.

MR. PARENT: People need not be too scared of MACC buying all the land right away because the government has not yet bought my farm, so on Tuesday I sold the farm privately - I was tired of waiting. So fear not that they will own everything because the system sure needs some improvement and things will change one way and then the other and we'll all still be living here and breathing.

MR. CHAIRMAN: Thank you, Mr. Parent.

Committee rise.

A MEMBER: Remind them of the meeting on the 28th in the city.

MR. CHAIRMAN: The meeting on the 28th in the city.