



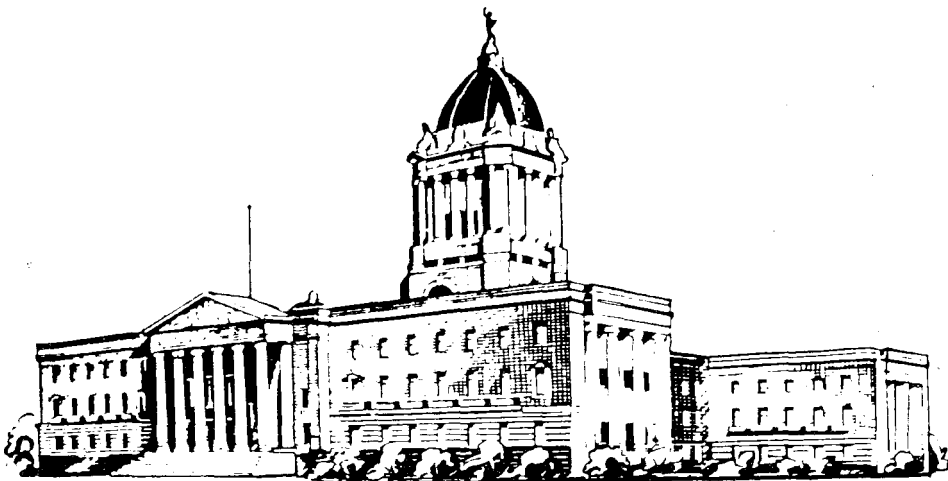
Legislative Assembly of Manitoba

HEARINGS OF THE SPECIAL COMMITTEE

ON

LAND OWNERSHIP

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



Morden . — Friday, February 21, 1975.

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
EIGHTH MEETING OF SPECIAL COMMITTEE ON LAND OWNERSHIP  
MORDEN, MANITOBA, FEBRUARY 21, 1975

Chairman; Mr. Shafransky.

MR. CHAIRMAN: Before calling on the first person to present the brief, I'd like to introduce the members of our committee and starting on my left, Jim Walding, Member for St. Vital; Tom Barrow, the Member from Flin Flon; Pete Adam, the Member for Ste. Rose. On my right, Dave Blake, the Member for Minnedosa; Walter Jorgenson, the Member for Morris; Harry Graham, the Member for Birtle-Russell; Jim Ferguson, the Member for Gladstone; your Member, George Henderson, for Pembina; and we have another member that just came in to sit in with us from Rhineland, Mr. Brown, Arnold Brown; Gordon Johnston, the Member for Portage la Prairie; the Minister of Agriculture, Sam Uskiw, Member for Lac du Bonnet; I'm Harry Shafransky, the Member for Radisson.

Before I proceed, I'd like to distribute some material to the members of the committee and that is something that has been realized as a result of the meetings, and I shall read the letter from Mr. Friso, Director Land-Lease Program, Manitoba Agricultural Credit Corporation. "In response to your committee's recent deliberations regarding the above subject" - this is regarding the land-lease program rights of the lessee spouse and next of kin upon termination of lease agreement - "in response to your committee's recent deliberation regarding the above subject, the Corporation examined this particular aspect of the lease further. The Corporation agrees that the rights of the spouse where the lessee becomes seriously ill or dies were not set out clearly enough; the same is found as far as lineal descendants rights are concerned. Accordingly the Corporation has made appropriate amendments to the lease agreement by adding sub-clause (j) on Page 4 of the Lease Agreement. I have attached 20 copies of the Amended Lease Agreement for the Committee's information.

"May I furthermore advise that the corporation will provide the same amendment to already executed lease agreements in order to ensure fully that all lessees under the Corporation's Land-Lease Program will have the same rights in regards to transfer of lease upon termination.

"Finally we should point out that although this matter was not set out clearly enough in the lease agreement itself it has nevertheless always been the policy of the Corporation that the spouse of the lessee and/or the lineal descendants would have first consideration in a lease premise when the lessee dies or becomes seriously ill, or where the lease terminates.

"May I express the Corporation's appreciation to the committee for having brought this matter to our attention."

And it's signed, Hank B. J. Friso, Director Land-Lease Program.

I would like to have this distributed to the Members of the Committee and I believe it will have the new clause in there to clarify the matter as far as the . . .

I'd also like to mention that Mrs. Wolski will be serving coffee on behalf of your local MLA, George Henderson. The coffee is available somewhere in the back; I don't know exactly where so anybody who wants to get a cup of coffee may get up at anytime to do so. -- (Interjection) -- George is pouring.

Mr. Norm Edie, Carman Farm Business Association from Dugald, Manitoba, and Don Cook will be presenting a second brief on land-use. Mr. Edie.

MR. G. JOHNSTON: Mr. Chairman.

MR. CHAIRMAN: Mr. Johnston.

MR. G. JOHNSTON: Mr. Chairman, perhaps you could read out the names of those people who are going to make a presentation to us so that both the audience know and the committee knows how many people we'll be hearing from and if there are any others who wish to be added to the list.

MR. CHAIRMAN: Fine. Mr. Norm Edie, from Dugald, Manitoba and Don Cook will be presenting a brief together; Mr. Harder from Morris, Manitoba; Mr. Don Wheeler from Brandon; George Smith, Rural Municipality, on behalf of the Rural Municipality of Dufferin, Franklin, Macdonald, Montcalm, Morris, Rhineland and Roland; James Kitching, a private presentation; Lloyd Kitching, private presentation from Carman; Harvey Harland, Manitoba Beef Growers Association; Lawrence Delichte, George Froese, Eugene Gauthier from Notre Dame.

(MR. CHAIRMAN cont'd)

Is there anyone else present who would like to present a brief? Please come forward. Mr. -- (Interjection) -- from Darlingford. Anyone else? John Harms. Is there anyone else? Doug Fram?

MR. CRAM: Cram.

MR. CHAIRMAN: What was the name again? I didn't quite get it. How do you spell your name, sir?

MR. CRAM: C-R-A-M.

MR. CHAIRMAN: Cram. Anyone else? All right, we shall proceed. Mr. Edie, the Carman Farm Business Association.

MR. EDIE: Mr. Chairman, Gentlemen of the Committee, Ladies and Gentlemen of the audience, it is my privilege this morning to present this brief on behalf of the Carman Farm Business Association. We thank you for the opportunity. I would like to say that any reference to government in this paper is not necessarily critical of the government in power but pertains to the inherent dangers of any administration.

I will deal with the portion on land ownership and Don Cook will deal with the portion on land use. A land policy for Manitoba. There are two aspects of land policy, as I mentioned, that of land ownership and land use. In our opinion land ownership as presently constituted is reasonably satisfactory. The private ownership of land on the North American continent has given us the most productive agricultural economy in the world. We have surplus food to export to the rest of the world; our agriculture is market-oriented and is prepared to produce food at the lowest possible cost. When you compare the system of landholding in Manitoba with that of the systems that are used in other countries such as China and Russia where they have large tracts of highly productive land but still have difficulty in producing sufficient food to feed their own people, we would question the government's desire to interfere into the present system of land holding. The measurement of our agricultural land holding system should be in its productivity and its ability to compete in world markets, and we should not confuse social, political ideological issues with that of land ownership; western Canadian agriculture is export-oriented.

For the last hundred years our agriculture has been evolving into economic units that are able to survive the ups and downs of the marketplace. We have long ago found out that Manitoba and western Canada do not determine the price we receive for our end product. The only possible way we can survive is by maintaining our efficiency at a high level. A government land program based on a large number of small uneconomic farm units would push the costs of our agricultural production to much higher levels and would tend to restrict us to production for the Canadian market. We would become non-competitive in world markets. This would limit the choice of our consumers in Canada to high price foods without giving them the opportunity for the diversity which they might have if we were trading on a world market. We feel that the development of small agriculture units would lead to the stagnation of agricultural improvement and use of technology.

If we disregard the economic factors we do so at our own peril. We only need to look at the price of agricultural machinery in western Canada today and we will detect that the cost is such that the man who is operating a half-section or three-quarter section unit is unable to purchase new machinery as he does not have the economic base to afford this kind of equipment. We must also remember that the development of new agricultural machinery does not necessarily occur in western Canada but is related to the North American market and therefore to the economic conditions prevailing outside of Manitoba.

We do not think that the consumer is prepared to tolerate high cost inefficient food production with restricted access to food products and hidden subsidies built into our food production system. Nor should the consumer be expected to stabilize the government purchase of farmland in order to create a system of land holding that will be based on political and civil service decisions. The average citizen of Manitoba is not particularly interested in subsidizing government purchase of farmland when we already have a highly efficient system in existence.

I would like to quote a statement by Canada's Minister of Agriculture, Eugene Whelan speaking at the University of Manitoba about people's rights of ownership of land. He said most of Canada's European immigrants came to Canada to own land. They never lost the desire, and when they do lose the desire to own their own land Canada will lose its agricultural productivity and incentive. Mr. Whelan went on to point out that 6 percent of the

(MR. EDIE cont'd) . . . Canadian population are engaged in agricultural production and still have a substantial part of their total production for export as compared to the Chinese who have approximately 80 percent of the people engaged in agriculture and have no surplus for export.

Quoting from another source, Agra-Week, and they state that "Of all the sides of the farmland question the most pernicious and potentially ruinous is government ownership of farmland. If the current rate of acquisition by the Government of Saskatchewan continues for 50 years the government of that province will become the dominant landowner. Farmers will be reduced to the status of tenants and sharecroppers," and we're still quoting, "Government ownership of land means government control of who may and who may not farm - not the scale on which he may do so, who may and may not farm and the scale on which he may do so, the characteristics and qualifications of those farmers who are allowed to farm. Saskatchewan law already tightly defines the kind of individual who's allowed to lease government land and in the process specifically discriminates against farmers who have managed to assemble farm operations of a certain size by their own efforts."

Regarding their land-lease program, it is a feeling amongst our membership that direct mortgage loans are preferable. If the government is sincere about establishing new farmers then it should establish the price of land today, not request repayment of subsidized interest rates or re-establish direct mortgage loans to farmers. We feel that mortgage payments are more acceptable than continued rental payments to the government. We fail to see the logic of not loaning an individual money to purchase land but will invest 100 percent of the equity and rent it to the same individual.

We also recognize that the part-owner, part-renter farmer is often in a most flexible position to have capital available for adapting to modern technology but the preference is to rent from private landlords. We don't think that the high land values have caused farmers to leave but rather more attractive net returns off the farm.

Of more immediate concern to us as farmers than that of land ownership is that of accelerating input costs that we must purchase to operate our farms. The cost of land to the average farmer composes about a total of his total operating costs; for example, 10 percent interest charge on \$150.00 acre land would amount to \$15.00 per year in interest on investment out of a total operating cost of some \$60.50. The cash operating cost of a modern grain farmer would be as follows: Seed 7.50 per acre, fertilizer \$15.00 per acre, chemical \$4.00 per acre, machinery and operating for operating investment \$16.00 per acre, taxes \$3.00 per acre, interest on land investment is \$15.00, for a total of \$60.50. If you analyze these figures you will notice that the cost of owning land is only about a quarter of our total operating cost. Our concern is with the accelerating increases in the products that we must purchase to operate our farm. Not only do we as farmers have to contend with higher input cost but we must also go further afield to find the increasingly sophisticated services that are required by the modern farm unit. In a recent statement by Syd Williams, retiring Federal Deputy Minister of Agriculture, he pointed out that the lingering death of many small farming communities that rely on farmers for their existence have been brought about by increased mechanization and other factors which are forcing farmers to turn to large cities for services with all the social implications.

First and foremost a farmer's income is committed to paying his bills and retiring the debt on his farm. His personal expenses and pleasure come only after he has paid his operating costs on his farm unit; when he has had a bad year he does without. If you would like to contrast this with the salaried employee who spends his entire income on personal living expenses and all his expenses are paid pertaining to his work, there is no need for him to save as there is a government program for his old age. The individual is not required to make any sacrifice for his standard of living. The farmer on the other hand has to accumulate capital to give him self-employment in contrast to a company that provides a certain level of assets per employee. There's a vast difference in outlook between being on a payroll and having to meet a payroll.

We are concerned with our future as farmers and wish to maintain the ownership of our units of production. We are concerned with the kind of costs that could occur to all Canadian society with government ownership of farms. Foreign ownership is a concern of Manitoba farmers. The general feeling is that access to our land should be preserved for this and future generations of Canadians. Respectfully submitted by the Carman Farm Business Association.

MR. CHAIRMAN: Thank you, Mr. Edie. Are there any questions? Mr. G. Johnston, MR. G. JOHNSTON: Mr. Edie, on Page 3 you make reference to the Saskatchewan Land Purchasing Scheme. Could you tell us . . .

A MEMBER: Can't hear. Can't hear.

MR. CHAIRMAN: Would you speak into the mike please?

MR. G. JOHNSTON: I say, in your presentation you make reference to Saskatchewan's Land Purchasing and you shown concern over the amount of land that they have bought. Could you tell us, or do you know, how much land the Saskatchewan Government has purchased, farm land?

MR. EDIE: No, I don't have the figures on it, Mr. Johnston. But they realize that they're accelerating and there is a concern, you know, that this is just the thin edge of the wedge and where shall it stop.

MR. G. JOHNSTON: In case you didn't know it, I believe the Minister can confirm this, but in the last 15 months Manitoba has purchased 66,000 acres in Manitoba, the government.

MR. EDIE: I see.

MR. G. JOHNSTON: Thank you, Mr. Chairman.

MR. CHAIRMAN: Are there any other questions? Mr. Graham.

MR. GRAHAM: Thank you, Mr. Chairman. Through you to Mr. Edie, on Page 4 in your analysis of farm operating costs, you list cost of chemicals at \$4.00 per acre. In your opinion, is that a realistic figure?

MR. EDIE: I feel it's a very moderate and probably quite low with today's prices in chemicals and the rapid cost increases in that particular commodity, yes.

MR. GRAHAM: Can you foresee the cost of chemicals rising to as high as \$15.00 an acre in the near future?

MR. EDIE: I believe that could be possible and maybe is already at that point for some farmers. Another cost that wasn't specifically mentioned is the cost of fuel and how that has escalated in the last year.

MR. GRAHAM: Thank you.

MR. CHAIRMAN: Pardon me. I just wondered whether it would be possible to have the two briefs presented and then the questions could be asked of either gentleman. I believe there was a companion presentation. So possibly before we proceed with the questions, I should have done that right off and in that way the two gentlemen would be up and we don't have any break. Mr. Cook.

MR. COOK: Mr. Chairman, Honourable Members of the Legislature, Ladies and Gentlemen:

I'm going to speak on a land use policy for Manitoba and before I start I would like to point out that I feel that we in Manitoba are in a unique position. We're able to do something about our land use policy; we still have time to act, and any criticism that I make in this paper of government I think applies to any government of any political content, so I'm going to start out here;

The Carman Farm Business Association are concerned about land use in Manitoba. We feel it is imperative that our best lands be kept for food production. We must not allow the proliferation of small holdings in and around the cities of Winnipeg and Brandon, and in other centres as well, to occupy some of our best and most productive agricultural land. This land is needed for food production today and will be badly needed for food production in the future. Manitoba is in a unique position: the government is able to observe what has happened to the land base in and around such large metropolitan areas as Toronto, Montreal, as well as many American cities, where all or most of the best land has gone out of agricultural production because of the spread of the metropolitan area. We think it behooves any government to take steps to ensure that adequate planning is carried out so that our good agricultural land is preserved for food production only. Anything less than adequate planning will create the land-use problems of the future, including those wasteful shortages and distortions in the marketplace which are so costly to all segments of our society.

Land-use planning will benefit all of society, not just the farmer; it will have a beneficial effect on the consumer of food and food products. The ingredients for a sound land-use plan should include a clearly stated determination to use the land for the purpose for which it is best suited; we must keep our best land for food production in order to assure an abundance of high quality food. We have the situation developing in and around the cities of Winnipeg and

(MR. COOK cont'd) . . . . Brandon where we have the misuse of some of our better land resources.

I'll give you a little history as to the reasons why some of this is occurring. If we go back to the mid-fifties, the City of Winnipeg decided at that time that they would no longer provide serviced land; they said it should be done by contractors. Now providing serviced land is an expensive proposition; it requires access to large financial resources. The small contractors were not able to provide this serviced land and consequently were forced out of the housing business. This meant that the servicing of land, the assembly of housing sites moved into the hands of three or four large corporations. In addition to providing the serviced sites these corporations had to deal with the city, the municipalities and their various planning bodies. When Metro came on the scene they found that their time for preparing a site and servicing extended into two or sometimes even three years with a great deal of red tape involved.

At the present time we have the new City of Winnipeg with a greater scope, a larger political base of half a million people, and a tremendous amount of duplication and red tape in preparing a site for future housing purposes. In addition to that we have the Provincial Government who are involved at various points in a land assembly program, the end result being that that developer takes two or three or more years to prepare serviced land. I might point out when these large corporations develop this land they reserve it for their own use, they don't sell it to the ordinary homeowner, the homeowner who may want to build a house. The only way he can buy it is buy a finished product, that is with a house on it. So in the meantime the ordinary citizen or consumer who wished to build a house of his own is not able to buy property to build on. Consequently he's forced out into the area in and around the city. There has been a great movement of these individuals out into the Municipalities of Springfield, St. Andrews, St. Clements, Macdonald, all areas surrounding Winnipeg. They have created a great many problems. But these individuals had nowhere else to go. If they do not wish to buy a mass-produced house put up by some contractor, they are forced outside the city limits and out into the rural area with the consequent problems of fringe development, misuse of land, land wastage, municipal planning problems, etc. Now I know there's people who say, "Well so what, we've got lots of land in Manitoba." But I think we should be concerned about this.

I will quote some statements from some work that was done by a Mr. Pearson, Professor of Political Science, University of Western Ontario. Now his major concern was what was happening in Ontario, but I think his concerns that he expresses could be taken into account in our planning in Manitoba. We have in Canada about 24 million acres of arable land in climatically favoured areas and the great bulk of that land lies within the path of urban development. According to projections made the urban development patterns being experienced now would use three million acres of our best agricultural land by 1980. He projects that by the year 2000 A.D. agricultural activity will be insignificant in the lower Fraser Valley, in most of southern Ontario, and in the St. Lawrence lowlands, and this of course is where much of the climatically favourable soils lie, as well as what we have here in Western Canada. In other words, the production base in Canada by the time we come around to 1980 is going to very largely be Western Canada. It has been suggested that half of our farmland losses due to urban expansion are being taken from the best one-twentieth of our farmland, and I refer to sites like the Niagara escarpment and places like that, the Okanagan Valley, Fraser Valley.

Now land planners have stated that the expanding urban areas require more acreage per capita as the size of the city expands, and the rate of consumption of agricultural land for urbanization is directly proportional to the size of the city where there has been no effective land-use planning carried out. For example, in 1951 in Canada 16 to 17 people per acre, that is, in the urban areas; 1966 the developments we were getting there were six to seven people to acre because of expanded use of sites, housing sites were taking more space, they were building bungalows, the demand for public services associated with housing were taking more land, all of this type of thing. Now if our best lands in climatically favoured areas are built upon we cripple our agricultural capabilities and perpetuate immense economic and social costs on the poorer lands. We are faced at the same time with the movement of people from the more marginal areas as evidenced by patterns in southeastern Manitoba, parts of Ontario, Quebec, and in the Maritime provinces. These areas were largely marginal under today's economics as far as agricultural production is concerned, and they have been very largely abandoned as far as agricultural production. We suggest that we should be planning to move

(MR. COOK cont'd) . . . . our urban development onto some of our more marginal agricultural areas rather than allow the expansion to occur haphazardly on our better soils.

Now the key to this entire problem appears to be that larger centres exert greater land demands. With this emerging pattern in land development we in Manitoba have a unique opportunity to learn from the mistakes that have been made in other areas. We have time to act; we can plan the future expansion of our urban areas on to the more marginal soils. We are not faced as yet with large demands for compensation as to date our agricultural land prices have not significantly increased in anticipation of future urbanization. In other words, I don't think the government if they were to present some type of a concise land-use planning program where they're going to guide future development on to the more marginal soils they're going to have to cough up a lot of money to satisfy present holders of land, they're not going to lose a lot of money by it, we still have time to act. But if action is not taken, we have an impending national calamity and we should take steps to avoid this at all costs with the highest level of federal, provincial and municipal co-operation in developing a sound plan for the use of land for tomorrow's agriculture.

Now we make none of these statements in criticism of the present government. Our feeling is that no government seems to have anticipated these emerging problems regardless of their political contexts. We think the present government can receive a good deal of credit for taking some action on this matter. The demands that have arisen for land banking in and around the City of Winnipeg are not the true answer. The land banking only deals with costs. The real need is to have a program and minimize the red tape so that we can go ahead and provide land for people to build on. The cost of the developing of land has become much too high because there has been no proper planning, no co-ordination of activity between agencies at different levels of government. We should have areas of land developed for housing in and around the city that could be available to the urban population to build on without each individual being forced to move into a uniform type of development.

There is every indication that the large cities in Canada are going to expand even further and compose an even larger percentage of our future population where the smaller cities are either remaining stagnant or they are remaining about the same size. The third rank of city such as Swift Current, Portage, Yorkton, etc., are emerging as agricultural service centres but are not of any significant importance as far as a future population base is concerned. Now we have in Canada the land inventory system in being; we have the Canada Land Inventory; we have soil maps. It's not particularly difficult to guide future development on to the less desirable soils.

Now if you're not aware of the hazards of the proliferation of the city area all you need to do is drive out Highway 15 towards Dugald and look at the houses occupying the land along the highway on heavy clay soils. This is what is termed ribbon development with a tremendous waste of land behind these areas. The more marginal soils are generally as suitable, if not more suitable, for the development of small holdings because they are generally treed, they're much better for recreational purposes, and most of the individuals who are moving out of the urban area on to small holdings are looking for property that has recreational value, for horses, snowmobiles, any number of outdoor activities.

One of the groups that are damaged by the haphazard development that has been occurring are the real farmers who try to go on farming in an increasingly hostile environment. The livestock man has no protection against the movement of small holdings in and around his property and the demand eventually arises that he cease operations. He cannot plan adequately he is not able to make future investments because he does not know where he is; he can't properly utilize his property for his livestock operation.

Now in making this presentation to the Committee of the Legislature we would also like to point out that agriculture is the largest industry in Canada, contributes substantially to the earnings of the country; it has increased its efficiency at a faster rate than any other sector in the national economy, and we think we are all aware of the multiplier effect of agriculture in the Canadian economy. If we neglect to take action on this matter we shall be doing a disservice to all Canadians. Now the answer to the problem does not lie with extending the powers of the City of Winnipeg planning authority, as they have shown themselves to be completely unresponsive to the needs of the rural area.

Now, gentlemen, as an organization we are prepared to assist in any way possible in developing a sound land-use program for Manitoba. We would however urge that some action

(MR. COOK cont'd) . . . . should be taken upon this matter before further damage occurs in this province.

I'd like to stress again, Manitoba is in a fortunate position in being able to observe what has occurred in other areas and be able to take action to protect the citizens of this province and the future food production for future Canadians. Thank you very much.

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

MR. JORGENSEN: . . . in any way disagreeing with the . . .

MR. CHAIRMAN: Pardon me. I was just saying would you please adjust the microphone and then the gentlemen can sit down and either one . . . Proceed, Mr. Jorgenson.

MR. JORGENSEN: Mr. Cook, without in any way disagreeing with the general thesis contained in the presentation of your brief - as a matter of fact I would agree with it wholeheartedly - I wonder if you could tell me if the implications of that kind of a policy are understood, say, by the people of Morden for example because there is hardly any point in restricting the development of the City of Winnipeg if what is going to result from the restrictions imposed on the spreading out of the City of Winnipeg is simply that you are going to have people move out into the other communities surrounding the City of Winnipeg. I think what the whole process implies is the development of satellite communities perhaps within a 50 mile radius of the City of Winnipeg. What's the point of restricting land in the City of Winnipeg unless you as a consequence restrict land development in the towns and communities surrounding those areas as well?

MR. COOK: I was really talking about a land program, land-use policy for all of Manitoba, and I talked mostly about Winnipeg because that's the major problem, but it naturally extends to other areas. I know they have a problem around Winkler and Morden both; some of their best agricultural land is tending to move into other uses, and as far as the satellite city is concerned, all we need to do is go about 30 miles east of Winnipeg and you go up over the escarpment on to land that is not suitable for intensive agricultural use, and there are a number of small holdings already established in the Anola-Monominto-Vivian area and the satellite city could be developed in that area without too much difficulty.

MR. JORGENSEN: Yes. You're talking about deliberate development of satellite cities in areas that are not suitable for agricultural production. What I am talking about, however, is places such as Sanford, Ste. Agathe, areas within about 15 - 20 mile radius of the City of Winnipeg. Now the moment you impose a restriction on the development of urban areas in the City of Winnipeg, people are going to move to those communities.

MR. COOK: Oh, yes. Oh, I certainly include, when I talk about restrictions, I certainly include places like Sanford, Ste. Agathe, Dugald, there's a whole series of small towns around that perimeter that should not develop any further on the kind of land base they have. Now there's a good deal of small holdings developing from Bird's Hill running east through Pine Ridge up to Cook's Creek, and that's a light sandy soil; it's classified on soil maps as No. 5, not particularly suitable for agriculture, ideal for that type of small holding or a future subdivision, but they should not, you know -- and this requires some planning, somebody has to set these things out. The average person who wants to buy a house is entitled to some-- you know, the average person doesn't know whether he should buy land in Sanford, if he wants to move out of Winnipeg, or Dugald, or where he should go. He needs a little bit of guidance as to the area he should be settling on and how, and there's got to be properties provided for them there, services, broken down into units that are suitable for the type of development they wish to use it for.

MR. JORGENSEN: It's true that some of those communities, towns, surrounding the City of Winnipeg, already have a certain area of land set aside for town development; they have the services in there and there can be no quarrel about those areas being filled up in housing developments, but what about the communities that are not incorporated towns and villages? To what extent would you impose those restrictions on the possibility of those people using an area in the immediate vicinity of a village for development?

MR. COOK: Well, I think that, you know, again as I want to stress, I'm talking about a land-use policy for Manitoba, and individual municipalities and towns cannot provide this kind of expertise; they don't have it, it has to be some larger group, working in conjunction with the municipalities, and I presume it would be the province, that would develop a sound land-use program.



MR. JORGENSEN: Mr. Cook, don't misunderstand me, I'm not in disagreement with that idea, I believe that there should be a land-use commission set up for the purpose of cataloguing this sort of thing right now. What I want to know is do you--you know, it's all very well for us to impose restrictions if they apply to somebody else. I find that people are very eager to accept restrictions if they apply to the other fellow but the minute they start to hit at home then there is a different attitude and I wonder if people in, say, the Morden community, if those restrictions were imposed on this town, that they could not extend beyond the boundary that was set by that land-use commission, would they be prepared to accept that in the interest of humanity? And it must be done, I know.

MR. COOK: I rather doubt if you could just impose restrictions on the size of a town like Morden; you have to make some alternative available to them. Of course, the solution is relatively easy in the case of Morden, All they've got to do is go up over the escarpment here. Now I know the solution is much more severe in the case of a town like Winkler because the only place they've got to go is on to good agricultural lands surrounding that community. These things are not going to be just solved; it's not a matter of somebody sitting down and drawing a straight line on a piece of paper and saying this is the answer. There's certainly going to have to be a good deal of consultation with the local people, the local municipal council, the town council, etc., in developing a viable program, but there is no reason why it can't be done. It has to be tackled.

MR. JORGENSEN: Yes. Now I don't disagree with that either, but then there is another problem that arises. In the meantime, if and when a land-use commission is set up for the purpose of making recommendations that would give effect to the suggestions that you make, the speculation will start immediately; everybody's going to start buying himself a small holding out in the country so that he can have a place to build. Would that not necessarily imply a freeze on all land use immediately until the recommendations are made and the local people have an opportunity to have an input into those recommendations and some final solution be arrived at?

MR. COOK: Well, we've had in effect a freeze on land development in Winnipeg, or it's about a three or four year delay, and of course this is what has created this pressure outside of the City of Winnipeg area. Undoubtedly there will be some problems in dealing with speculators who will try to acquire land that they think will be used for future development and, I just can't see. . . that we are faced with a tremendously large bill for compensation. The longer you leave it the worse it gets.

MR. JORGENSEN: Surely you're not suggesting that if somebody speculates in the purchasing of land and the development doesn't go the way he thinks it is that you've got to compensate him for it?

MR. COOK: No, I'm talking about present use.

MR. JORGENSEN: Yes, that's all I'm interested . . .

MR. COOK: I mean if you have a farm on the outside of the city and perhaps there is some reason to consider compensation if you, you know - but basically I don't think we really have to deal with compensation to any great depth, and certainly not in the future when the land-use planning system comes into effect.

MR. JORGENSEN: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Adam.

MR. ADAM: Thank you, Mr. Chairman. Mr. Edie, I would want to ask you a few questions on your presentation, and I would refer you to Page 2 in the lower part of your presentation, the last paragraph. "Nor should the consumer expect to subsidize the government purchase of farmland in order to create a system of landholding that will be based on political decisions." Now, you didn't put landholding that may be, you definitely said "will be based on political decisions." Now, do you have any evidence? Do you have any evidence, I would ask you that, that this is happening now?

MR. EDIE: Mr. Adams, the fact that it is in the government's hands it has to be decisions by both the politicians and the civil servants, I mean what other mechanism is there?

MR. ADAMS: That, in your opinion, is political?

MR. EDIE: Pardon?

MR. ADAMS: That is political, in your opinion?

MR. EDIE: Well, I don't see what else it can be, I mean, the concern amongst farmers

(MR. EDIE cont'd) . . . . in general we feel is the unwieldiness of government and how hard it is to approach and change these types of plans once they're set into operation. By and large, farmers aren't against renting land -- there is a long history of land rental, 25 to 30 percent of land has been rented over the years, but it's been basically from private landlords, private individuals and, as I pointed out, the part-owner, part-renter type of farmer is in a very good position to use modern technology and expand his base -- but, the general feeling is that the acceptance of renting from a government agency is less desirable.

MR. ADAMS: However, what I'm trying to get at Mr. Edie is that you're intimating that if a Conservative farmer came to the department, at least the MACC, to lease land, he would have difficulty in leasing land. I just find that difficult to accept.

MR. EDIE: No, that is not necessarily inference, I think we pointed out quite specifically that it doesn't matter what political party is in power, we feel that there is a danger, an inherent danger, in having government in control of one of our basic resources, and one of the major inputs of the agriculture industry.

MR. ADAM: You are aware, of course, that the Crown has now under lease Crown lands to approximately two million acres, and that has been for decades, I believe, under the Crown Lands Branch, and it seems to be working very satisfactory. If your contention is correct, I would like to refer to you -- I have the complete list of lessees who are leasing Crown lands here in the Province of Manitoba from the government -- and, here we have Mr. Harry Enns, who is the member for Lakeside, Conservative member there and he is leasing over 1,700 acres. If you're -- (Interjection) -- and I believe Mr. Ferguson also is leasing some land from the Crown.

MR. EDIE: Yes, I agree, Mr. Adam, I'm aware of this and I realize that this Crown land rental policy has been going on for a long time, but this new development that has been launched on is a much different situation, it is being expressed as being a means of transferring the family farm to the next generation, and we have some doubts that this might, might not fully accomplish what it is set out to do in this respect, and I don't feel it's fair to compare it exactly with the Crown rental type of land-lease program.

MR. ADAM: Do you think it would be desirable for the people of the Province of Manitoba that we sell all these lands because there's the danger that it becomes political?

MR. EDIE: No, I'm not saying that at all. As you indicated, the Crown land-lease program has been in operation for many years and quite a percentage of our province the land is held in that manner, but it's the recent developments that the farming community is concerned with. They feel that, you know, if this thing carries on with any momentum that it would be unacceptable.

MR. ADAM: Another question arises out of the same paragraph, that the consumer or the province, the people of Manitoba, would not want to subsidize a landholding policy that would be political.

Further down on Page 3, it states here at the lower paragraph, "Regarding the lease program it is the feeling amongst our membership that direct mortgage loans are preferable. If the government is sincere about establishing new farmers, then it should (1) establish the price of land today; (2) not request repayment of subsidized interest rates; and (3) re-establish direct loans to farmers. I see a contradiction here, in that on Page 2 you say the consumers of Manitoba would not want to subsidize a land policy or landholding system which would be politically oriented, and here you say that we should not request repayment of subsidized interest rates. The establishment of mortgage loans, could that not be political as well?"

MR. EDIE: Well, I still feel that a lot of consumers are not aware of the hidden cost that would arise from the major part of our production base being held by the government because, as you pointed out, they would be subsidizing the interest rates to the people that rented, and I agree that they would be subsidizing the mortgage rates if the program was set up in that manner, but we feel that it's more acceptable to the farm population to be able to see the ultimate end of land ownership through the payment of mortgages rather than have a continual rental base, and consumers will be paying to a certain extent in either case, but we feel that the efficiency of operation will be much greater and the production base will move ahead much faster and more products be produced if the majority of farmland is held by private individuals.

MR. ADAM: That's not exactly my question. My question was that on Page 2 you say that you are opposed to a landholding policy that will be, you don't say may be or might be or

(MR. ADAM cont'd) . . . shall be, you say will be. That's definite, isn't it? And over here you say that mortgages won't be political, you know. I say that if one is political the other will be political as well.

MR. COOK: Mr. Adam. I know in my own case now, I grew up on the farm and I left farming because I didn't have enough cattle to start. I worked for ten years and I went to the FCC and tried to borrow money; there was no way they would lend me a nickel. No way, and that was, as far as I'm concerned, discrimination.

MR. ADAM: No, well, was that political?

MR. COOK: Certainly.

MR. ADAM: Was it because of your politics that he wouldn't lend you money?

MR. COOK: No, no, it was just general political bias; not against me as an individual, it was just a rule of their--this is the kind of thing that happens when you get a large government bureaucracy in control of things like this. I mean, I was perfectly qualified to farm but I have never been able to borrow a nickel from a lending agency. I am farming but I raised the money by my own efforts. I was never able to borrow any money from FCC, and it has nothing to do with your government I know, but the fact remains that that mortgage money was not made available to a certain class of individual who, if he didn't happen to be living on a farm, could not start, get started. And in reverse, you have the fellow that's living on a farm and working in Winnipeg, he has access to all the sources of credit, but if you happen to get started in Winnipeg going the other way, why you haven't got access to any credit. So this is the kind of government discrimination we are referring to in this document, not particularly to your government, it can apply to any government. It simply becomes too big and too awkward.

MR. ADAM: You're asking--I'm not quite through, Mr. Chairman. You're still asking government to get involved here; you're suggesting that we should re-establish the mortgage loans department.

MR. COOK: The mortgage companies were driven out of the business in the 1930's, weren't they, by the Farm Debt Adjustment Board? They largely got out of the mortgage business because they simply were not able to stay in it so it moved into government control, and it is in government control, there's no question, and it's not going to change.

MR. ADAM: But on one hand you say that FCC has been discriminating against you as a government agency, a political entity, and here you're suggesting that we should go back into the mortgage loans as a government . . .

MR. COOK: Well, let's put it this way, mortgage loans were much more acceptable to the farmers of Manitoba than outright government control and ownership of land.

MR. ADAM: I have just one more comment to make on the first page with reference to China. Now I don't have very much knowledge of China. I understand that they only have about 10 percent arable land in China and that they have a population of 900 or 800 million people. I'm just wondering in your comments, you know, if you have criticized them unjustly. I'm not supporting the system in China or the land tenure there and the fact that there's 80 percent, according to your brief, of the people are agriculturalists, but I'm wondering -- I understand now that they are self-sufficient as far as feeding their population is concerned. They can feed their own population with an arable land of only ten percent of their land mass that they have. I'm just wondering if we had 800 million people in Canada how we would do here under our present system.

MR. EDIE: You realize, Mr. Adam, that further on in the brief there's a quote from Mr. Whelan where this statement arose from, and I guess if there's any doubt in your mind you'll have to battle it out with him. I just took it at face value.

MR. ADAM: That's a reference that he made, was it?

MR. EDIE: That's a reference that he made, that 80 percent of the people are engaged in agriculture.

MR. ADAM: I have here a news item from the Dauphin Herald, June 5th, 1974, where two families bought out 5,000 acres of farming land in my constituency. I questioned the attorney that was in charge of the transaction in Winnipeg and I suggested to him that I thought--I wasn't too familiar with who the people were who had bought this land, but he took me to task for suggesting that they were German people, you know, German interests, that were buying this land, and this article states here that the senior partner is Mr. Maedler Kror a native of Germany, and his other partner is--the second family is headed by Luigi Giliatti,

(MR. ADAM cont'd) . . . . an agronomist from Venice, Italy. They have purchased 5,000 acres; they have bought out six farmers, and they state in the article that they do not depend on the production of the farm for their income or for their livelihood, that they have funds from other source for their living. They also say that they have holdings in the Brunkild area, they have land ownings in Brunkild and also in the province of Quebec. Do you see any danger here to the family farm in this type of operation?

MR. EDIE: We see the danger that if these particular individuals don't intend to become Canadian citizens and settle in Manitoba and actively farm, we feel that our local farmers - and maybe we could enlarge this to Canadians - are being put at a disadvantage by these people investing in our province and in our country, especially in the cases of the countries that the monetary exchange is such that they have an advantage over our dollar. There is a definite concern throughout the world areas that this should be looked at and studied and possibly restricted.

MR. ADAM: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Uskiw?

MR. USKIW: Yes. I wish to address my first question to Mr. Cook. On Page 1 of his submission he suggests - and by the way, I want to give him a lot of marks for this submission; I think it's a very objective document. But I raise one question which is obvious to all of us, I'm sure, and that is obviously to interfere in the rights of people, which in fact would be the case if we adopted the suggestions in your brief here, would mean in fact state control. That's really what it would mean. Now, it's for good reason that you suggest it but I simply draw that implication to your attention, because it has been argued many times and continues to be argued around the City of Winnipeg, in the fringe area around Winnipeg, that the zoning of land has the same effect as expropriation without compensation. That's been the big cry of those people who were zoned in the so-called green belt area where they were no longer able to allow the sale of their private holdings to commercial developers or people involved in housing or whatever. The zoning authority of the City of Winnipeg in essence has denied them a massive capital gain on their land holdings. Do you not see that as a problem, or would you disregard that?

MR. COOK: Well I tend to disregard it. I'm mostly involved or mostly concerned about our food production capability and I'm concerned about the farmers that are farming, and I think that land values at the present time, they're approximately \$250.00 to \$300.00 an acre in and around the City of Winnipeg, are reasonably related to its productivity rather than its future speculative value, and I don't regard zoning as state control. I think it's a necessary thing that we must have in our society the same as the City of Winnipeg has zoning by-laws of various kinds.

MR. USKIW: So then your position is that the community interest comes first and the individual interest comes second, I would take it.

MR. COOK: I think this applies - yes, to our entire society.

MR. USKIW: All right. So then, sir, it follows that you would want very dramatic public intervention in the area of land ownership and its use in the public interest.

MR. COOK: I don't consider land zoning has anything to do with land ownership.

MR. USKIW: Well, land ownership as it may be owned by any number of people but wherein the state interferes into its use. Let me put it in that context then. Because zoning is as strong a control as you would have if you owned the land. There's no difference as to its ultimate use. There's no difference at all between owning it or zoning it in the interest of control of it. The two are actually the same in terms of the power.

MR. COOK: Well I don't consider that as correct, Mr. Uskiw. I think that if you zone a parcel of property, the original owner can still carry on with his regular uses if he's farming. He can dispose of the property to another farmer. They can't cut it up and put small holdings on it, true, and it does pose a restriction, but so do municipal taxes.

MR. USKIW: But if the objective was to restrict the development of land there are two ways you can do it: (1) you can expropriate it, whether it be the City of Winnipeg in the outer zone, or whether it be the province in a land banking program, or you can simply freeze the use of that land to whatever use you deem it advisable to be put. But the effect on the individual who owns the land is exactly the same, in that in the one instance he would be compensated at current value if it was expropriated; on the other instance he would be frozen out of a sale which may have given him a potential or a real capital gain. So that, in essence,

(MR. USKIW cont'd) . . . . if you buy it you deny him the speculative rights; if you freeze it you also deny him the speculative rights, if there are such things. I don't know if they are right but they exist.

MR. COOK: Well, I pointed out in my paper that we are probably in a position to do these things now, at the least cost to all concerned: government, private landholder, everybody.

MR. USKIW: Well, let me say that I don't disagree with the need for some form of intervention; it's obvious anyone that has lived in British Columbia, Ontario or the Maritimes would tell you that you had better move quickly or it will be too late, and that is true for many parts of the U.S.A. in terms of land ownership as it may relate to recreational needs, as it may relate to urban needs and as it may relate to agricultural needs. We are fortunate on the prairies that our land needs are such that we're not in an acute position, but certainly the observations you make are very true and very real.

I now want to--I'm sorry, Mr. Edie?

MR. CHAIRMAN: Mr. Edie.

MR. EDIE: Mr. Uskiw, I'd just like to add to that comment about the land zoning in the immediate area next to the city where I happen to farm, and I think there are two considerations that go along with zoning and that is tax considerations and the protection of people that might move in around you and the possibility of their discontent with you being there, so some sort of compensation in that respect.

MR. USKIW: Now I want to take my second question to Mr. Edie. On the first page you indicate that it's the government desire to interfere in the present land holdings system, and I would like you to elaborate on that because I'm not sure just how it is that you arrive at that and what is the basis of that statement.

MR. EDIE: Do you contend that it is not a true statement that the government is expanding its operations in land holding, farm land holding?

MR. USKIW: Well, that is very hypothetical, because if one was to give meaning to that statement one would have to assume an awful lot of things and I'm not prepared to make those assumptions, namely that people that are leasing land from the government in the land lease program would never opt to buy that land which is part and parcel of the agreement that is entered into, so that that assumption is based on the theory that no one will opt to purchase.

MR. EDIE: Well, we feel that there are some roadblocks in the option to purchase, for one thing, and I pointed them out, and the fact that the price isn't established today and then you're not in the lending business tomorrow when the money is needed.

MR. USKIW: I now want to deal with the alleged roadblocks and I want to show you that in fact the lessee is in a better position to buy that land than he would be without the program, and I want to assume for a moment that land values on day one are \$200.00, which would mean that at five percent rental rates the rate would be \$10.00 per acre. That's the current program. The cost of money is about ten percent, which means that it costs the Crown \$20.00 just on interest to maintain or to own that acre of land, annually, which means a net subsidy in the lease program of \$10.00 per acre per year if the cost of money doesn't change in a five-year period, which means over five years the subsidy to the lessee is \$50.00 on one acre of land valued at \$200.00. The option to buy, of course, can be exercised in the fifth year at market value or at the cost to the MACC. In other words, if the market value was \$250.00 then the lessee would pay \$250.00 an acre and would not be required to repay the subsidy that he received over the five years.

Now, if the market values of course did not rise by \$50.00 in five years, then of course to the extent that there is a difference between \$200.00 and \$250.00, or whatever, the lessee would be paying part, at least part of his subsidy back, but not necessarily all of it. So to the extent that market values fix themselves favourably to the lessee, he may not pay one cent of his subsidy over those five years on top of the purchase price of land, but those may be recaptured by the Crown only, due to the fact that the land values have increased exactly proportionate to the amount of subsidy that he received in a five-year period. So in that position he has a substantial advantage in becoming an owner of farm land on the fifth year.

MR. EDIE: Well I must say that I wasn't aware that the back payment and subsidy, so to speak, was not in effect when the market value had increased.

MR. USKIW: Let me not mislead you, Mr. Edie. It is in effect if land values have unchanged. Let's assume that land values remained at \$200.00; then of course at the fifth year the lessee who would want to opt to purchase would have to pay \$200.00 plus the subsidy

(MR. USKIW cont'd) . . . . that he received. If land values don't change, or if they go down, he's in an adverse position. We happen to think that over long term the land values will keep going up, and we think that at least on balance we might break even on this thing but we suspect we're going to lose some money, and we're going to lose it due to the fact that the lessee is going to opt to buy when the situation is advantageous to him, and it depends on the curves in the market from time to time. So that it is not true that there is an obstacle; in fact there is a decided advantage to the lessee to become an owner of land.

MR. EDIE: But how will the lessee be able to borrow this capital at the end of the five-year period when you are not making direct loans and the fact that he's affiliated with MACC he can't borrow through FCC?

MR. USKIW: Well let me now get to that question. One of the bothersome areas that I see in all of the presentations is the fact that somehow it is assumed that there is an onus on the Province of Manitoba to make mortgage money available to agriculture. Let me put it in perspective. Manitoba was almost unique as being the only province - outside of Quebec, I believe - that provided mortgage financing, so that it is not a program that is available in most of Canada. I think at this point in time only the Province of Quebec provides mortgage financing at very greatly subsidized interest rates. But apart from that, nowhere else in Canada is a provincial government involved in mortgage financing. Now I think there's a lot of logic to that. One of course is - I have to put the question to you - do you think it makes sense to have two lending agencies operating in the Province of Manitoba providing mortgage money, namely the Federal Government through FCC and a provincial government agency, the MACC? Why do we need two lending institutions to finance the purchasing of farm lands? We are trying to structure our credit program in such a way as to supplement the FCC program rather than to compete with it, one of the main reasons being that their interest rates are always better than ours. The Federal Government can advance money at a lower rate than can the Province, and therefore it doesn't really make economic sense for the Province to be involved in that field of credit.

MR. EDIE: Mr. Uskiw, there's one thing I would like to get straight in my mind. Are the people that are on your program definitely not allowed to take on the FCC program at the end of the five years to get funds to buy a farm?

MR. USKIW: If the lessee wishes to buy the land after five years, I would assume that he would go to either a private lender or he would go to the FCC and draw up a mortgage. He would then approach the MACC with a proposal, there would obviously be negotiation as to value and so on, and the transaction would take place. Now one has to assume that the FCC will be a willing partner in the transaction, that they will see this individual as having potential, as being a viable farm operator, on which basis they will extend him credit. That's the relationship that we see in this thing.

Now, let me further put it into perspective. The ten provincial ministers for several years at every Conference of Ministers with the Government of Canada, have asked the Government of Canada for flexibility in their credit program. Every province wanted to get in bed with the Federal Government, so to speak, so that we have a well-rounded-out credit program in each province, part of it assumed by the Government of Canada, part of it through the provinces, but on a very co-operative basis, one to complement the other. That's the approach that the ten provinces have taken, and the Government of Canada has not seen fit to accommodate the request of the unanimous position of the provinces of Canada. So to that extent, you know, we are in that unhappy position of not being able to completely integrate our activities, but where we are able to co-operate we try, and I should like to think that it's worthwhile noting that the small farm development program of the Government of Canada has been integrated with our lease program. The two are tying together where it's practical and we have got a degree of co-operation, but it's a very small degree. So I think the answer really lies in greater co-operation in the credit field as between provincial and the national government.

MR. COOK: Mr. Uskiw, didn't MACC come into being because the FCC was not responsive enough to provincial demands provincially?

MR. USKIW: I believe that was true, yes, I think way back in 1959, or '58, and I give due credit to the then government who introduced a credit agency, because the thinking at the federal level was very much dated at that time. They were a stale operation, quite frankly. They were not meeting the changing demands and needs of farmers across Canada, and I think there was a real role to be played by a provincial credit agency. But it was the development of that thrust provincially that resulted in a very substantive revision to the federal credit

(MR. USKIW cont'd) . . . . program and they have been revising their program almost every year since, so they have a greater degree of flexibility and outlook today than they did at that time.

I think that you will recall that in 1968 the same provincial government here in Manitoba withdrew from the credit field, virtually withdrew from the credit field, in particular in the mortgage area, and decided to get into the production line of credit and things of that sort through a guarantee system to the banks. That was a complete failure, because at that time we had a very tight money situation and as I recall the figure - and this is from memory; I could be corrected - but as I recall the figure, there were only 19 transactions in a whole year under that program. So in essence there was no credit program in Manitoba for one whole year, in fact not until there was a change of government in this province wherein in late 1969, I believe it was, or early '70, the Government restored the operations of the MACC and we plunged into many more millions of dollars which were really debt-consolidation dollars. Most of our money or a good percentage of our money went into debt-consolidation, some of which was to pay off the FCC, some of which--most of which was to pay off the banks and creditors in Manitoba who were waiting two or three years, you know, for their payments, because of the economic conditions in agriculture.

So we did play a very important role, and of course we have come to the conclusion again that we should get out of one of the fields of credit, namely mortgage financing, because we can provide as good a service as can the Government of Canada through FCC in their interest rate and so on. So that really we're saying, let's not duplicate anything; let's try and integrate or co-operate so that we have a well-rounded credit program in this province.

The land-lease option is nothing more than an option. It's nothing more than an option. If someone wishes to participate he may; if he doesn't wish to, he doesn't have to. No one is compelling anyone into the program. But it has had a very good impact on those people that either were short of land and weren't able to raise mortgage money, they were able to lease additional land holdings next door to themselves in order to make a viable operation. And likewise for the transfer of a farming operation from father to son. We've had a number of those where the father has retired, has taken his money, and the son has entered the land-lease program with the hope that at some point in time he will purchase that land. So I think it's a very well-rounded program.

I should like to draw to your attention, however, a piece of legislation that is hot off the press virtually; well, it dates back to November 21. It's known as Bill 133 in the province of Ontario and it's called an Act to Establish the Ontario Land Corporation. I want to read into the record here the provisions, the main provisions, because the bill establishes the Ontario Land Corporation as a corporation without share capital, having as its objects the promotion of community and industrial development of land in Ontario by the acquisition of land and the disposal of it to persons in the private and government sectors for residential, community, industrial, governmental and commercial development.

Among the principal features of the bill are the following - and I'm not going to go through all of them but I'm going to read one: "Subject to the provisions of the Expropriations Act, the corporation is given power to expropriate land." I should like to tell you that in contrast the MACC in Manitoba does not have the authority to expropriate land. And if you want to get into the debate about governments wanting to grab all the land, then what we should have done is passed a bill like the province of Ontario. Either it's passed or it's considering. I think it's passed but I'm not sure. But here are some of the objectives, and this is a report on the objectives of that corporation:

"The Ontario Government will introduce a type of farm apprentice plan to keep farm land destined for future development in food production for as long as possible. Agricultural College graduates without enough money to start their own farms will be offered leases for five, ten and twenty years on land bought well in advance of future development by the proposed Ontario Land Corporation. Ontario Agriculture Minister William Stewart said the program will probably start in the Pickering and Mantico areas, but that the amount of land to be made available is not known. Stewart said the first option on government-bought land would go to farmers in the area, but that the second consideration would be to give young fellows an opportunity to get started. The young farmers, he added, would not have to be graduates of an agricultural school to qualify."

Now that's just an example of what another province is doing, not a socialistic province

(MR. USKIW cont'd) . . . . but a Conservative provincial government. Likewise in the Province of New Brunswick they've been at this kind of thing for a number of years, and their Minister tells me that without it they can see almost complete depopulation of their countryside because of the interest of large landholding companies and individuals who virtually want to grab up all the land for themselves. And they are using their lease program as an alternative means of keeping people in the countryside, and other provinces have similar legislation. So, you know, if we had this in our statute, I can assure you that if we had the powers of expropriation in the MACC, then I know my colleagues to my right would say, "This is in fact Communism, gentlemen." But in Ontario it's not quite that bad.

MR. EDIE: Mr. Uskiw, in reply to that, and you stated there that the land will be rented to other persons, college students and other farmers, but it doesn't discriminate or point out the size or the assets or size of farmer, and we feel that in your rental program it does discriminate. I mean, a lot of people with a half section or three quarters that could well do with another quarter section to become efficient aren't able to participate.

MR. USKIW: All right, let me pursue that point then. We know that it's discriminatory and it was set up to be discriminatory because we didn't want to buy up all the land in Manitoba. That is the reason we put a limit on the amount of assets one could have in order to qualify. Without that limit, I can assure you that I would have to have at least \$20 million a year in a land acquisition budget. We have put in about 10 and I think we'll spend about seven or eight in this year. But without those restrictions, I can assure you that the amount of land that the Corporation would buy, on request of people wanting to sell and people wanting to lease, would be double what we are doing.

Now if it was in our interest, if we had the desire, to acquire as much land as is available, then we would remove all restrictions, and it's our belief that as many farmers as possible should own their land. If they have ways and means of raising mortgage money then we think they should buy their land. We are trying to facilitate those people that can't do that. Just another opportunity for another group of people, but it's something that has to be looked upon as nothing else than an option. Now, you know, I think it's fair to say that with inflation, with inflation being what it is, that maybe our \$60,000 criteria on net worth is a bit low, given the inflated land values, and we may have to make some changes, but I would like to get from you, sir, whether you think we should broaden that and to what extent should we broaden that. How far would you go with it without running the risk of picking up a lot of big holdings and allowing big operators in that don't really need that kind of program?

MR. EDIE: I think, Mr. Uskiw, that this would have to have some further study. I can't say offhand just what the limit should be but granted, it seems relatively low.

MR. USKIW: You would prefer that there would be some revisions upward to allow larger people to participate.

MR. EDIE: I would think so.

MR. USKIW: Okay. I now want to get to another point. Your last sentence had to do with the question of foreign ownership, and you say, "Foreign ownership is a concern of Manitoba farmers. The general feeling is that access to our land should be preserved for this and future generations of Canadians." And I want to first of all get from you what it is that you feel is wrong with the idea of someone in Europe buying up 10,000 acres around Morden and not living here but owning it as an absentee landlord. What is wrong with that in your view?

MR. EDIE: Well, I believe I pointed it out when I answered Mr. Adam's question. That if they intended to be immigrants to Canada and settle here the same as all of our ancestors did, we wouldn't have any argument against it, but the fact that they may not and they're purchasing this land with money that has a different currency relation to ours gives them an advantage and makes undue competition for those Canadians that are sincere and want to practice agriculture in this province themselves, and it's unfair competition and distressing to think that this can take place.

MR. USKIW: Why should competition be fair? I mean, in a free enterprise system there should be no such thing. That question should never arise. Why does competition have to be fair in a free system?

MR. EDIE: Well it isn't always fair.

MR. USKIW: I mean the guy that's got the most bucks should be the guy to take all the land, in a free system. So now you're quarreling with philosophy.



MR. EDIE: No, but we just feel that Canada should be for Canadians and that . . .

MR. USKIW: All right, let me then pose the other question to you. If it is bad for an absentee owner, landlord, to operate from Europe owning 10,000 acres of land around Morden, then why is it not equally bad for an absentee landlord who happens to live in New Brunswick, as Sidney Green would put it, and I would say who happens to live in Winnipeg? What is really the difference between the two?

MR. EDIE: Well at least the money all stays in Canada. That's one.

MR. USKIW: No assurance of that at all.

MR. EDIE: Well in the first instance. From there on we don't know. I don't feel in total disagreement as to what is happening in Saskatchewan except there are a few, you know, there are a few exceptions, and maybe it would be better to take it in the Canadian picture rather than just a strictly provincial attitude.

MR. USKIW: Then you would also accept the theory, it would follow from your remarks that a Canadian should not have the right to buy a piece of property in Florida which is now offered by that, what is it? That company that advertises properties in Florida. Mackle, is it? I don't know who it is. We hear ads on the radio and TV about buying your retirement spot in Florida.

MR. EDIE: It might be good advice to stay out of it.

MR. USKIW: Would it be right, then, for other countries to say Canadians should not have the right to property rights in their countries? I mean it's a two-edged sword is what . . .

MR. EDIE: That's true, but we're dealing with two different types of land. One is in a productive capacity and the other is, by and large, recreational or, you know, it hasn't--we're losing control of one of the basic ingredients of our agricultural industry and that's where the concern lies, in my opinion.

MR. USKIW: So you would want, if there was to be legislation you would prefer that it would be on a nationalistic plane, anti-foreign rather than anti-absentee landlord.

MR. EDIE: That would be the first step.

MR. USKIW: Yes, I see. You're not beyond the second step, then.

MR. COOK: Mr. Uskiw, I think you'll find that most large landowners over the years have lost their shirt. Very few of them have been able to hold onto land. If they don't live here and look after it they can't hang onto it.

MR. USKIW: I think that is true in the past, although I think that you will realize, or soon come to realize that there is a tremendous interest in land on the part of many investors throughout the world, and it's based on the theory that the financial system of the world may not last very long as it is, that there may be problems, and that land is a good spot to lock in some money, that it will sort of outlive any immediate financial crisis in the economy of the world, and for that reason a lot of people--that's one of the reasons why a lot of people throughout the world are interested in putting money into land, and North America seems to be the point of interest, I suppose, ahead of any other part on the globe, on the part of Europeans in particular.

MR. EDIE: And one further thought is that the fact that other provinces aren't allowing this makes it all the more attractive to come to Manitoba.

MR. USKIW: I want to now go to your last, well to my last question, and it's really an observation. Your observation on the well-being or otherwise of the Chinese people is of interest to me because I thought I'd been following their history fairly accurately over the last 50 years and, as I recall it, the Chinese have always had to face what is so very much known in historical terms, a sort of Chinese famine, which happened to recur every few years or almost every year. We would read about millions of people dying of starvation. But we haven't heard of that since 1949. Do you think that that means that they have made progress in their productivity, in their economy, or do you think that there is some other answer that explains that? And I draw that comment from your own observation.

MR. EDIE: I would assume that during that period of years that there would be some progress in their technology and their method of operation without really understanding what happens over there. But I just made this statement relative to this quote, as I mentioned. I've also heard statements made on the same plane of how the small bits of land in Russia, for example, that are held personally, how much more productive they are than the state-owned lands, and this has been fairly widely circulated.

MR. USKIW: Yes. Let me then draw a comparison for you and get a response from you.

(MR. USKIW cont'd) . . . . You have two countries side by side, both of which were not developed countries 30 or 40 years ago - I'm talking about India and China. Today China doesn't starve its people, India still does, and India is a socialistic system.

A MEMBER: That explains it.

MR. USKIW: Well maybe that does explain it. It's a democratic socialistic system where the Chinese is not. So they have not sort of resorted to the strong government leadership in India as they have, for example, in China in trying to come to grips with their economic problems. But China no longer faces famine and hasn't now for decades but, further to that, is able to spend billions of dollars on Canadian wheat whenever they're short, whereas India continues to allow their people to die of starvation, literally, every year. You know, there is some depth to that and I just make that observation in light of the fact that, you know, the remarks in your document were somewhat disparaging in that respect.

MR. CHAIRMAN: Mr. Henderson.

MR. HENDERSON: Thank you, Mr. Chairman. First, I would like to say that I agree wholeheartedly with the brief of Mr. Cook, realizing that's more of a concern to you people here in land and who it's sold to, but realizing that land use is a concern of Manitoba and that it's a very complex one and it will take a long time. I think that we should be looking at it now, knowing how slow governments do move. I'd like to pose some questions to Mr. Edie, although they were somewhat covered by Mr. Uskiw's remarks about ownership. First of all, are you familiar with the lease that the government gives the people that lease land with them, and their option clause?

MR. EDIE: Well, relatively familiar.

MR. HENDERSON: Are you aware of the fact that they offer it to you but it's at the higher of either of these two things, market price or else whatever they've put in it plus whatever amount it's been subsidized? The higher of the two; they have the option of taking their choice.

MR. EDIE: This was just pointed out by Mr. Uskiw, yes.

MR. HENDERSON: Yes, but can you see any people who use this option then, purchasing after having used this renting option?

MR. EDIE: It's the higher of which, Mr. Henderson?

MR. HENDERSON: It's either market value at that time, but if that isn't high enough, if prices have gone down, then it's whatever the government paid for it plus whatever they subsidized that renter during that period of time. Should that bring it higher than market price, they won't sell it for market price; they want that. In other words, they're taking the best of the two worlds.

MR. EDIE: . . . taking a chance.

MR. HENDERSON: So, in other words, you think that it's quite likely when the government become the owner that it will end up by continuing being the owner?

MR. EDIE: Well, that's where we feel the inherent danger is.

MR. HENDERSON: Yes, I feel this is the thing that's really wrong about the government program myself.

The other question that I had related to your last paragraph on foreign ownership, and this is one that really does concern everybody too, possibly not as much as the other, but . . . I was just wondering, on foreign ownership, why do you think that these people come up here - I'm talking about the individuals now, not governments or this - and purchase land. If they aren't going to become resident, do you think that they'll actually make a go of it? Don't you think that they'll lose it? Or what do you think will happen to them if they come up and purchase large acreages and don't come up and work it themselves?

MR. EDIE: Well, as Mr. Cook pointed out, that these large purchasers in past history have been self-eliminating, and I might observe that the individual that actually purchases might be able to manage it but when it goes into the next generation, for one reason or another, it might be beyond their capabilities and then quite often these parcels are split up again.

MR. HENDERSON: Do you think it's any worse for this foreigner to own, or we'll call him a non-resident person from the States, owning and renting it to the people around here, do you think that's any worse than the government owning it and renting it to the people around here? Do you not think that if values go bad that it is at least coming out of an individual's pocket in speculating and not coming out of the taxpayers in general? This is the point I'm driving at.

MR. EDIE: That's true, yes.

MR. HENDERSON: Well, I realize that what you're really concerned about is that you'd like to see more farmers become owners, and that this is where you think people should . . .

MR. EDIE: Well we feel that's where the most productive and economic type of farm unit develops is when a farmer owns at least two thirds of his land. He has an incentive to improve and to produce and go the extra mile, as they say, and put in the extra time, when he feels that it is something of his own and he's working towards a goal. Even though he may be almost in a situation of perpetual debt, it's a little better feeling in most farmers' minds if they have the sight of the light in the end of the tunnel, so to speak, that eventually the farm will be theirs and they're building up an equity of their own.

MR. HENDERSON: And this is the policy that you would like to see the provincial government be in, rather than buying it and leasing it?

MR. EDIE: Well, we're concerned that it might develop into a situation where it will be continuous rental payments, and without being able to get over the hurdle of ownership when his option can be taken.

MR. HENDERSON: Are you aware that people in the States who own land here are taxed an additional amount anyway when the tenant sends the money back there?

MR. EDIE: There's a withholding tax.

MR. HENDERSON: A withholding tax of 15 percent or something, is it? So already he has one restriction or extra penalty on him already. Do you think rather than chopping off, shall we say, right straight down the line, say no more foreign investment in Canada, that you might be better to say that you'd put some restriction on the size or on some extra thing on taxes for him, rather than trying to chop him off altogether?

MR. EDIE: Yes, I think that possibly would be a good consideration. There's certainly more implications than I or our group may be aware of, and these certainly warrant study.

MR. HENDERSON: I think that's all, thanks.

MR. EDIE: Thank you.

MR. CHAIRMAN: Mr. Graham.

MR. GRAHAM: Thank you, Mr. Chairman. I have three or four questions I'd like to ask either Mr. Cook or Mr. Edie. The first one I want to deal with is the question of foreign ownership, and I want to pose a question regarding the recent changes in the Canada Immigration Act, where it has almost prohibited people coming into Canada unless they have a job here before they begin their immigration proceedings. And would it not, in your mind, possibly influence a person who was thinking of coming to Canada, would it probably not be more beneficial to him to purchase a farm in Canada first before he came? Would that enhance his chances of getting immigrant status in Canada?

MR. EDIE: Well, it would appear that it certainly would, if that is proposed to be part of the requirements of immigration. We might be drawing up guidelines for a certain type of immigrant if we do this because he would have to have capital to purchase land before he would be able to consider immigration.

MR. GRAHAM: You've also stated that you would not be opposed to a foreigner purchasing land and farming it himself. Is that correct?

MR. EDIE: Yes, well, the reason I made that comment is the fact that, you know, that Canada was built on the policy of immigrants coming to Canada and owning and buying land, so really that doesn't distract from that sort of approach to settling Canada, or immigration to Canada, in my mind.

MR. GRAHAM: Well, we have had statistics presented to us by the Working Paper, which indicates that less than one percent of the farm land in Manitoba is owned by foreigners. In those statistics there is no attempt made to try to find out why the people have purchased this land, so we really don't know to what use they're going to put it, and really we're not too sure if that foreign ownership is not a genuine attempt at becoming a Canadian farmer and actually farming the land as Canadians.

MR. EDIE: I guess the way that would have to be approached would be the record of land ownership would have to be changed so that this type of development could be monitored.

MR. GRAHAM: Well I'll go on to another subject, then, and this is going to deal with the question of purchase after a lease program. Mr. Uskiw stated that possibly the financial structure of the world could be changing and I think maybe that's more wishful thinking on his part than fact. But is it not true that in financial dealings, if you are tied into a particular

(MR. GRAHAM cont'd) . . . . program or involved in, say, a mortgage with a certain bank, is it not more difficult to get additional financing once you have locked yourself into a particular program with one institution or another?

MR. EDIE: Yes, I would think it would be - I mean, once you're committed, as you say, to one program, and that's why I felt that it would be hard to get in with FCC after you've been in with MACC.

MR. GRAHAM: You feel, then, if you have signed a lease with the MACC, a five-year lease with an option to purchase, that you would have greater difficulty obtaining an FCC loan, for instance at the end of that five-year period, than if you were dealing with a parcel of land that was owned by someone else and you had no involvement with MACC at all.

MR. EDIE: Well, I haven't had experience in this field but if I was doing it I would start with FCC and then you wouldn't have this possibility. If what Mr. Uskiw intimates is correct, that you're trying to harmonize the two programs, then I don't see anything wrong with starting with MACC and letting FCC take over in the next step.

MR. GRAHAM: Well, another question. If MACC is concerned in a lease and a buy-back program which they are offering in this lease, and it is probably not proven but believed to be correct that it's difficult to get other financing once you've become involved in that program, would it not then be logical to request the MACC to ensure adequate financing at the end of that five-year period for the person to have the ability to buy back?

MR. EDIE: Well, that is what we are suggesting in our Point 3, that if they're sincere about establishing new farmers - and I am not saying young farmers - new farmers, that this method of financing at the end of a five-year period should be considered, because you may not have an alternative.

MR. GRAHAM: Now I would like to ask Mr. Cook some questions on land use, and dealing in particular with the suggestion of zoning and the utilization of land for strictly agricultural purposes if it is classified and desirable that that classification be used for that purpose. I believe some place in the brief, and I can't refer to the exact place, you have expressed a concern about government and bureaucracy and the stereotyped, and the very size of the corporation makes individual consideration to be a rather difficult matter. Is that correct?

MR. COOK: Well, I mentioned that the City of Winnipeg has shown themselves to be unresponsive to concerns of the people surrounding the city, the rural people, and I think that this in general - and I'm generalizing - this applies to any government; that they tend to be unresponsive to the demands of individuals. When we start to talk about financing as you were talking a minute ago, you know, if I don't like one bank maybe, if I'm any damn good, I can go and deal with another one, but I can't just walk away from the government. They have a habit of passing rules, regulations, etc. that tie you into these things, and it is very, very difficult and a slow process to change. I don't know whether I'm answering your question but I --it's sort of we lack of flexibility.

MR. GRAHAM: Well, I was just leading into some questions on land use, and if there was a land use commission established which would restrict in some measure the utilization of land, or "designate" rather than "restrict", designate land for particular usage, that would have to be in all probability another government body, would it not?

MR. COOK: Well I don't know how you're going to avoid it. They're the only people that can carry out a program of that type. There should be some input from the people involved from farmers, from citizens.

MR. GRAHAM: Well that was my next question. I was wondering what type of body you would envisage and to what degree you would like to see local involvement.

MR. COOK: We have what they call Community Committees in Winnipeg, in the City of Winnipeg. Now I don't know how effective they are, I don't think they're really effective, but they could be, and they certainly could be in developing this kind of a program. Certainly the people involved have got to have some input. I think that the--you know, I'm sure that probably since we started these hearings on land ownership and land use that possibly the government has modified their thinking a little bit on some of these things because they found out how people feel about it. And you would have to go through some of the same processes if you were establishing a zoning system for the use of land.

MR. GRAHAM: So then you have a genuine concern about the safeguards that would have to be built into that type of commission, or whatever they want to call it, to make sure that there was adequate avenue for local input.

MR. COOK: Yes, I wouldn't want to see this become a civil service exercise.

MR. GRAHAM: That's all, Mr. Chairman.

MR. CHAIRMAN: I just wanted to ask one question. Mr. Cook, you mention on Page 3, we have in Canada about 24 million acres. You refer specifically, I believe, to the St. Lawrence lowland, the Fraser Valley and the Okanagan, because I believe we have some 21 million acres of arable land in Manitoba. So I just wondered if that --that says we have in Canada about 24 million acres of arable land in climatically favoured areas.

MR. COOK: Well that's a quotation and it's something that was rather bothering me. I was thinking about it on the way out here and wished I had checked it myself.

MR. CHAIRMAN: Because I'm sure that there are more than 24 million acres of land, of arable land across Canada. I think this qualified it on the basis that it is in the . . .

MR. COOK: It depends on what you classify as arable land. You see, there's some highly productive top class land, and generally this is the kind of land we have around the city because that's where cities generally locate. But I did not check those figures and I was wishing I had.

MR. GRAHAM: Thank you.

MR. CHAIRMAN: Mr. Barrow.

MR. BARROW: Thank you, Mr. Chairman. I think the Chairman should have warned you gentlemen that the first person at the mike gets a barrage of questions and from then on it eases off. My question is very simple. There are at least six members on this committee who have never farmed, and possibly never will farm, but one thing that has been brought up continually in these briefs is the urban spread or the concrete jungle, and you mentioned in your brief you don't approve of expansion of cities on farmlands evidently.

MR. COOK: Well not on first-class arable land.

MR. BARROW: It's interesting because I heard a TV program in Calgary where the mayor was -- several years ago -- where he was saying that Calgary had expanded double its area in ten years and hopefully, and he was quite excited, it would double that area. Do you see any way to prevent this?

MR. COOK: I think some adequate planning helps to do something to make it unnecessary to expand the size of the city core. You know when you get strip development growing along the edges of highways the land behind it goes to waste, doesn't it? Generally it goes into such small parcels that it can't be used. I drove through the St. Lawrence River Valley this summer. On one side you've got the river, then you've got a highway, then you've got a railroad, and there's people farming this land in strips of about a hundred yards wide. They've got it broken up in so many pieces they can't even drain it. This is bad land use. We're starting to do this kind of thing around Winnipeg by splitting land up into parcels of five, twenty, fifteen acres, and the man that is living on that property can't use the back end of it and they don't farm it either.

MR. BARROW: But you see nothing wrong with expansion coming out evenly on the city limits?

MR. COOK: Well we've got to have a balance, I mean the city has got to have access to land.

MR. BARROW: Right.

MR. COOK: But there has to be some basis, some plan behind it. Not just haphazardly.

MR. BARROW: Well that's fine, Mr. Cook. Thank you.

MR. CHAIRMAN: Mr. Walding.

MR. WALDING: Thank you, Mr. Chairman. I believe my questions are for Mr. Edie. You are representing the Carman Farm Business Association.

MR. EDIE: Yes, Mr. Walding.

MR. WALDING: Can you tell us what position you hold with that group?

MR. EDIE: I am currently the President of the Carman Farm Business Association. We have membership from--we cover a fairly large area although our numbers aren't that large. We have members from Thornhill in the west to Morris in the southeast, to Dugald in the east, to Springstein in the northwest. There are three farm business associations in the province, ours and Southwestern and Western, and with a total membership of about a hundred persons. We had a meeting on land policy in Carman on January 28th, an open meeting to the membership and to anybody that was interested, and a lot of these thoughts that we're voicing here today were brought up at that meeting.

MR. WALDING: When you mention a hundred members is that in your association or . . . ?

MR. EDIE: No, that's in the three associations.

MR. WALDING: And how many would there be in Carman.

MR. EDIE: Thirty-five approximately in our group at the moment.

MR. WALDING: And would they all be farmers ?

MR. EDIE: They are all practicing farmers, yes.

MR. WALDING: Would you have any idea how many of those thirty-five would have loans or received other financial assistance from the government ?

MR. EDIE: From the Provincial Government ?

MR. WALDING: Or the Federal Government.

MR. EDIE: I have no idea whatsoever.

MR. WALDING: A very small number, or half, or most ?

MR. EDIE: Oh, I would think a considerable number.

MR. WALDING: A considerable number.

I wanted to go back to the point that Mr. Henderson raised about the option to purchase after five years. The fact that the MACC will charge the higher of the two prices, and it was pointed out I believe by Mr. Uskiw that the purpose of that was so that the public will regain their investment in the land. Mr. Henderson seemed to suggest that the government should be prepared to lose money by offering the lower price rather than the higher one. Would you agree ?

MR. EDIE: Well, I pointed out before that I feel that if they were sincere in making this program attractive to the person that wants to get started at farming that there should be a degree of compensation. Granted it's a type of subsidization to the individual but . . .

MR. WALDING: But you would be in favour of a subsidy ?

MR. EDIE: Yes, we have varied subsidies in other agricultural fields that are acceptable in a certain degree.

MR. WALDING: Yes, I think that's borne out on Page 3 when you said that the government should re-establish direct loans to farmers, mortgage loans to farmers, and not request repayment of subsidized interest rate. That goes along with that.

You've also made it clear in your brief that you don't approve of the government owning any land, or farmland.

MR. EDIE: The government, as I understand it, owns quite a large portion of this province now in the area of Crown farmlands, Crown lands.

MR. WALDING: I am told that the Crown presently owns 75 percent of Manitoba.

MR. EDIE: I had that figure in the back of my mind, yes.

MR. WALDING: Yes. Now if there is to be a subsidy it obviously comes from the taxpayers, including my constituents, and for your information I represent a city constituency, there are no farms in it.

MR. EDIE: Yes, I'm aware of that.

MR. WALDING: So if there is to be a subsidy to help a private farmer get started you are asking my constituents to spend some of their tax money to buy a farm for a farmer, then if there is any capital appreciation the benefit goes to that individual farmer.

MR. EDIE: If the government wants to get involved in this type of a program, that is happening, but we are suggesting that they need not get involved in this program to any extent, that it would be better if the individuals, you know, took on the onus of responsibility of owning farmland themselves. Then the taxpayers wouldn't be subsidizing him to the same extent.

MR. WALDING: But you are suggesting that my constituents pay out of their tax dollars a subsidy to help a young farmer buy a farm. That's what you say, is it ?

MR. COOK: Can I say something on that ?

MR. WALDING: Please do.

MR. COOK: You know there's a good case to be made for the fact that we're subsidizing, we're subsidizing the consumer; a lot of farm subsidies are subsidizing the consumer, they're not subsidizing the farmer. There's a very good case can be made for that.

MR. WALDING: Yes. I wanted to contrast that point to the government's land ownership program where my constituents are paying through their tax dollars to become part owners of a farm and then if there is any capital appreciation the benefit goes to my constituents. Would you agree that would be a fair statement ?

MR. EDIE: I'm sorry, I didn't follow that line.

MR. WALDING: Where under this MACC program the government is buying land and then leasing it out, the money that's paid for those farms comes from my constituents, along with everybody else in the province.

MR. EDIE: All the rest of us, yes.

MR. WALDING: So when those farms are purchased, and I've got a list of them here, my constituents become part owners of a farm, so their tax dollars are going to buy a farm for them, whereas under your suggested program their tax dollars would go to buy a farm for an individual farmer.

MR. COOK: Well it's already occurring. If you go to the Farm Credit Corporation some of their interest rates are subsidized to a certain extent. The Canadian consumer or Canadian taxpayer, whatever you want to call him, all across Canada they help to pay for it. We all do. And it's just this thing extends into hundreds, literally hundreds of government programs. You can't measure them at all; none of us can.

MR. WALDING: Thank you. That's all the questions I have, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Edie, Mr. Cook. I think we have no more questions. Mr. Harder, Morris. We will be recessing at 12:30.

MR. HARDER: I'd just like to say at the outset that I did not have sufficient time to prepare a written submission for the rest of the committee and therefore you'll have to take notes as you go along, and if you wish to ask any questions I'll certainly try to answer them.

My name is Wilf Harder and I'm a farmer. I live in Morris and I farm around the area of Lowe Farm. I appreciate the opportunity that I have of addressing this elected group of intelligence, and I am prompted to make this presentation because of one of the few hearings that I attended, and that was the one in Winnipeg this Monday of this week. I had the feeling at that hearing at that time that the people making the presentations there tended to be more political than objective, and I certainly hope that the few words which I have to say will be taken as being honestly objective rather than political.

The other thing that surprised me, and probably prompted me more than anything else to make this presentation, was the fact that most of the people who got up and presented their points of view on land use were not even farmers. I know that doesn't say much for farmers either, I think they should be paying much more attention to their business than they are. When people such as the Bank of Montreal hire a lawyer to make a presentation on farmland use on their behalf I become somewhat appalled. I question whether they should even be allowed to have any kind of input as to what should be happening to farmlands. Now I know that a lot of you will be saying, why should they not have their freedom to speak just as well as anyone else? Well I suppose I wouldn't object to that if I were allowed the same kind of freedom, public freedom, to have input as to what the banking policies should be in this country. Now maybe I do have that opportunity, but I certainly have not been made aware of it. And for that matter I would like to have the same kind of input as to what policies the legal profession has in this country. Now if I am allowed that kind of freedom I suppose then we can allow them theirs. But I don't presently feel that I am.

I found it ironical if not amusing that the banks in this country should be presenting views on land use when they themselves have not exactly . . .

MR. USKIW: Mr. Harder, I wonder if you would stop for a moment. We need some time for a change of tape.

MR. CHAIRMAN: You may proceed, Mr. Harder.

MR. HARDER: I am making this presentation as a farmer, and the points of view I'm expressing are my own and not on behalf of any farm organization that I belong to. I want to make this very clear because I'm a very active member in Manitoba Pool Elevators and also a director of the National Farmers' Union for this district, and just in case the press is here I want to make it clear that I'm not representing the Farmers' Union at this time, and I would also like to say that the Farmers' Union land policy position has been much misunderstood, and just for the information of the press that is here, and especially the Manitoba Co-operate the position paper of the Farmers' Union was presented to this body on Monday and their position on land use was that the present policy of the Farmers' Union is, they favour private ownership of farmlands but they feel that we should re-evaluate the present system of land tenure and that we should look into land use policy. I may be somewhat facetious of the Co-operator because on their report to the National Farm Union Convention they had a big

(MR. HARDER cont'd) . . . . headline that said to the effect, "the National Farmers' Union favour state ownership of farmlands," and of course I suppose it's my quarrel with the philosophy of the editorial policy of that newspaper they seem to, when they feel that they can hurt the National Farmers' Union they'll put it on the front page, and when they do something good they'll put it on the back page. And this they do unwittingly or wittingly, I'm not sure.

MR. USKIW: We have that problem, too.

MR. HARDER: I see that I'm receiving a lot of sympathy from the committee members, and that's good.

I know that a lot of the banks have been making presentations and that the main theme of their presentations has been that they want the MACC to get back into operation, that is, they say they want the government to guarantee loans through the banks, or it is to say that they want the subsidies instead of the farmers. They are the same banks who are the self-styled spokesmen for free enterprise and say that it is perfectly all right that the farmer, because he is a free enterpriser, should be subject to the rise and fall of the so-called free market, and yet they want subsidies.

Well I'm a free enterpriser and I compete in the market, but I fail to see where the banks are competing with one another except for the fact that some of the managers are willing to take more chances than others. And let me make it perfectly clear that I have received personally a lot of assistance from banks, especially when I was down and out, and the majority of time that I received this assistance was when the bank manager was willing to throw out the book that his head office gave him and was willing to loan me the money at his own risk. Some of those managers also get alleviated of their positions. I understand that one Don Gibb from the Bank of Montreal made a presentation to this committee. I understand that his submission also expressed fears that if the government purchased lands there would be dangers of political partisanship.

It was also brought out in the question period of the hearing, I understand, that the person who helped to make that submission was one Eddy Baskier from the Toronto-Dominion Bank. If this is the same Eddy Baskier that used to work for the Manitoba Agricultural Credit Corporation prior to being employed by the Toronto-Dominion Bank, it does not surprise me that he is worried about political partisanship for when he worked for MACC he was an expert at it. You know that one of the first things that he told me when he reviewed my application form he said, "I see here that you have income from the National Farmers' Union. What do you think Roy Atkinson is going to say if you want to expand your farm?" It wouldn't surprise me that if one were to look back at his files in the years to find out the applications that he had approved were probably those that were payoffs to the Toronto-Dominion Bank or his friends. It wouldn't surprise me at all. You know what he told me when he came out to my farm, which is situated next to town? He told me to sell two of the few things that I had paid for at that time - two lots that had cost me \$35.00 and a grain dryer that a neighbour and myself had purchased in '68 which had more than paid for itself in that year alone. I just wonder what advice he would have given me this fall when I was drying my grain around the clock and seeing that my combining was up-to-date and most of my fields were worked before other people could even begin to think of harvesting. You know, that I couldn't even get him to see that it was good business for a person to rent land, a person who had limited capital to rent land on a crop-share basis, even though my records had clearly indicated that this was the only time that my farm had made the little money that there was to be made in farming, and that this is how I had become established in farming in the first place. He also told me that if I rented additional land they wouldn't even consider my application for consolidation. As it happens they didn't approve the application and by the same token I lost the opportunity to rent an additional 400 acres of land.

Now what really concerns me is that it is these type of people who have never even proven themselves in the real free enterprise business world are giving submissions as to what is good for the so-called free enterprise farmer. I suggest to you, Mr. Chairman, that the main concern of the banks in making their views on land policy known is not so much what is good for the farmers but rather what is good for the banks. I would also tell you that I did once have an MACC loan approved through the government and you know what happened? The banks turned it down. I often wonder what would happen if we had hearings on the fact that the government wanted to establish a legislation that would allow more banks into the banking system to create more competition. I just wonder what kind of views they would have then.



(MR. HARDER cont'd)

Now then, I'm speaking to you today as a farmer, a young farmer; I'm 33 years old, I know that's not exact - it doesn't make me a spring chicken but as farmers go that's young. I'm a straight grain and special crop producer and when half of my acreage is owned land, that is to say, it's financed through the FCC and it is not paid for, and I don't suspect that it might ever be paid for, and I'm not even sure that if I would be called a good businessman that that would be my objective. I must say though, even though I am burdened with FCC payments of interest and principal, I would still sooner under present conditions have money mortgaged, have my land purchased through the FCC than have it rented from the Provincial Government. I would much sooner choose that. I would think the reason of course is very obvious. The reason of pride of ownership and the incentives when you have your own land are much more attractive than when you're renting land. Having said that, however, I don't really see all that much wrong with the present land purchasing policy in the Province of Manitoba today by the government.

You know, I see a lot of people getting excited about the government buying land. These same people don't get all that alarmed if large chunks of land are sold to foreign investors, and a lot of the time the people are selling they don't even know who they're selling to, and nobody gets excited about this. We're selling our last God-given resource to another country and nobody seems to care. These same people that are so suspicious about the government buying land don't get all that excited about where the money is coming from. It could be Mafia money, it could be Arab oil money, they don't seem to care. As to what the eventual purpose these people want with this land nobody seems to care either. These same people that are quietly allowing this kind of thing to go on without raising an eyebrow are the same people who decry the fact that a man some 2,000 years ago sold his soul for 30-odd pieces of silver.

From what I read in the paper I gather, and from what I gather from one of the hearings that I attended, that the main objection of the people at these hearings is the fact that the NDP Government is buying land and they don't want it. And that's exactly where their thinking stops. I'm not saying that there are not some bad things about the government buying land. I am saying though that the people aren't even examining the possible advantages of the government purchasing land in certain cases. The reason the people are not examining these things of course is because I think it's political. I might suggest here to the NDP Government that the only way they're going to achieve a land-use policy that is agreeable to the people is to let the Conservatives get into power and let them buy the land, then I don't think really that anybody would object. I dare say that if the NDP brought in the same kind of land-use policy as the so-called non-socialist provinces in the east, there would still be a large hue and cry in this province. I must say that when I first heard the government was purchasing land I had my reservations about it, and I might still have.

I also would say that personally I was much more afraid and concerned when I heard that foreign investors, often without specific identity, were purchasing land. I know that if I were to sell my land and had a chance to choose between foreign investors of the government, I would choose the government. My first choice of course would be to sell to a young farmer, but failing that I would feel morally bound to sell to the government no matter what party was in power.

I say this because it bothers me to see us sell out one of the last things that we own in this country. We have virtually given away all of our other natural resources for short-term profits. Land is one of the last things we own, and we are going to give that away. I just don't understand it.

I think it is obvious to this Committee that they have received a lot of objections, and there are objections, especially in the Morden area, I've become aware of it myself as a Director in the Farmers' Union, but I think we should not so much study the objections but what is the real reason for these objections. I think these are very important. A lot of the farmers, owners, in this country, in Manitoba, are immigrants that came here from Europe and Russia and have had the tragic experience of being forced off the land and out of a country by a system of government that would not allow them to continue their livelihood and their freedom of speech. They were victims of state takeover, and when you talk to these people one can well understand the reason for their fears, and I don't think the government should take these fears lightly. In this respect I must criticize the present government in not stating clearly what are their aims and objectives. The public relations in this area have

(MR. HARDER cont'd) . . . . not been exactly what I would call the best.

I think also that the people generally mistrust governments and I think to a large part they are right because let's face it the track record of governments isn't always all that glowing. On the other hand these same people that so violently mistrust government, blindly trust Cargill, they trust the banks, they trust Arab oil money, and they trust the CPR. If my choice is to pick between the lesser of the two evils I'll pick the government. Governments I can change, the CPR even the government can't change.

I think there is generally a feeling throughout Manitoba that the Provincial Government's attempt to get into the land-use, land-tenure program is new and very radical. This of course in my opinion is completely wrong because other provinces to the east and to the west of us are way ahead of this province. I recently visited another country, and here's the headline that I picked up and it's no different than the papers in our country. It's the Daily Gleaner, January 24, 1975, Jamaica, West Indies. "House Approves New System of Leasehold Land Tenure." And the reason in this country they are doing it, and I caught this quite by accident after having read about all the people that were shot in Kingston, on the front page, I turned to the back page and saw this quite by accident, and in that country they've had a problem where private landlords, investors have been owning land and not developing land, and they found it necessary there for government to establish some kind of land-tenure program. In that country too as is here, there are also objections to it. I'm mainly bringing this out to show that what the government is doing in Manitoba is not a new and radical thing; in fact, they're probably way behind.

Now then, gentlemen, what is happening in the province today? Foreign investors are coming in and buying large tracts of land and a few apparently are going to farm it themselves, and I don't really think that anyone can quarrel with that too much. Most of the land however that is being purchased is rented out in large blocks to large operators, some of it to young farmers just starting out. These leases of course are not always clear, some are one year, some are two, then up for review, others are perhaps five. A lot of the people that are renting this land have no other land and are making large investments in equipment to service this land and yet they have very little long-term security of tenure. As insecure as these leases may be these are still the same people that are complaining about the government buying land. If I were in the position where my only means of getting established in farming was to rent land, would it not seem logical that the lesser of the two evils would be to rent land from the government where you are assured security of tenure for yourself, and even for that of your children - in fact you might even have certain advantages over the people that have bought their land because you'd have extra capital available to do other things. I just don't understand these people.

Now there's other complaints in the country. I heard a young fellow whose dad has approximately 480 acres, he told me that his dad might sell the land. I said, "Well, why don't you buy it?" "Oh," he said, "I don't have enough money and I can't get it." "Well," I told him, "why don't you let the government buy it?" Do you know what his reply was? "I don't want those guys to own everything." Do you know I just don't understand people like that. Here for the first time we have a policy that allows a young person the opportunity of taking over the family farm with very little of his own equity in the business, and he turns it down because he doesn't want the government to own it. No, he would rather let the land be sold to an outsider and give up any hope of ever being able to set foot on that family farm again. There are however in the country - you don't hear about them - positive cases, cases that people somehow don't want to bring up at these committee hearings. I think really that these people are afraid to come forward, to express their points of view, because of what the community might think of the political implication this might have. And while we're on that score, it isn't just the NDP that are selling their land to the government or renting from it, there are a lot of Conservatives and Liberals are doing the same thing, they just don't want to talk about it.

And on the other hand it isn't just the Conservatives that are complaining about the government buying land, the NDPs, the few that there are in the country, are also doing their share of complaining about it. As I said, there are some very positive cases that have come out of the Government Land Policy. There are cases where young farmers who are not able to take over the father's farm because of insufficient equity; in a lot of these cases there is only sufficient equity if the father was willing to finance a huge second mortgage, and often

(MR. HARDER cont'd) . . . . in these cases where the father has to finance the large second mortgage there's not enough of an initial down payment for him to retire in dignity. These second mortgages can also result in estate problems where there's more than one member in the family. In these cases the government has purchased the land, paid the farmer, allowing him to retire, and at the same time allowing the son to start without a huge amount of capital, and at the same time assuring him of security of tenure. Now, gentlemen, what is so wrong with that.

I also know of a complaint of a farmer who wanted first of all to sell land to a local farmer and because there were no buyers he sold to an American. Had the government at that time been more involved with land purchase he would have definitely sold to the government because he felt that this would have been more morally acceptable to him.

The classic example I have is of a young farmer who was virtually forced to sell land due to the financial pressure of the banks and even though he objected strongly to government controls of any kind, he could clearly see that he would be much better off selling his land to the government and getting a lifetime lease than selling to foreign investors where he could only obtain a short-term insecure lease. You know what happened? He sold to foreign investors who had the money for him within a month. I think the government is really dragging their feet in this area. Why does it have to take the Civil Service two or three months to make up their mind whether they're going to purchase this land, and had they been able to make up their mind a lot sooner he would have sold to government, and I think that's one area of criticism that I have. I think that in cases such as this there should be some method of speeding up these things. The same young farmer who was going to buy the section of land that he had and give for security a debt-free quarter section and the FCC of course turned him down.

There was also fear expressed that if the governments would own the land that they would tell you what to do with the buildings, etc., etc. From what I understand in most cases the governments are not even all that anxious to purchase the farmstead sites.

On the other hand there are some farmers who are renting from foreign investors and they're starting to find out, and they're also starting to complain about that these people are telling them how to run the show. There's two sides to that. But these are some of the things that you don't hear I don't think generally at these meetings.

To sum up my remarks, I would like to be clearly understood on a few points. I am not saying that the government should buy up all the land, I am merely saying that it provides an attractive alternative and it should not be scrapped. I am saying that the present land purchasing policy provides a good opportunity for young farmers to get started, a problem that has plagued not only the NDP Government but the Conservative Government before it. I see no reason why the Conservative Government with its political philosophy can help but approve the present farmland purchasing policy practiced by this government today.

MR. CHAIRMAN: Thank you, Mr. Harder.

I believe that I have a number of people on my list who wish to ask questions. Can you come back this afternoon, then we would proceed? Now what is the will and pleasure? We adjourn till 2:00 o'clock. All right, Committee rise. We'll be back at 2:00 o'clock.