



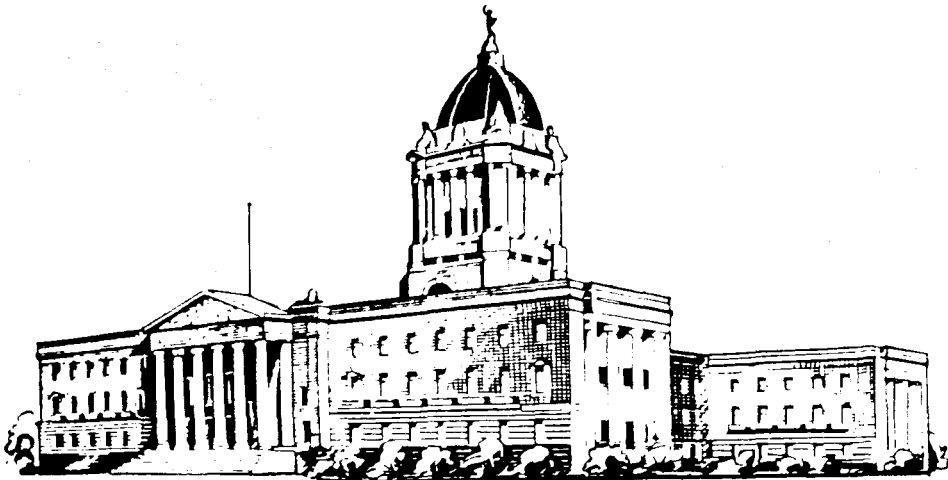
Legislative Assembly of Manitoba

HEARINGS OF THE SPECIAL COMMITTEE

ON

LAND OWNERSHIP

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



Brandon — Thursday, January 30, 1975

THE LEGISLATIVE ASSEMBLY OF MANITOBA
THIRD MEETING OF SPECIAL COMMITTEE ON LAND OWNERSHIP
BRANDON, JANUARY 30, 1975

CHAIRMAN: MR. H. SHAFRANSKY.

MR. CHAIRMAN: We have a quorum. We shall proceed with the meeting into the question of land use and matters related to property rights in Manitoba. Mr. Walding.

MR. WALDING: Mr. Chairman, I will move that the name of Mr. Dillen be substituted for that of the Honourable Mr. Boyce as a member of this committee.

MR. CHAIRMAN: It has been moved that Mr. Dillen substitute for the name of Mr. Boyce. Any question? Agreed? Agreed. Fine.

I have a number of people who have indicated a desire to present a brief to the committee and I shall read over them. The Manitoba Association of Calf Producers, the Rural Municipalities of Birtle, Miniota, Ellice, Silver Creek, Shoal Lake and Emerson, and there was a letter to that effect from Mr. Fulton. The Western Manitoba Farm Business Association. Now I don't know if this is the same one as the Manitoba Farm Business Association from Mr. Kingdon, a letter from Mr. Kingdon, whether those are two separate groups or the same one. Is Mr. Kingdon here? So I assume then that it's two separate groups. The Rural Municipality of Morton and the Town of Boissevain. Jerry Ackerman, University of Manitoba Agricultural Economist. Gerry Hawhaw, Rivers, Manitoba. Herb McIntosh, Farmer from Carberry. R. Cameron. And there's a letter - possibly I may read it at this time unless Mr. Cameron also wishes to speak to the committee. He has a very short letter. "Dear Sir: I would like to submit a brief on property rights of land. I'm in the Brandon area." And he has a sort of a resolution that present or future governments at no time own a higher percentage of agricultural farm lands than two percent and all programs lead as much as possible to ownership by the farmer and his family, and it is signed by Mr. Cameron, farmer from Minnedosa. Is Mr. Cameron here? Then I believe that that is his brief. He has just made a resolution.

We also have from the Manitoba Farm Business Association, and Mr. Kingdon has written a letter. I assume that he - is Mr. Kingdon here? Possibly he'll be here in the afternoon. Is there anyone else in the audience who wishes to present a brief to the Committee? Would you please give us your name at this time and we can add it to the list. Yes, sir. -- (Interjection) -- Yes. You wish to speak to the committee. Okay I'll put you on the list. Mr. Black. Is there anyone else?

Possibly before I proceed to the first presentation I should introduce the members of the Committee for the benefit of those people who might not be familiar with them. On my left Mr. Graham, Member for Birtle-Russell; Mr. Harvey Bostrom, Member for Rupertsland, Minister for Co-operatives and Renewable Resources; Tom Barrow, Member for Flin Flon; Wally Johannson, Member for St. Matthews; Sid Green, Minister of Mines, Resources and Environmental Management; Gordon Johnston, Member for Portage la Prairie; Pete Adam, Member for Ste. Rose; Ken Dillen, Member for Thompson. On my right, Jim Ferguson, Member for Gladstone; Warner Jorgenson, Member for Morris; Dave Blake, Member for Minnedosa; George Henderson, Member for Pembina; Jim Walding, Member for St. Vital; and the Minister of Agriculture, Sam Uskiw. We also have the . . .

A MEMBER: Who are you?

MR. CHAIRMAN: I'm Harry Shafransky, Chairman, and Member for Radisson Constituency. We have the Clerk and the Assistant Clerk, Mr. Jack Reeves and Mr. Anstett from the Clerk's office, and the Deputy Minister of Agriculture Mr. Janssen.

The first brief Manitoba Association of Cow-Calf Producers. Would you please come forward. Do you have a brief? Is there someone present? All right then we'll leave that for the time being.

Second one, the Rural Municipalities of Birtle, Miniota, Ellice, Silver Creek, Shoal Lake and Rosburn, and Mr. Fulton. He is not present?

The third one, the Western Manitoba Farm Business Association. I have - the Western - You are . . .

MR. MANNS: Yes, I represent the Western Manitoba Farm Business Association.

MR. CHAIRMAN: What is your name, sir?

MR. MANN: Bob Manns.

MR. CHAIRMAN: Okay, Mr. Manns, you're up. First one. Mr. Manns. You have some briefs for the committee?

MR. MANN: Yes, we do.

MR. CHAIRMAN: All right they will be distributed to the members of the Committee.

I might mention that there will be future meetings of the Committee and the likely places that upon confirmation with the Clerk, the likely places will be Arborg, Steinbach or Beausejour and Morden, and in addition to that one in Winnipeg as one of the last, possibly the last ones. The dates I will be checking but tentatively I have, well I shouldn't mention it because the press will put in the wrong dates as they did the last time put the Brandon meeting first and the Dauphin meeting last, in the last issue. Mr. Manns.

MR. MANN: Mr. Chairman, as spokesman for the Western Manitoba Farm Business Association and the Southwestern Farm Business Association, I'm presenting this brief on their behalf.

Mr. Chairman, we thank you for the opportunity to present this brief to the Special Committee of the Legislative Assembly for the Province of Manitoba inquiring into property rights in Manitoba. On behalf of the Western and Southwestern Manitoba Farm Business Association we would take this opportunity to outline our proposals on land use, ownership and property rights.

Firstly, however, we feel it is important to point out that our two groups are composed of people actively engaged in farming. Our membership is drawn from a wide area stretching from the Riding Mountains on the North, Saskatchewan boundary on the West, the U.S. Boundary on the South and on the East by a line running approximately north and south through Neepawa.

We are a group of farmers formed into an association for the pooling of ideas in farm policy to help promote a better farming community, both for ourselves and for our fellow farmers.

A serious effort is put into keeping of accurate farm account records to help make management decisions for the betterment of their farming enterprises.

We certainly cannot claim to represent the entire farming population of this area but we can report a general feeling of scepticism and alarm among farmers to recent rumours of government ownership of farm lands. We say rumours since this is mainly what information has been filtering down to the farm level. We therefore cannot help but be critical of the general lack of information and publicity of these hearings. We would therefore as our first recommendation strongly urge this committee to carefully consider the Manitoba Farm Bureau's ninth recommendation.

This recommendation calls for the establishment of a land use and ownership commission, and that this commission be given a period of at least one year to:

- (1) assemble and publish adequate information;
- (2) encourage public consideration of all land use and ownership issues, and
- (3) prepare recommendations on land use and ownership for the Provincial Government.

In regard to the subject of foreign ownership of lands it has been our experience that there are many differing views among the farming public on this subject. A few points that we did agree on were, that foreign ownership is acceptable provided the purchaser is required to take up residence in Manitoba and obtain Canadian citizenship within a short period of time, say three years. The majority of us are after all foreigners to this country.

We are however disturbed about foreign ownership and think that there should be controls as to the amount of land that can be owned by a foreigner who is not about to become a Canadian citizen. The difference in exchanges of foreign currency in itself is a matter that puts a Canadian buyer at a disadvantage and forces him to pay higher prices for land. We cannot find too much criticism of the Saskatchewan Farm Ownership Act. This type of legislation would in our opinion be acceptable to most Manitoba farmers.

On reading the report *In Search of a Land Policy for Manitoba* we had the feeling that the writer favours government ownership of all farm lands. On Pages 78 and 79 an example is illustrated favouring government ownership and the lessee over-buying through FCC or renting from a landlord.

Firstly, we will state that we favour an individual buying and owning equity in his farm

(MR. MANNS cont'd) as opposed to the government getting into land ownership and lease-back. It is our belief that an individual would be more interested, more ecologically minded, and do a better job of farming, if he has equity in his own farm. Our forbears came to this country to own a piece of land; in a good many cases homesteaded it through hard times. We believe that the majority of farmers want to own their own land. The farmers of Manitoba have a good record of productivity and have proved to be very efficient. There are countries that are striving to reach our productivity and we don't believe that we can afford to change our system.

If we study the exercises that are presented on Pages 78 and 79 we find that the difference is only \$432.00 between the two systems and this is the amount of equity that the person puts into the plan. Assuming the prospective buyer has 25,000 cash and uses this money to buy \$20,000 worth of machinery and \$5,000 to reduce his operational and living expenses to \$11,000, he could purchase his farm with no down payment and his payments would be: under our plan, plan A, a mortgage for 30 years at 9-1/4 percent on \$64,000 would be \$6,352.14; 12 percent on \$11,000 operating and living expenses, would be \$1,320, taxes \$960, for a total of 8,632.14. Take a look at the MACC Plan, Plan B, rent at 5 percent on 64,000, or 3,200, 12 percent on 11,000 is 1,320, taxes 960, for 5,480. We see that his total payment to buy the property is 8,632 and to rent would be 5,480, but there is a \$2,720 grant for subsidy here, 4-1/4 percent interest on 64,000. If this money is subtracted from the purchase price it would leave a difference of 5,912 for the purchaser to pay, which is only \$432.00 greater and represents his equity in the property. If we go at it the other way, if we take 9-1/4 percent on 64,000 it comes up to \$5,920 in interest, his loan payments amortized over 30 years are 6,352.14. This means a difference of 6,352, less 5,920, or \$432.00. So, gentlemen, we can see that if the chap can pay 5,920 in interest or rent, then for \$432.00 more he can buy the farm.

Carrying on one step farther through MACC, if the chap after five years takes up his purchase option the way it stands now he has to pay back the subsidized interest, along with the purchase price of the farm, in cash. His price to MACC is 64,000, plus five years times \$2,720 equals 77,600, or a higher land evaluation. We ask you gentlemen, is this what we want?

We suggest that there be set up a Crown corporation to subsidize interest rates of young prospective farmers who meet certain requirements as to their ability to farm successfully but who lack enough credit to get started. This subsidy could be of short duration, five years, and could be partly recovered or partly forgiven after 20 years.

Because there is always a shortage of mortgage money there would be a plan whereby a retiring farmer could reinvest part of his money at going interest rates into farm mortgages that could be government backed.

This brings us to another point, namely that of where does the Manitoba Government obtain the moneys that it uses to purchase land. It is our understanding that the government obtains these large blocks of capital in the money markets of the world, New York, or wherever. This being the case, we have strong objections to the government ownership of land as this really blows the theory that the money is staying in Manitoba. In actual fact what is happening in this case is that the farmer pays his rent to the government, which in turn uses this rent money, plus additional taxpayer money, to pay the interest on the borrowed capital. In our opinion Manitobans would therefore be better served by the absentee landlord who lives in Winnipeg, Brandon, etc. It is also our opinion that the farmer who is working the land would much prefer to deal with the absentee landlord who in most cases is a person that is known to him rather than with a government body which is prone to change with elections, etc. Our suggestion here might be that the government could provide a good service by bringing its agricultural representatives up-to-date on land-lease agreements.

Some thought should also be given to allowing young farmers at their outset into farming to use their equity payments as a registered fund and have a tax saving. This would have to be at their career outset because to allow the older established farmer this concession could encourage the buying of land as a tax concession and force the price of land up.

The laws on capital gains, gift taxes, etc. on the passing on of farm lands to succeeding generations that are going to actively farm the land should be abolished.

Our group would also like to endorse the eleventh recommendation of the Farm Bureau, namely that during the Fourth coming Session of the Legislative Assembly the necessary

(MR. MANNS cont'd) legislative amendments be adopted to change the present methods of recording land ownership so as to provide more accurate information on who actually does own land in Manitoba.

In conclusion, we thank the government for the chance to present our views and hope that we have shown that there can be alternate solutions to helping young farmers get established.

MR. CHAIRMAN: Thank you, Mr. Manns. Is there anyone wishes to direct a question to Mr. Manns? Mr. Green.

MR. GREEN: Mr. Manns, there's one aspect of this thing that has always interested me particularly, and that is why there would be in your view an advantage to a non-resident owner in British Columbia, or in New Brunswick, owning four sections of Manitoba land as against a non-resident owner in North Dakota owning four sections of Manitoba land. What is the advantage in your eyes for the people of Manitoba?

MR. MANNS: I really can't answer one way or the other as I represent a group of individuals, and I think we expressed this in our -- or tried to at least in our paper, that some people said okay, that's all right and other people said, you know, we don't like that. So it was hard and I think I tried to indicate in there that this is why we feel we need more meetings is to get a general over-all consensus of what is the feeling. I wouldn't want like to say we favour it and I wouldn't like to say that we don't favour it.

MR. GREEN: But you do express an opinion in favour of the Saskatchewan Farm Ownership Act and of the concept that a non-Canadian be required to take up residence in Manitoba if he owns land in Manitoba?

MR. MANNS: Yes, that's right. That seemed to be one of the things that did come out in our discussions with people was that they would like to see people take up residency and . .

MR. GREEN: So then I think it's fair that I ask you the question - why do you say that a man from North Dakota who buys four sections of Manitoba land be required to take up residence in Manitoba, or residence in Canada, perhaps move to Victoria, in which case he can keep the land, but a person in New Brunswick who buys four sections of Manitoba land can continue to live in Moncton till he dies.

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

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

MR. GRAHAM: On the point of order, Mr. Chairman, the witness has indicated that he is representing a group and the Minister is trying to get the man to give a personal opinion on his views on foreign ownership versus non-foreign ownership.

MR. CHAIRMAN: Mr. Graham, that is not a point of order. I believe that the question is being directed and is not expressing an opinion. Mr. Manns is indicating that he is representing a group and that it has been the expression of their group. The question is simply for Mr. Green's clarification as to the reasons.

MR. GREEN: Mr. Chairman, and I am certain that Mr. Manns will tell me, and he appears to be quite able to take care of himself, that either he has an opinion or he doesn't have an opinion. I am sincerely interested in this question. You are a person who obviously being asked to represent this group has some feelings or knowledge, and if you haven't I expect that you will tell me, but for the life of me I have tried and asked numerous people to give me their reasons for being of the opinion that a foreigner who lives outside Manitoba should not be able to own Manitoba land, but a fellow from New Brunswick should be able to own Manitoba land, and I am only asking whether you can give me your opinion as to the two, and if you can't of course that's fine. But your organization . . .

MR. MANNS: Personally I have no objection to people outside of Manitoba within the boundaries of Canada owning Manitoba land. That's only my personal . . .

MR. GREEN: And I have appreciated that. Now I am asking you, you do have an objection to a person from North Dakota who intends to continue to reside in North Dakota owning four sections of land in Manitoba, apparently from your brief.

MR. MANNS: Yes, this is what is in the brief and again . . .

MR. GREEN: Is that also your . . .

MR. MANNS: No, not necessarily my own opinion. I feel that if we can't compete then we're going to have let them farm it, but that's only my personal opinion. I come from the northern part of this district and I'm not affected by the problem of American farmers coming across and I am sure, I didn't get time to look around today when I came in, but I am sure there are members here from the Southwest Farm Business Association who are directly

(MR. MANNS cont'd) affected by this problem and if there are any, I would like to hear their comments.

MR. GREEN: I'm afraid that it's possibly my own inability to get through the question to you. I'm not talking about somebody who wants to come across and farm. I'm talking about a man in North Dakota owning four sections of land in Canada, renting it out to you and continuing to live in North Dakota. Your brief is against that?

MR. MANNS: That's right, yes.

MR. GREEN: But your brief takes no opinion against a man in New Brunswick owning four sections of Manitoba land and renting it out to you. You appear to say that the one is not acceptable, that is the North Dakota man, but the New Brunswick man is acceptable.

MR. MANNS: Well I wouldn't deny that this is probably what our brief says but I think that really it was more of an oversight, in the hurried effort that we had in putting this brief together we probably didn't consider this problem, this whole problem and it brings up something that will have to be discussed, I'm sure, by . . .

MR. GREEN: Well do you then consider that a person from New Brunswick who has no intention of coming to Manitoba should be in the same position as a person in North Dakota who has no intention in coming to Manitoba, with regard to the ownership of Manitoba land?

MR. MANNS: Well I really couldn't again offer an opinion as to what the over-all consensus of our group would be on that particular thing.

MR. GREEN: Fine, that's fair enough. You are aware that a farm resident of Manitoba can own land or can buy a farm in North Dakota and continue to reside in Manitoba and rent that farm out in North Dakota. I mean you're aware that that can happen now?

MR. MANNS: Yes.

MR. GREEN: You think that's a bad policy for North Dakota? Or you don't want to comment on the policies of North Dakota - which is legitimate.

MR. MANNS: No, I think that they will look after that situation if it arises.

MR. GREEN: Okay. Mr. Manns, would you not consider the real problem as to how land in Manitoba is used, as to whether it's used for the benefit of the people of the Province or is not used for the benefit of the people, that the real question is one of the use of land and not the ownership of land?

MR. MANNS: Yes, I think that generally speaking our group is concerned about the use of land.

MR. GREEN: And I think to be fair to your position, you are of the opinion or your group has put the opinion, that ownership is a very important if not essential ingredient to the best use of farmlands. Would that be fair?

MR. MANNS: I think that's fair, yes, that ownership . . .

MR. GREEN: And would you not feel that the more farmers in Manitoba who own their own farms, the better for the people of Manitoba?

MR. MANNS: Not necessarily. I think that our group would like to see a kind of a blending if possible of owned land, a farmer would own a block of land, a secure block, but there's no objection I don't think to anybody I've spoken to in our group to renting land as to an additional thing. I don't think we necessarily want to own all of our land. I don't think this is the intention.

MR. GREEN: But am I not right in thinking - and if I'm wrong I want to be quickly told - am I not right in thinking that the brief says that ownership is important because a person who owns his own land practises the best form of husbandry, also builds up some equity in the land?

MR. MANNS: That's right, yes.

MR. GREEN: So would it not be an extension of that - and again if it's not tell me so - that it would be better if more farmers own their own land rather than less farmers own their own land?

MR. MANNS: The floor is open.

MR. GREEN: Somebody says to you to say yes. It's not me, I wouldn't tell you what to say, but somebody in the audience is encouraging you to say yes.

MR. MANNS: Yes, I think that we would like to see more ownership, I think that's . . .

MR. GREEN: Now if you had a report prepared by the Conservative administration called Targets for Economic Development, prepared under the auspices of the Department of Industry and Commerce, at that time Minister Mr. Sidney Spivak saying, that the target of 20,000 farms by 1980 and an agricultural labour force of 30,000 mean that fewer people will

(MR. GREEN cont'd) be living on farms and depending directly upon farming for their income than at present and the decline should be faster than the natural attrition rate and therefore people will have to seek new employment. Now the target suggested in the TED Report is 20,000 commercial farms. Because of the uncertainty of how many non-commercial farms there will be by 1980, the target for 20,000 commercial farms should be set, but it should not be a matter of concern if farm numbers as defined by the census are higher.

Now given the fact that at that time there were over 35,000 commercial farms and the target being set at 20,000, would it not be of some concern to you that the target for 1980 would be less farmers owning their own farms rather than more farmers owning their own farms?

MR. MANNS: I don't quite follow you that there would be -- I certainly follow that there are less farmers but I don't follow that there would be less farmers owning their own farms.

MR. GREEN: Well if one talks about 35,000 commercial farms in 1969 and 20,000 commercial farms in 1980, would it not follow that less farmers are owning their own farms?

MR. MANNS: Not in my opinion. The 20,000 that are remaining have maybe bought out the 15,000 that dropped out, but it doesn't necessarily mean that they don't own -- you know, it could be the same amount of ownership, just we've got fewer farmers, that's all.

MR. GREEN: Well fewer farmers owning then.

MR. MANNS: Fewer farmers owning it, yes.

MR. GREEN: That's the only conclusion that I tried to draw.

MR. MANNS: Oh, okay, fine.

MR. GREEN: Would that not be of some concern to you that some suggestion is being made that instead of there being 35,000 farmers owning farms that there be 20,000 farmers owning farms.

MR. MANNS: To me personally, no, but I know that this is quite an issue, the decline of the farm population. But to me personally, no, I don't.

MR. GREEN: So then it is not of concern. Well would it . . .

MR. MANNS: I certainly wouldn't want to speak on behalf of the group but I know that this is an issue that has been kicked around a great deal, that we must preserve and keep as many people on the farm as possible, but from my personal view to farm is not a God-given right.

MR. GREEN: Let's, Mr. Manns, take that a little further because I think you're the first person who's had the frankness and foresightness to come out and say that you don't care if there are less farmers on the farm. I don't think that that has been heard by the committee before.

MR. MANNS: I don't want to appear callous but . . .

MR. GREEN: I welcome your frankness. Now let us assume that we go down to 10,000 farmers from the 20,000. That would also be not of concern to you?

MR. MANNS: No, . . .

MR. GREEN: And if we go from 10,000 to 5,000 that would also not be of concern to you?

MR. MANNS: Well I don't think that this situation will ever come to pass. Well I suppose, you know, the natural conclusion is you're going to get down to one farmer and then of course I would be concerned I suppose.

MR. GREEN: Going from two to one is when you start being concerned?

MR. MANNS: Right. But I don't think the situation is likely to come about and I'm not concerned about that.

MR. GREEN: I would have to say, Mr. Manns, that one of the concerns of certain members of this committee is that there is an inherent good way of life in farming which is available through the resources of Manitoba and one of the concerns of certain members of this committee is that that good way of life with a fair return to the people who are engaged in it be preserved for as many Manitobans as possible. But that is not one of your personal concerns?

MR. MANNS: No, I think that in our brief here we certainly outline that we like to encourage more young farmers in there and this belief of mine that I'm not all that concerned about the loss of people from the farm is as I say only my own personal, callous if you would, but not the views of the Farm Business Association at all.

MR. GREEN: But those people who are concerned that more people be producing at a

(MR. GREEN cont'd) return which enables them to live a decent life, that people having that concern would then not be able to adopt some of the propositions that you have put forward.

MR. MANNS: I'm afraid you kind of lost me there, I didn't catch what you were . . .

MR. GREEN: That's possibly not fair. Some of the personal propositions that you have put forward. That some of the personal propositions that you have put forward are that the sort of diminution of the farm population into bigger units with less farmers is not a problem as far as you're concerned.

MR. MANNS: Not really, no.

MR. GREEN: And, of course, I think that you have indicated to me that despite the brief that you have presented that you are not able to give me any real distinction between a New Brunswick non-resident owner of four sections of land and a North Dakota non-resident owner of four sections of land, that you aren't able to really see any distinction between the two.

MR. MANNS: No, other than in our brief we have stated that the person be required to, you know, take out Canadian citizenship, which of course is going to predicate against the chap from North Dakota.

MR. GREEN: Yes I understand that's what your briefs say, but then I try to find out from you why there would be this distinction, and I believe it's fair to say that you haven't been able to give me a real reason as to why there should be a distinction, other than one is a Canadian and one is a foreigner.

MR. MANNS: Well that's possibly true, you know. There are so many grey areas I suppose, and you get talking about a thing like this and that the questions never really come up a lot of time in the discussion to enlighten a person on them.

MR. GREEN: Now, Mr. Manns, I take it that you agree that the difficulties involved with capital investments necessary to go into farming, and in particular one of them being the price of land, make it necessary to have some type of subsidy program for people wanting to get into the business; a subsidized interest rate I think you referred to.

MR. MANNS: Well I don't know that we actually referred to this. This was just taking an example that was in the red book and carrying it one step further. That's all. A different use of the same capital. We didn't change anything really, we just moved it around in a little different . . .

MR. GREEN: I'm not trying to be unfair to you. Going to Page 4, "we suggest that there be set up a Crown Corporation to subsidize the interest rate of young prospective farmers". So I am suggesting to you that you do believe that there is something necessary to subsidize young farmers, and one of the things that you referred to is a subsidized interest rate.

MR. MANNS: Yes that was one of the things. It was merely, I think, or mainly a carry-over from the previous example, and we were looking at it as if the government had more or less suggested - in fact, this appears to be the program now that they will in effect subsidize the individual by means of letting him lease land back at 5 percent, so we're just simply saying well let's use it in a little different way and let him own that, for a mere \$432.00 a year more let's let him own that land.

MR. GREEN: Well, but let's get your preferences because I want to be certain of this. Would you prefer that we subsidize nothing? In other words, if you didn't have our example would you say that there should be no subsidy for a person going into farmland, because you do make the suggestion that there be a subsidized interest rate. You now tell me that that was really just to sort of have a preference to what has been done with the leases, but if you had your druthers, as we say, would you not subsidize them at all?

MR. MANNS: I think probably I would prefer to see no subsidy because every time that the government comes in with a subsidy, or some other program, we lose something else. We lose somewhere along the system. Either we have rights taken away or it's going to cost us dearly somewhere else, and I think a good example of this probably is the beef industry at the present time. The more we get hand fed from the government, the more then we've become dependent and I don't really think that -- (Interjection) -- this is mentioned in here, and again I'm afraid that I'm overstepping my limits in saying that I'm not all that . . .

MR. GREEN: You're not personally in favour of the injection of . . .

MR. MANNS: . . . subsidies as such because they always have got something tacked along with them and . . .

MR. GREEN: Well, then, would I be correct in saying that as far as your personal thinking is concerned that the program under the Farm Credit Corporation should be eliminated and the program under the MACC should be eliminated because both of them involved government-supported interest rates, publicly supported interest rates? And I understand that there are more farmers in this area on a percentage basis who have made use of those two programs than in any other part of the Province of Manitoba. Would you say that those programs should be eliminated?

MR. MANNS: No, I don't think that they should. I just merely stated that every time a new government program comes along we're going to lose something, and I think that the Manitoba Ag Credit and Federal Farm Credit both have been accused of, because of making money more readily available they have forced the land up; so it I think can be argued both ways as to whether they in actual fact were a benefit to the farmers. I realize full well that almost, I don't know, maybe 90 percent of the farms in this area that have a mortgage on them are either with FCC or MACC. I don't dispute that . . .

MR. GREEN: Well I won't pursue it further. I mean you've indicated that personally you would not have any of these subsidies in existence. But then you've also said that you wouldn't care if we went down to 5, 000 farmers.

MR. MANNS: That's right. That again, as I say, is my personal opinion and certainly I wouldn't want to speak for the rest of the group. You could I'm sure talk to another person in this room from our group and get an altogether different answer and this is . . .

MR. GREEN: I understand. I understand that, Mr. Manns, and I say I appreciate the forthrightness in which you're giving these answers. I know I'm taking a bit of time but I have been, and for many years have been so interested in these questions that I hope you'll forgive me if I pursue them.

Now you appear to agree that holdings need not necessarily be all owned, that a farmer can have an option to lease, and of course many farmers in Manitoba have leased land from different sources for many many years. There's nothing wrong with the farmer leasing land.

MR. MANNS: Not in my opinion and I think in . . .

MR. GREEN: And would you say that a farmer should have a choice of from whom he leases land?

MR. MANNS: Probably preferable, yes I suppose.

MR. GREEN: And would you say a farmer should have a choice of to whom he sells his land?

MR. MANNS: Oh certainly, yes.

MR. GREEN: And you wouldn't discriminate against either the buyer or the landlord as to who should be the buyer or who should be the landlord?

MR. MANNS: I would discriminate against the buyer if it's going to be the government buying with my tax money.

MR. GREEN: Well can you tell me, Mr. Mann, when you say that the buyer is buying with your tax money, are you certain that your tax money that you're talking about is worth more than the land that the money is going into? After all, money is one form of asset, land is another form of asset. If someone was able to convince you that your tax money is going to depreciate in value and your land owned by you as a taxpayer is going to increase in value, would you still say that as a taxpayer you would prefer to hold money than land? And as a businessman - because it's merely the transfer of one asset to another. If I, as your public representative, had \$100.00 of your money and I could be dead sure, which of course I never can be, that having that money in land would make sure that it's worth \$200.00, having it in money, as you say, will result in it being worth \$50.00, would I as your public representative act in your benefit if I kept it in money rather than in land? Some people say you should say no. I'm not telling you what to say, that's right.

MR. MANNS: I'm afraid you've lost me.

MR. GREEN: I believe that there are other people who want to answer the question for you. They apparently think that, not like me I think that you are very capable of answering, but there are some people who think that you can't answer. I'll repeat it. If the Province of Manitoba in dealing with your tax dollar, in dealing with the treasury, knew that it was holding a million dollars in either cash or credit, and knew that that million dollars was going to depreciate to be worth half a million, and knew that land would continue at a million, would your elected representative do you a justice by keeping the million dollars in cash or in land?

MR. MANNS: Well I doubt very much in the first place that they would have the million dollars kicking around. From my experience, or at least . . .

MR. GREEN: I said cash or credit.

MR. MANNS: Why should government want to go out and invest its money in land in Manitoba. I personally just can't see this. If there are programs for the people, welfare or whatever, then this is maybe surely where it should spend its money, but to go out and buy up farmland in Manitoba to me isn't right.

MR. GREEN: Then I gather, Mr. Manns, that your answer to the question is that you discriminate against no landlord unless it is the public, and that you discriminate against no buyer unless it is the public.

MR. MANNS: Yes.

MR. GREEN: You'll accept any landlord except the public? You'll accept any purchaser except the public?

MR. MANNS: I don't think in our brief we said that we would accept any landlord or any buyer as such. We did try to indicate in there that we wanted to see people take up residency in Manitoba and become Canadian citizens. There was that limitation in there.

MR. GREEN: Would you then give me this one, let's say meeting of mind, although I'm not sure that I will get it from you, that as far as you are concerned the public of Manitoba is as good an owner of land as a foreign non-resident of Manitoba, or would you prefer a foreign non-resident to the public of Manitoba. Somebody is answering for you, a foreign non-resident; again they don't feel that you can answer the question.

MR. MANNS: Well this of course is the position that I find myself in. If I answer one way - you know, I'm trying to answer on behalf of the group, and as I said at the outset the views of the group are many and varied and I really can't, and I'm afraid I've gone far too far today in answering things as I personally feel. No I don't really see any objection personally to foreign ownership of the land.

MR. GREEN: So then you would prefer a foreign non-resident to public ownership.

MR. MANNS: No I don't really want to see either if at all possible. I would much prefer, I would much prefer the situation that I happen to be in at home where I'm renting land from a retired gentleman, lives down the road, and he lives in Minnedosa. And the rent money that I pay him, I don't know, he may go and spend it in the pub, but at least it stays in that immediate area.

MR. GREEN: Mr. Manns, we're trying to determine a land policy for the Province of Manitoba and one of the things that has come up is whether we should restrict foreign ownership. And you people have indicated that you should restrict foreign ownership if it doesn't result in residency in a period of three years. Residency being anywhere in Canada. or becomes a citizen of Canada. Now would you say that you would prefer - you prefer neither foreign ownership or public ownership. Would you prefer a private resident of New Brunswick who never came to the Province of Manitoba, non-resident ownership, to public ownership of land.

MR. MANN: Yes, I think so.

MR. GREEN: Thank you.

MR. CHAIRMAN: Mr. Henderson.

MR. HENDERSON: Thank you, Mr. Chairman. First, Mr. Mann I want to assure you that I won't give you as rough . . .

MR. MANNS: Excuse me, the name is Manns, M A N N S.

MR. HENDERSON: M A N Z?

MR. MANNS: M A N N S.

MR. HENDERSON: Thank you. Well I certainly won't give you as rough a time as Mr. Green did because he's a very capable lawyer and my only worry is that if he's going to badger every witness that gets up to express his opinion that there won't be people want to get up.

MR. CHAIRMAN: Order please.

MR. HENDERSON: Mr. Chairman, I don't think it's fair that a professional lawyer . . .

MR. CHAIRMAN: Order please. Order please. Order please. Mr. Henderson you have a question to be directed. I don't believe there was any badgering. If you have a question you can redirect the question to the person appearing, and I don't think that there is any need for that type of a start of your questions. Mr. Green on a point of privilege.

MR. GREEN: Mr. Chairman, on a point of privilege. You know I'm not going to

(MR. GREEN cont'd) comment on the intelligence or the lack of intelligence of Mr. Henderson's questions. I believe that I asked the questions that I asked because they are questions which people in Manitoba are concerned with, and which I as an elected representative are concerned with. But if we are to continue this I may have to comment on the intelligence of Mr. Henderson's questions and they may not be to his advantage.

MR. CHAIRMAN: Mr. Henderson you may proceed.

MR. HENDERSON: Mr. Chairman, on the same point of privilege.

MR. CHAIRMAN: Mr. Henderson, on a point of privilege.

MR. HENDERSON: I don't say that Mr. Green isn't trying to do a thorough job.

MR. GREEN: Then don't say that I'm badgering.

MR. HENDERSON: But by using the legal tactics that you do, I don't believe . . . On the same point of privilege. He spoke on his point of privilege and I believe I should be given the same right.

MR. CHAIRMAN: Proceed on your point of privilege, Mr. Henderson.

MR. HENDERSON: And I think that if we are wanting the public to participate in these hearings that we should be a little careful and not just badger a witness, as you could say, so as you can embarrass them.

MR. CHAIRMAN: Mr. Henderson that is not a point of privilege. You may proceed with your questions.

MR. GREEN: Mr. Chairman, I would like Mr. Manns to tell this committee, or to tell the people in this room, whether he feels that I have been unfair with him.

MR. MANNS: I was expecting it.

MR. CHAIRMAN: Well I believe we are trying to find out the answers to the question which has been raised in the Legislature, and this is the whole purpose for this forum. Whether you're expecting it or not I believe you came forward to give some information to the committee. Therefore we shall proceed. Mr. Henderson, your questions.

MR. HENDERSON: Okay. Mr. Manns did you know that the TED Report was not written by Mr. Spivak and just Conservatives, that it was written by businessmen of all the communities and people from all different political parties?

MR. MANNS: I'm not aware of what is in the TED Report or who wrote it, or anything else really.

MR. HENDERSON: Well the TED Report was written by a group of businessmen who were being picked by the government of the day to recommend targets for economic development.

My only further question is that what you are opposed to, as I see it, is you are not opposed to landlords living in towns and renting to other people, what you are opposed to is the government owning too much land and renting it back to people under their option plan, as they call it.

MR. MANNS: I think this was the general feeling of our group, that there is scepticism and alarm among the people that the government is coming in and taking over this land.

MR. HENDERSON: And you are really more worried about that than you are about foreign ownership or non-resident landlords?

MR. MANNS: Personally, yes, because foreign ownership is really not a problem in our area.

MR. HENDERSON: And you represent a group of people right from the border up to the north?

MR. MANNS: Yes.

MR. HENDERSON: Thank you.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes. Mr. Manns, during the course of our experience in the credit corporation's activities since 1969, we found that we had to reject most of the applicants for mortgage credit because of their lack of viability, their lack of personal assets to get them started, and the land-lease program developed from the consideration of those people that were denied entry into agriculture. Do you believe in your opinion that the only way in which people should get their foot in the door of agriculture, get control of a parcel of land, is through mortgage financing, or do you think there should be flexibility on the part of government programs so that all the needs of the rural people can be met, even those who cannot raise mortgage money.

MR. MANNNS: I am afraid I'm just at a loss to know just how to go about answering that question. I certainly realize that there are a lot of problems with young people who want to get established in farming, having the money to do it, and again I suppose I would have to come back to my statement that, you know, it's not a God-given right. Nobody starts up in the clothing business or any other business without some financial help probably from his father or somebody, he gets into the business in this way, and farming, in my opinion, is a business. It's really no different than any other and that, you know . . .

MR. USKIW: All right. Let me pose the other question. Is it a God-given right that only those people that have already assembled some financing of their own should be given further financing by government institutions as a means of gaining control of land?

MR. MANNNS: Probably not.

MR. USKIW: All right. So then both rights are not God-given?

MR. MANNNS: No.

MR. USKIW: If that is the case, is it not fair that public policy should accommodate both needs; the one that has some ability on his own to acquire a land holding as well as the one that aspires to do that but at the moment is unable to raise his capital?

MR. MANNNS: Yes, I think that in our brief we indicate that, you know, for the person who is genuinely interested in getting established in farming that we have said that some form of help should be available. We don't personally think that the leasing system is the one, we would like to see, as we have suggested, just, you know, turn the thing around a little bit; we don't feel that MACC need get back into the lending business but if they could work out some agreement with say FCC whereby a young chap could maybe get 100 percent financing on a parcel of land and get a break on the interest rate for the first five years and go along on this basis - possibly. This is just a suggestion. I'm sure that there are lots of others and probably better, but the lease-back arrangement we don't -- we feel at least that it's loaded against the chap ever owning that piece of land and we come back to the thing that - a lot of times there isn't a heck of a lot in this farming business, it gets pretty skinny - and it comes back to pride of ownership and if you had a fellow just leasing that land, I think lots of times he might just say to heck with it and pull out.

MR. USKIW: Well then let me ask the following question: Why is it that our more sophisticated farmers, those that are categorized as the farmers who own substantial quantities of land, the larger operators, by and large tend to lease more land than do the smaller owners of farmland? Why is it that the more sophisticated larger operators take the option of leasing additional quantities of land?

MR. MANNNS: Well I suppose they have the capital tied up in equipment and one thing and another and it provides a good means of expanding their business to lease more land rather than tie their capital up in it.

MR. USKIW: But doesn't that then more so justify that the one that doesn't have any money not tie up any capital in land but rather tie it up in productivity, buildings, equipment, livestock. Aren't you fortifying the position that it is wrong to overload a beginner with a heavy mortgage?

MR. MANNNS: When you come back to this point that you mentioned about buildings, this is one thing that has been brought up, of where in the world is the fellow going to get any money from anybody to erect buildings on these properties if it's all leased, you know, to do any improvements. What encouragement is he going to have to make improvements to this property if it is in fact all leased?

MR. USKIW: You are obviously considering a private lease arrangement only when you make that comment.

MR. MANNNS: No, I'm talking about government leases. The information that I have, maybe it's sketchy, but the individual would only actually own maybe the small building site that he occupies and there's no way that any lending institution is going to consider lending him money unless he has a terrific record.

MR. USKIW: Well the point is, if he has security of tenure, why would he not want to build his hog barn or his poultry barn; why wouldn't he want to improve the soil, the productivity; why wouldn't he want to erect his home? If he has security of tenure for a lifetime whether it's through the option to purchase or through a continuation of his lease till he's old enough to retire and with the provision that he may even pass that on to his descendants, why would he not have the confidence to invest those sums of money that are required to make that farm productive?

MR. MANNNS: I think by virtue of the fact that it is a lease and like any farmer here, I am sure he's reluctant to make improvements on land that he leases from no matter who, whether it's the government or whoever; and, you know, the government as we mention is prone to change with elections and the view of the people is that, you know, these leases, you may say that they are long-term leases but the cottage owners in Clear Lake are finding out that their long-term lease isn't so long term now, and there's no difference in our opinion, I don't think.

MR. USKIW: Well if his security of tenure was assured to him by contract, what is the difficulty in him investing money for the productivity of that farm in the same way that he would if he owned the land?

MR. MANNNS: Because I don't think that you can really assure him of security of tenure . . .

MR. USKIW: Why can't we assure him of that?

MR. MANNNS: . . . under a lease, because of the things that I mentioned earlier. That subject to changes of government, and certainly we all know that there are whims of politicians that get into these things . . .

MR. USKIW: You don't respect the law of contract as being binding enough?

MR. MANNNS: Not that particular -- not a contract on a lease, because as I have mentioned, that the cottage owners at Clear Lake thought that they had 99-year leases and one thing and another and my understanding is that they are finding that this is not the case.

MR. USKIW: But I am putting to you this question. That if his security of tenure is as assured as it would be if he owned his own land, in other words . . .

MR. MANNNS: I don't really believe that the farming public of Manitoba would feel that a lease was as secure as a mortgage, you know, owning the property and having a mortgage. Certainly he stands the chance of losing it if he falls behind in payments, recognize this. But you do the same thing in a lease too.

MR. USKIW: What I am trying to bring out here is that (a) he is not an eligible borrower under the normal way of doing business. That is he cannot accumulate mortgage funds. He has been already turned down by the FCC, that's the character that we're talking about. He is the son of one of you in this room who wants to farm; his father does not want to retire, his father does not want to donate him a farm but he wants to farm as a career. So therefore we're not talking about a person that has alternatives and which are the better alternatives, we're talking about that group of people that have no alternatives but to exit out of agriculture or to enter agriculture via a different system of tenure, be it temporary or permanent, which would depend on their own performance.

MR. MANNNS: Well maybe I've lost touch with what is going on in my district and that. I don't really feel that the situation is that desperate, that the young fellow is being forced out simply because he can't find the money. I think if there is a genuine desire on his part to get established that he'll find some land and he'll get going somehow or other.

MR. USKIW: Somehow or other?

MR. MANNNS: Right. I don't think you'll find any farmland in Manitoba that is not being farmed at the present time.

MR. USKIW: You're suggesting to that individual that has a desire to farm, that if the credit system cannot facilitate him that he really has to opt out of the occupation that he would prefer?

MR. MANNNS: If he has the genuine desire to get established in farming I don't think that the present situation would stop him. I know of lots of young farmers that are getting established with very little backing and . . .

MR. USKIW: If that is correct then why is the Federal Credit Corporation not facilitating thousands of young farmers who want to get in but who are told you don't have enough assets, you are not qualified under our regulations, until you accumulate a certain amount of equity we cannot do business with you.

MR. MANNNS: Are they in fact turning thousands of Manitoba farmers away?

MR. USKIW: Well I don't have a figure on it but I . . .

MR. MANNNS: I don't either but . . .

MR. USKIW: I would hazard a guess that there are many people that are not eligible for a loan, a mortgage loan, to the FCC because of their own financial position.

MR. MANNNS: Right. I'm aware of this. I worked for five years as a credit agent

(MR. MANNS Cont'd) with the Manitoba Ag Credit Corporation and I have some idea of the problems that these young fellows do have in getting established, but in working with them I found that if the fellow had the genuine desire to get going that usually something could be worked out, some arrangement, we could find some land to get him started somewhere - he would rent from a neighbour or something like this.

MR. USKIW: In your illustration you indicate that the difference between leasing and ownership is some \$432, but that is additional to a government grant of \$2, 720 annually?

MR. MANNS: That's right, yes.

MR. USKIW: That is correct? Why do you think that if I have money and I can arrange for a mortgage with the FCC, that I should not get \$2, 720 grant per year to buy my farm, but the one that doesn't have any money should be eligible to get an annual grant of \$2, 720, which is an expense of the people of Manitoba.

MR. MANNS: Well of course we have put this forward as a suggestion and this . . .

MR. USKIW: No, but isn't that unfair to myself who can arrange mortgage financing and who has to pay an interest rate, current whatever it is, isn't that unfair, one farmer against another, that one should be eligible for a grant of \$2, 720 per year in the purchase of his farm where the neighbour would not be eligible.

MR. MANNS: Well of course any time you break a ruling and draw a line there's going to be some people that are going to get hurt and your government is suggesting that the young fellow needs help but that the more established individual doesn't need help. So we are just, you know, really following that line of reasoning along. I know that there are going to be young fellows who have got money that maybe aren't going to be able to qualify for this and that's unfortunate but that's the ball game and they're going to have to live with it I guess.

MR. USKIW: But you realize the point I'm making.

MR. MANNS: Oh yes, I think.

MR. USKIW: That is that in the Land Lease Program the government hopes not to lose any money; in your proposition we would have to put up millions of dollars of taxpayers' money and give it away.

MR. MANNS: How do you reason that the government is not going to lose money, because the money that you use to buy that land is certainly going to have to carry with it interest of somewhere, you're going to borrow the money, you're only going to receive back 5 percent interest on that money, so say approximately 4-1/2 or 4-1/4 percent interest is going to have to be paid somewhere. Now we've suggested that probably the 5 percent plus the 4-1/2 or 4-1/4 is going to go into the New York money market or wherever you obtain your money, so it's lost from the Province of Manitoba.

MR. USKIW: Well it isn't lost in that the government for its risk capital is acquiring an asset, a long-term asset, if the individual does not opt to purchase the land. If the individual opts to purchase the land, the government gets repaid to the penny its investment in that land.

MR. MANNS: But this brings up the point that we were trying to raise, at least in our brief, that you really are not trying to establish the individual in the ownership of that land, you're loading it so heavily against him that after 5 years time he's got the interest for 5 years added on to the thing, it brings him up to, in this example, 77, 000-odd dollars, or a higher land evaluation. He can't even freeze the price of the land - you know, if he buys it today and then 5 years down the road he decides to take over the ownership he can't freeze it at that 64, 000 - it might be 80, it might be 90, 000.

MR. USKIW: That's right. But the point is the public is going to realize, hopefully, we think it will, every penny that it has put into that program whether the person exercises the option to buy or whether the person exercises his option to continue his lease, only that the government return will be an increase in its assets or the value of its assets on the one hand, or a recovery of cash on the other hand. So there is no risk to the people of Manitoba.

Now what I gather from you is that you would want to have the government consider a discriminatory policy whereby one person living on the right side of the road could get a 2, 700-dollar grant per year in order that he might buy a farm, while you would deny that same privilege to the fellow across the road because he happens to have accumulated a few dollars of his own. That's really what you are saying?

MR. MANNS: Yes, basically, I suppose, and is that not the case right at the present time, that the well-established farmer could not go to your department and have them buy a

MR. MANNNS Cont'd). . . piece of property for them and rent it back at 5 percent?

MR. USKIW: Yes, there are . . .

MR. MANNNS: So you are actually discriminating now . . .

MR. USKIW: But not by way of a grant. The discrimination is only as to whether one can use the program but not as to whether one should receive a subsidy. They are both equal on that score.

MR. MANNNS: I'm afraid you've lost me on that one, that's kind of thin as to whether he receives the grant or not; he certainly would be receiving the grant if he was allowed to rent the land at 5 percent.

MR. USKIW: That's assuming that the asset never increased in value or in fact depreciated in value. On that assumption you would be right. Are you assuming then that the public is taking undue risk in that the value of land will go down over the next 20 or 30 or 50 years or the lifetime of our contract with a lessee and that therefore in fact the public will be losing money?

MR. MANNNS: No, I really hadn't even considered whether the public was going to lose money or not in the ownership of land.

MR. USKIW: Would you think that they are going to make money when the lessee exercises his option to purchase - or if he does?

MR. MANNNS: Well I suppose it would depend entirely on what the farm economy is going to do and how long the chap takes to exercise his option.

MR. CHAIRMAN: Mr. Johnston.

MR. G. JOHNSTON: Mr. Manns, in your brief you state that you would like to see some legislation restricting foreign ownership when you were discussing it with Mr. Green. Is the real reason because foreign money would upset the land values? Is that one of the reasons? If there was an excess . . .

MR. MANNNS: I would think that's got to be one of the reasons. Yes.

MR. G. JOHNSTON: If there were a modest amount of foreign buying and selling, which has gone on in Canada from day one I suppose. It hasn't really affected land values or the market in all of Canada excepting perhaps in some recreational areas where wealthy Americans pay high prices for recreational land. But you are concerned about the future, not perhaps the present but in the future, false values enter into the market?

MR. MANNNS: Well yes, this is certainly I think one of the things that we are concerned about and we, you know, look around and B.C. has a program, and most of the other provinces have some sort of legislation that at least limits foreign ownership, and we might end up being the only island in Canada where this could flood in and with the tremendous amounts of money that is being accumulated by the OPEC countries it's entirely possible that they could if they chose come in. I could stand corrected on the solvencies in other provinces but I understand that at least some of them have a program.

MR. G. JOHNSTON: Of course you realize the intention of the hearings is if the government gets enough feedback and feeling that they would bring in legislation to restrict or control a foreign ownership, and basically you think that's not a bad idea. Is that correct?

MR. MANNNS: Yes, I think that the feeling of the group was that control, some control of foreign ownership, at least make them responsible enough that they're going to have to take out Canadian citizenship, and possibly residency in Manitoba, I don't know.

MR. G. JOHNSTON: To turn to the other subject that is under discussion, and that is the fact that the government has a program to go out and purchase land and either lease it back or resell it to young farmers, or to farmers in general. Your brief states that you don't approve of that idea. Is that correct?

MR. MANNNS: I think that certainly would be the general feeling of the members of our group that they don't like to see the government . . .

MR. G. JOHNSTON: Well in your experience with your neighbours and with your association, do you know of any government purchases that have taken place that have not helped someone. What I'm asking is, has government competed for the land, or did they buy land as a last resort to help someone else get into the business?

MR. MANNNS: In my immediate area I can't think of any case where the government has come in and bought land.

MR. G. JOHNSTON: So you don't know of any particular case?

MR. MANNNS: I don't know of any particular case but I'm sure there are probably others in the group that do.

MR. G. JOHNSTON: Mr. Manns, would it be helpful to you and others in this room, and I notice Mr. Max Hofford is in the room, the Chairman of MACC, if the committee were to ask him to appear before us so that he could answer questions. Would that be helpful?

MR. MANNNS: You mean at this particular meeting?

MR. G. JOHNSTON: Yes, he's here in the room. Would it be helpful for him to explain the programs that he is attempting to carry out on behalf of the government? In other words, you have said here that you don't - you're critical of lack of general information about the government entering into this program. Would it be helpful if Mr. Hofford were to make a presentation and members of the committee could ask him questions, which in turn would be giving some information out to the people here?

MR. MANNNS: Well I would be happy to hear what Mr. Hofford has to say. Unfortunately I don't know how many other people there are waiting to present briefs here today and I certainly wouldn't want to indicate that he should, or that he shouldn't, until these other people at least are heard.

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

MR. CHAIRMAN: Mr. Walding.

MR. WALDING: Thank you, Mr. Chairman. Mr. Manns, you've been very patient with the committee, I'll try not to keep you too much longer.

I'm a city MLA and I know very little about farming, so you'll please be patient with me with the questions I wanted to ask. My constituency is an urban one; there are no farms in the constituency. Just as a point of interest or information to you, you mention on Page 2 that the purchaser should take out Canadian citizenship within three years. I believe the Citizenship Act requires a landed immigrant to be in the country for five years before he can take out his citizenship. The members of your association would they be mostly farmers in the district - farm owners?

MR. MANNNS: Oh yes. We're all actively engaged in farming and I would say that we all own our land and a good percentage rent land, and in most cases rent it from people that live or reside in the neighbouring town, or wherever, but generally speaking from people that are right in the district.

MR. WALDING: And when the time comes for them to retire they would presumably want to get the best price for their land that's possible?

MR. MANNNS: I suppose a farmer is a kind of a funny beast in that my experience has been that oftentimes a farmer will sell out to a neighbour, the neighbour's son, or something like this, and give him a pretty fair break in the price to help him get established and get him going. So I don't really think you can say that they generally sell out for the higher price. Certainly there are farms that sell for the highest price but in a lot of cases I think that there are a lot of farms that change hands at values below what they really could have got for them if they'd really gone out and advertised them.

MR. WALDING: I'm rather surprised to hear that. I would expect a man about to retire would want to accumulate the biggest nest egg he could to provide for his retired years.

MR. MANNNS: As I say, a farmer is a kind of a funny cat in that he doesn't always ask that high price, and I think that the statistics that are quoted in your book would tend to indicate this. If he's selling to a foreigner certainly the price is going to be up as high as he can get it, but if he happens to be selling to the neighbour's son, or something like this, chances are that land value isn't going to be as high as what it normally could have been. Now that's a personal opinion again and I could stand corrected by other people in this room.

MR. WALDING: If we were to bring in restrictions on the sale of land what it would mean, that those farmers who wanted to get the highest amount that they could would not have that right to sell to foreigners who might have a fat cheque book to pay an inflated price for farms. Is this what you would have us do to your members, to take away this right?

MR. MANNNS: I think the members have indicated that they're not in favour of foreigners coming in to buy. Now they may have - maybe on the other side of the fence come the day they want to sell and the foreigner happens to want to buy, but at the present time as farmers that are going on farming I think that they feel that foreign intervention, unless that person is interested in coming over here and farming, and I think that there are certainly a lot of people in other countries that probably could come and teach us a lot about farming too. I wouldn't...

MR. WALDING: We've heard no objection to that from anybody by the way. It's just farm residents I believe.

MR. MANNS: No. Right.

MR. WALDING: I wanted to touch on another point, where you said you didn't want your tax money, or anybody else's tax money, to be paid out by the government for the ownership of land, and that would include my constituents, too, yet at the same time you said that you thought it would be a good idea if the public through my constituents' tax dollars were to subsidize farmers to help them buy a farm.

MR. MANNS: Yes. You know, I'm in the position of answering on behalf of an association and yet I have my own personal views on this and I don't really like to see any more government intervention in the thing than we can possibly - you know, if we can possibly eliminate it. Yet at the same time I would of course like to see young farmers coming into the farming, but I see them coming in now and I'm really wondering whether there is any need for all this.

MR. WALDING: There was a subsidy mentioned in your brief and . . .

MR. MANNS: Yes. Well it was just in reference to the example that was used in the book and we assumed it would be a subsidy of 27 hundred-odd dollars.

MR. WALDING: So what your members are saying in effect is that it's all right for the taxpayers of St. Vital through their tax dollars to subsidize the purchase of a farm for one farmer but it's not all right for the taxpayers of St. Vital themselves to become a part owner through their tax dollars?

MR. MANNS: Yes, I think that's fair.

MR. WALDING: Thank you.

MR. CHAIRMAN: Mr. Blake.

MR. BLAKE: Thank you, Mr. Chairman. Mr. Manns, I'd like to personally thank you for taking time, you and your group, to present the brief on the short notice that you've had and . . .

MR. CHAIRMAN: Mr. Blake, I don't know what the relevance is of this short notice that you had, I believe you can proceed with your questions.

MR. BLAKE: I'm just prefacing my question, Mr. Chairman. It's unfortunate that we've kept you so long, and I hope that that doesn't discourage anyone else that has a brief to present this morning.

My question, Mr. Manns, is if the neighbour's boy down the road from you on your farm was a fine young man who would like to go into farming but he developed an allergy or something from farm dust that would not allow him to continue farming, do you think your group would be in favour of the government using public funds to buy the clothing store in town and lease it to him in order that he might get into business?

MR. MANNS: Maybe that's the way we're headed but I don't really think that our group would be in favour of it.

MR. BLAKE: Thank you.

MR. CHAIRMAN: Thank you, Mr. Manns. Mr. Walding. I mean Mr. Johannson.

MR. JOHANNSON: Mr. Manns, your submission is on behalf of the Western and South-western Farm Business Associations. Did you hold a general membership meeting to draft this submission?

MR. MANNS: Yes, we did get together and kick these ideas around and then unfortunately it fell on a few to kind of collect them and put them down, and this is why I want to make the point that I feel that there is a need for more meetings and that there are differences of opinion within our group, and I've tried to, or a few of us that wrote this tried to hit the points that there was some agreement on, and I noticed there is within this report things that contradict one another. I knew that when I wrote it but I was trying to express the feelings that came out in the meeting that we did have.

MR. JOHANNSON: You mention on Page 2 of your brief that there have been rumours in the farm community. Do you usually make decisions as a farmer or a businessman? Do you run your business this way?

MR. MANNS: Well I try not to but . . .

MR. JOHANNSON: You try not to.

MR. MANNS: I know that in our particular area that there are a lot of farmers that just aren't, you know, they aren't prepared to come out to a meeting like this and yet I feel that they would be strongly opposed to government ownership of the land and they're afraid to get up here, frankly they're afraid to get up here in front of the mike and try to defend what they believe in, and it's unfortunate but that's the case.

MR. JOHANNSON: That is unfortunate. We haven't encountered that in most communities. Does your organization usually make policy statements on the basis of rumour? Is this the way you operate?

MR. MANNS: No, not on the basis of rumour, certainly not. We're just stating that this is -- there are rumours and scepticism going through the farm community, and I think this is probably a fair statement that there is rumour and scepticism because, you know, the farming population haven't had access to this book, or haven't had any information as to what the government program is as far as purchase of land and yet they are going ahead buying land.

MR. JOHANNSON: Well the purpose, Mr. Manns, of the committee meetings is to help in the formulation of policy.

MR. MANNS: Right.

MR. JOHANNSON: You make the statement on Page 2 of your brief, and this is in the last paragraph: "We had the feeling that the writer favours government ownership of all farm lands." Could you give me one statement from the Working Paper, one statement that would support that statement that you make?

MR. MANNS: Oh, no, I couldn't give you one statement. I say that the general feeling, and I think that all of the people that have read that will concur that that's the general feeling of that . . .

MR. JOHANNSON: That's not what we read out of it so . . .

MR. MANNS: I guess the -- I better . . .

MR. CHAIRMAN: Order please.

MR. MANNS: . . . change my glasses then I guess, I don't know.

MR. JOHANNSON: Yes, we've had some peculiar readings of the brief.

MR. MANNS: It's a peculiar brief.

MR. JOHANNSON: You've expressed the -- you say it's a peculiar brief. You expressed the view, and correct me if I'm wrong, that you generally favour limiting foreign ownership of farmland in the province but that if it were a question of public ownership or foreign ownership you would prefer foreign ownership but you have rather a negative feeling towards both.

MR. MANNS: That's right, yes.

MR. JOHANNSON: Okay. The brief indicates that there is something like one percent foreign ownership of farmland in the province and if I'm correct, I understand that there is roughly one-third of one percent, or roughly a third as much land owned by MACC under the land lease program, and I stand to be corrected if my figures are wrong, but roughly a third of one percent. Now if this figure is accurate, why are you so alarmed?

MR. MANNS: Because MACC is just starting into the business and we don't know how far they plan on going and certainly they could put in legislation to stop foreign ownership and go right ahead with their own program and there's no way that the farmers of Manitoba are going to be able to compete if they want to buy the land -- well they're going to buy it.

MR. JOHANNSON: But the foreign buying in the province also started rather recently and my understanding is that the buyers -- I'm talking about the recent purchases . . .

MR. CHAIRMAN: Mr. Graham, you will have your opportunity.

MR. JOHANNSON: My understanding is that the buyers have been Americans and West Germans. Now a number of people have expressed this alarm about the Arabs coming in. Could you tell me why the Arabs would want to come in here?

MR. MANNS: Not today; it's too cold.

MR. JOHANNSON: I didn't catch your remark.

MR. MANNS: Pardon?

MR. JOHANNSON: I didn't catch your remark.

MR. MANNS: It's too cold today; I don't think they would be interested today.

MR. JOHANNSON: Generally you've expressed a reluctance to have government involved in farming operations, you seem to indicate a preference for as free an operation as possible by the farmer.

MR. MANNS: I think that's a fair statement, yes.

MR. JOHANNSON: And yet you expressed to Mr. Walding your feeling that you still would limit, you would restrict the farmer's freedom to sell to the public, and you have an inclination also to restrict the farmer's freedom to sell his property to a foreign buyer.

MR. MANNS: Yes, I suppose that--I think really the feeling is not a matter of restriction of who he could sell to but let's just take the foreign buyer and the government buyer out of the picture altogether.

MR. JOHANNSSON: So you're removing the freedom that the farmer has right now, if he can get a higher price, you're removing his freedom to get a higher price from a foreign buyer for his land; you're removing his freedom to make the choice, the voluntary choice, of selling his land for a higher price to the public, and you're willing to do that, are you?

MR. MANNS: I think that the group would probably favour that, although, you know, you may run again into a lot of controversy in the group. I don't think the group as a whole favors government ownership of farmland nor foreign ownership if the person is not going to reside in Canada, or at least in Manitoba.

MR. JOHANNSSON: So you do believe though in a public subsidy for private ownership?

MR. MANNS: Well my own personal opinion is no.

MR. JOHANNSSON: But your group wants or has . . .

MR. MANNS: Certain persons in the group, I think, feel that way and that it's expressed there. As I say, we were using the example that you cited here where there is a 27 hundred dollar subsidy, or whatever you want to call it, going in there; we're just merely suggesting let's use it in a little different way, that's all.

MR. CHAIRMAN: Mr. Graham.

MR. GRAHAM: Thank you, Mr. Chairman. I have several questions I'd like to ask Mr. Manns. Mr. Manns, in the last hundred years we've had foreigners coming into Canada and into Manitoba purchasing land, and over a hundred years they have purchased approximately one percent, or slightly less than one percent of Manitoba land, and yet by the testimony of the previous member of the committee, the Agricultural Credit Corporation has purchased probably one-third as much as that in the space of one year. Is that what really concerns you? If that trend continues, it would . . .

MR. MANNS: Yes, I think that--we're not, I don't think, really concerned about the amount of land that the Manitoba Ag Credit has at the present time, you know, it's really what do they plan on doing in the future. Are they going to push this thing much harder? We've heard of cases where MACC has gone in and outbid local people and by a few dollars an acre, and the individual that had the initial bid in, I understand, wasn't even consulted. The thing was all wrapped up before he even had a chance to come back with . . .

MR. GRAHAM: And your concern might arise from the fact that he is using that same man's, taxpayer's dollar to bid again himself? Is that . . .

MR. MANNS: This is a view that has been expressed, yes.

MR. GRAHAM: Another question I would like to ask you is, in the opinion of your group is the use of land more important than the ownership of the land?

MR. MANNS: Yes, I think that certainly was expressed, and unfortunately I didn't carry it out too well in this brief, but certainly the use of land is I think something that's very important.

MR. GRAHAM: Have you been familiar at all with hearings held by the Government of Canada in this area dealing with the use of land in particular dealing with the use of the Riding Mountain National Park? Have you been familiar with any of those hearings?

MR. MANNS: Nothing more than press coverage. I have never attended any of the meetings or anything of that nature.

MR. GRAHAM: Well the Government of Canada held an initial round of hearings during January and they are holding a second round of hearings later on and then, as I understand it, they are formulating proposals which they will then bring back to the people for a third round of hearings. Would you like to see that type of format adopted by this committee where there would be continuing dialogue before any final decisions were made?

MR. MANNS: Yes, very definitely, I think we need a lot more before any clear-cut ideas are going to surface, I think we're going to have to have a lot more dialogue on this.

MR. GRAHAM: Are you familiar with the procedure that is taking place in Alberta where they have set up a land commission which has been meeting for approximately a year and holding repeated dialogues with the people on the problem of land use there?

MR. MANNS: I've heard of it and heard that they are holding these--just about what you have said actually is about all I have heard about the program.

MR. GRAHAM: Then your group would strongly urge this committee to follow a procedure somewhat similar to either Alberta or the Federal Government in dealing with the problems of land use in the Province of Manitoba?

MR. MANNS: I don't think that as far as our group is concerned, we have any specific ideas as to what type of meetings should be held so long as there's a real conscious effort made to get out and get to all of the people and I don't know--you can't get to all of the people, but at least to try to get as many expressions as you can. As I said earlier there are a great many people out there, neighbours of mine and neighbours of other people here today, that have feelings on this but they are just afraid to get up here and express them.

MR. GRAHAM: Well, sir, I have had a concern that just by coming out and holding meetings of this nature and never going back to the people again really won't have too much input from the community into policy decisions. Is that a view that is somewhat similar to yours?

MR. MANNS: Yes, I think that there needs to be follow-up. Certainly people are going to go home from this meeting today and there's going to be a lot of talk in the country, and I think that a follow-up meeting would certainly bring forth, you know, maybe some altogether new ideas from what have been expressed here today.

MR. GRAHAM: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Dillen.

MR. DILLEN: Mr. Manns, when we're attempting to get information upon which to formulate a policy on land use and ownership and what have you, I think that you will agree with me that the policy cannot apply unequally throughout the province. I come, for example, from a northern riding and if this policy, if a policy is formulated it should apply equally across the province, the province as a whole. What I would like you to tell me is whether or not you have considered a policy, or at least some suggestion as to how we should resist the pressure of foreign ownership on that portion of the land that is presently owned by the Crown?

MR. MANNS: Pressure from whom? Are you thinking of the Indian population?

MR. DILLEN: No, no, the pressure that we are receiving, at least from OPEC countries, from the Americans for tourist development, and those types of things which have an effect on depleting a resource. Do you think that the same policy should apply equally if a policy is formulated?

MR. MANNS: Well of course this is an area that wasn't discussed in our meetings, and I wouldn't like to hazard a guess as to what an opinion would be on behalf of our group. I would think that they probably would agree that the policy should be uniform for Manitoba, and just a guess is that they probably would not favor foreign ownership of some of these things but again that's something I'm just purely guessing on.

MR. DILLEN: If then a Manitoban chose to establish a tourist facility in Northern Manitoba, a multi-million dollar hotel, beverage room, swimming pool type of an accommodation, that would accommodate in the main the American tourist, do you think then that we should provide that Manitoban with a subsidy to establish that form of recreation facility?

MR. MANNS: No, not really, no I don't see that a subsidy would be necessary, but I'm really unfamiliar with that business. Certainly he would receive a form of subsidy through advertising by the Province of Manitoba, you know, come to Manitoba as the recreation centre of North America, or something of this nature. But direct financial assistance, I'm afraid I really can't see the need for it but then maybe there is lots of justification for it on the other hand too.

MR. DILLEN: Would you agree with me as a miner then, that the Province of Manitoba through its ability to tax is providing a form of subsidy now for farmers in the form of roads and telephone extensions and hydro and ditches?

MR. MANNS: In my opinion that's where our tax money on our property was going is to provide these roads and I think that the area here that hasn't been brought up here today is the taxload that the farm carries for schools. I think that it's felt by the farm population that an unfair taxload is carried by the farmland, but that's something that I don't really have too much to comment on and I wouldn't want to get into it.

MR. DILLEN: I will try and be very brief. I would like to know if you could voice an opinion, if you can visualize the Province of Manitoba, and would you like to hazard a guess on how much of the total land mass in Manitoba is now publicly owned?

MR. MANNS: Oh, probably 75 to 80 percent.

MR. DILLEN: I'm searching for answers, as I am sure many of the farmers are. If you objected that strongly to the Province of Manitoba being involved in land ownership,

(MR. DILLEN cont'd) would you object equally as strongly to property being owned by the municipality?

MR. MANNS: Yes, I think that probably the majority of farmers would not want to see the property owned by the municipality, but at least in the case of the municipality it's an entity that is located fairly close to you and you can get a hold of your councillor, or your reeve, and, you know, talk to them, but when it's off in Winnipeg, you know, we go in and start pounding doors here and there to find out . . .

MR. DILLEN: Okay. You made reference in one case where you advised this committee that the MACC had purposely bid up the price of land. Could you supply this committee with that instance where MACC had increased . . . ?

MR. MANNS: I said that but I believe it was presented at the hearing in Winnipeg, this particular example, and I only cited . . .

MR. DILLEN: Now reference has been made here by one other member of the committee that we should have continuing dialogue of this type, and would you agree with me that having continual dialogue for years and years and not coming up with any decisive policy on the question of land, only allows additional time for the foreign ownership and the takeover of land or, in your words, allow the MACC, the ability to continue in their present method, if that is a threat to you?

MR. MANNS: Well we have stated in our brief that we think a period of possibly one year. No, we don't think it should go on and on forever by any means, but we do think that there is a need for as many meetings as possible and hopefully the committee would eventually come to some conclusion that, you know, they're hearing the same arguments over and over again; now we've got to make a decision but at least, you know, let's have some assurance that there are going to be a lot of meetings in various areas and not just in the larger centres, but let's get them out in smaller areas and let's maybe have smaller groups meet with them. I don't think that there probably is the need for the large number of people that are involved.

MR. DILLEN: If this committee were to meet in the middle of Manitoba, in the northern section of the province, do you think that your farm group would be interested in coming there to hear the views of the residents of Northern Manitoba with regard to land policy there?

MR. MANNS: Well of course we would be interested in hearing the views I think of any group, and this is I think what we are trying to say here. Now whether we would be prepared to drive up to Thompson or something to hear a meeting, I think this is the idea that we're trying to get across is that there should be a committee of some sort to do this moving around and get a consensus of opinion, and it's going to be a tough decision to make, where you are going to have to draw these lines and who you are going to allow to buy land and who not. But we feel that there should be . . .

MR. DILLEN: Well you asked for a committee here, so I would assume that - or a land use ownership commission - and I would assume then that you would want that commission made up or heavily in favor of farm owners. Do you think . . .

MR. MANNS: No, we don't state that in there. I think that so long as the people . . .

MR. DILLEN: They're balanced.

MR. MANNS: Well, yes, the people on it are fair and equitable and willing to listen to the people, don't come with ideas already formed. This is what I'm afraid we've got here, you see, is that one side says public ownership and the other side - and each of you are trying to get me to say exactly what you want me to say.

MR. DILLEN: Mr. Manns, I can assure you that anything that you are saying, I hope is being said of your own free will . . .

MR. MANNS: Oh, yes, I fully realize.

MR. DILLEN: That I'm not trying to get you to say anything that you don't want to say.

MR. MANNS: No, I appreciate that but I have the feeling - and I'm not trying to be more critical of one group than the other - but just the way the questions are coming out that one group is naturally taking one view and . . .

MR. DILLEN: I get that feeling at times when I have difficulty protecting my position. I want to get back to your feelings about Crown land that is presently owned in the north. As you know, there's been some extensions of roads to very valuable recreation areas. Would it be your feeling that the province should sell that land as well?

MR. MANNS: The majority of it I'm sure you couldn't even give it away, you know. Maybe I'm wrong but . . .

MR. DILLEN: That's fine. Thank you, Mr. Manns.

MR. CHAIRMAN: Thank you. Mr. Uskiw.

MR. USKIW: You said a moment ago, sir, that in your opinion that there were preconceived views on the part of the committee members, they may vary but they were preconceived, and what the committee was really trying to get to you to do is to allude or admit to some of those ideas. What led you to believe that there are definitive opinions on the part of any committee member or division thereof as to the policy or legislation that should flow from these hearings. How do you arrive at that?

MR. MANNS: It's just the general feeling that I get from answering the questions that some possibly favor some of the arguments that we put forward on private ownership while others seem to be more attacking them than . . .

MR. USKIW: Do you as an individual in debating a certain policy or issue never take on the role of a, as the term goes "devil's advocate" to extract from the person with whom you're debating the information you want?

MR. MANNS: I would hope that you're extracting information that would be useful, but whether it's necessarily--whether it's what you want to hear or, you know . . . I kind of have the feeling that the information that you want from me is the information you want to hear.

MR. USKIW: Do you think any of the questions that have been put were unfair or wrong questions given the terms of reference of this committee?

MR. MANNS: No, I certainly can't object.

MR. USKIW: Are you aware as to how the setting up of this committee was arrived at?

MR. MANNS: Nothing more than what was in the booklet that was published.

MR. USKIW: No, but are you aware that a year ago, at the last Session of the Legislature, that certain members of the Legislature of all groups gave views as to whether there is need to legislate on the question of ownership of land, and essentially on the question of foreign ownership, and that opinions on that question were expressed from all parties in the House, and because there was no policy on the part of any party, including the government, that it was decided that we have these hearings. Are you aware that that is the reason that we are here today?

MR. MANNS: Not really, not expressed just as you have expressed it. I was aware that the government didn't have a policy . . .

MR. USKIW: And my point, sir, is, I want to assure you that there is no policy as far as I am aware on the part of this committee as to its recommendations to the Legislature, and therefore you should rest assured that we are not trying to extract from you answers that we already feel we want or need to substantiate our position, because we have no position.

MR. MANNS: I'm pleased to hear that.

MR. CHAIRMAN: Thank you, Mr. Manns.

MR. MANNS: Thank you.

MR. CHAIRMAN: That was a lengthy presentation. We shall proceed with the next person, the Manitoba Association of Cow-Calf Producers. Is there anyone present here.

-- (Interjection) -- Fine. To prepare some material? Okay.

The R.M's of Birtle, Miniota, Ellice, Silver Creek, Shoal Lake and Rosburn. Mr. Fulton. Is he present? Mr. Fulton? Okay. You are up.

I believe it will be the intention of the committee to have this brief presented at this time and then we come back after lunch, if there is going to be any questions, then we proceed right after lunch. Mr. Fulton, you may proceed.

MR. FULTON: Fine. Mr. Chairman, I'm here speaking on behalf of the Reeves of six municipalities, Birtle, Miniota, Ellice, Silver Creek, Shoal Lake and Rosburn. The Reeves have discussed the matter as much as possible in the short time available with their councillors, but since they haven't had an opportunity to hold meetings with the council on the substance of the brief they are only presenting it in their names, although I believe when all of them signed they felt they were representing the opinion that their councillors would have given had they had the opportunity to meet on the subject formally.

Now since lunch hour has arrived, I'll attempt quickly to go through--we directed ourselves primarily to the Working Paper and what I'll do is go through the--we have a series of summarized points beginning on page 12 of our brief which I think I should probably simply go through in view of the hour and I think that in doing so we will cover the

(MR. FULTON cont'd) essence of the points that we had to make and probably if any of the points, you know, require further explanation then they can be examined in detail later.

Okay. The first few points are directed to the first chapter of the working paper which deals with a series of objectives and general matters of policy on which Manitobans are assumed to be in agreement, or at least this is the impression that the working paper suggests; and the Reeves felt that this was an error, that there wasn't consensus on several of these policy matters. And briefly, the first was we rejected the suggestion that the objects of the working paper should be to seek objectives for rural Manitoba to which the majority of Manitobans would subscribe. Our feeling was that the objectives sought should be those for which the majority of rural Manitobans would subscribe. It is felt that since rural Manitobans are the ones who are going to live in the areas and have to live with the policies with which they are being confronted, that it is the wishes of a majority of them which should be observed.

There was a quotation from the Guidelines for the Seventies setting out a series of, I believe it was four general policy objectives. We felt that we did not agree with the first two of these without some reservation. The first one was maximizing the welfare of Manitobans I think, or something in that general wording. The paper went on to suggest that the test for maximization of the welfare of Manitobans would be the greatest good for the greatest number although achieved by any one of a number of tactics. Our feeling was that we could accept this with the reservation that there be the observance of certain fundamental civil rights and human freedom. In other words, the greatest good for the greatest number we reject as a proposition for good government.

Secondly, there was suggestion in the paper, the second guideline, that there should be a more equal distribution of income. This we regarded as a misnomer, we're sure that they meant a greater equality in the distribution of income, and we felt again that we didn't entirely concur with this, that we felt there should be equality of opportunity to earn a decent income and to a decent standard of living but that the equality should lie in the opportunity rather than in the simplistic redistribution of income without regard to what a man chooses to do with his opportunity.

We recognize rural depopulation as a concern and the paper indicates that they felt, or at least that this could be best accomplished through intensive farming as opposed to extensive farming, our feeling was that this is a relatively simplistic--well it's a highly simplistic observation, it presupposes that there is an unlimited market for the products of intensive farms and as the price of beef plummets below 30, 40 cents a pound it seems fairly difficult to accept that there is an unlimited market for products of intensive farms, which we concluded must mean farms producing livestock as well as grain.

Finally, this was the final general objective on which we found disagreement, was the question of the greater equality in the distribution of farmland. Our feeling was that the amount of farmland required by a specific farming operation varies depending on (1) the farmer and (2) the nature of the operation. So we felt that there was no way you could just simply say that a greater equality of distribution of farmland is necessarily going to prove better farming or more intensive farming. Now that is particularly true of grain farms. We did, however, favor four of the points that were raised at the end of the first chapter, or three of the points. That is, an easier access to farming, a tenure system that tends to minimize mortgage and rent payments and a tenure system that assures continuity.

The second chapter went on to set out statistics on foreign ownership and non-resident ownership in general and we felt that there was some basic flaws in these statistics. One of the problems we encountered was that there was really no definition of farmland so it was unclear from the way the statistics had been gleaned, from the methodology used in other words, whether or not the land being purchased by non-residents was land of marginal economic value or whether it was arable farmland, and it's absolutely vital to know in order to access the impact of foreign ownership and people purchasing farmland, it's vital to know the kind of land they're purchasing in order to assess whether or not that is indeed driving up the price of good arable farmland.

We felt that land in general is a valuable resource and that this value should be reflected in the marketplace. In other words, if land is highly valued, that the best possible compromise is reached between a desire on the one part to produce as much as possible from that land and a desire on the other hand to preserve the land as a valuable asset. We felt that if the price

(MR. FULTON cont'd) of land was lowered excessively through some artificial means that you might indeed induce people to effectively mine the land; in other words, to use it for short-term income rather than preserving it as a long term, highly productive asset. But we also felt in this regard that there should be some limitation on strict land speculation, conceivably a speculation tax similar to that in effect in Ontario at this time. Although we have relatively little information on the tax, it seems that they have come up with a satisfactory definition for speculation and if one could be found then we would favor limitations on speculation.

The paper suggested that higher land prices meant higher lease prices. This as a simplistic observation; obviously if a man is renting on a share crop basis the price of the land is not in any way going to affect the price of his lease. We thought also that if it came to a time when the foreign ownership or non-resident ownership of land posed a problem, it might be a wise solution to limit rents to a maximum of a one-third share of the crop, but this we submit with some reservations partly because of the difficult mechanics of implementing such a solution, and the other because we're not certain if the situation demands it at this time.

On the question of foreign ownership we did feel some sympathy for the statement quoted in the appendix from the Alberta hearings on the question of the common-law right of an individual to sell to whomever he wished. We felt, however, that a foreign owner of land, in other words a non-Canadian owner, although the paper never--I think the paper is directed more to a question of land use and really doesn't go after the question of foreign ownership--we felt that a foreign owner buying land in Canada isn't paying for services that make the land valuable, he does not pay for services basically that are subsidized through income tax or taxes that aren't collected by the municipality. So we felt that the fairest way of compensating would be a surtax on the land, tax on the municipal tax to compensate for the services that the man was getting that he virtually is not paying for. In other words, it's all right for a foreign owner to own land in Manitoba but he shouldn't be able to own it at the expense of Manitoban taxpayers.

Now this situation applies to a limited extent to non-Manitoban owners as well and we have some reservations here. Like obviously a non-Manitoban owner of land does not pay Manitoba income taxes and therefore isn't paying for Manitoba provided services. But the difficulty we encountered is - the only reservation we have on that which would effectively mean a lesser surtax, because they do pay Canadian income tax obviously, is that it would probably induce reciprocal legislation from other provinces and might have a somewhat deleterious effect on the kind of unity of the nation in general, you know, the kind of unity of being Canadians and able to move with freedom from province to province and presumably buy as well.

We felt that the most difficult problem raised by high land prices is that of getting young farmers into farming and we felt that high ratio loans, mortgage loans - or at least low interest loans on a high ratio basis would be no more costly to the province than leasing at 5 percent of the capital cost. We felt that if they loaned the money and charged 5 percent interest it's no different than expending the capital and making 5 percent on your investment by charging 5 percent of the capital cost as a lease price. The other advantage in loaning is of course that you get your capital back.

We also favoured young farmers owning their farms because we felt that there were certain socially desirable - well not socially so much as certain benefits insofar as the relationship between a farmer and his land, between a man who is holding an asset for himself maybe for future members of his family; we feel that there are desirable benefits in terms of rural stability as well that accrue from the young man owning his own farm and for that reason we favoured that over the lease, although admittedly the statistics provided in the example posed at about page 79 or so of the Working Paper compared three possibilities, a Farm Credit Corporation loan at 9 3/4, I believe. and a lease at \$20 an acre cash rent and a MACC lease at 5 percent. Obviously the MACC is better; I mean anyone who will lease something at a 5 percent return on investment is doing somebody a favor these days.

We felt as well that in the high ratio low interest mortgage that it was important that there be crop failure protection. It's impossible really in farming to guarantee a crop in every year, so we felt that there should be a provision whereby a third of the crop would suffice in any year of a crop failure, and that interest payments would be waived for that year.

(MR. FULTON cont'd) This we felt was desirable for Manitoba as a whole simply because a series of two or three crop failures could virtually push half the farmers in rural areas to the verge of bankruptcy.

One final point perhaps that we felt we should raise concerns the statistics used on tables 26 and 27. These certainly constituted an abuse of figures really, they attempted at least to compare - actually table 26 less so than table 27 - they attempt to establish two points as I recall. One is that productivity on farms had not increased as dramatically as everyone attempts to make out. They point out that return on \$100 capital investment had actually declined 37 percent. Now the difficulty I have with this is that you're talking about a time span of 20 years and during that time the value of a dollar dropped so you're clearly not talking about return on \$100 capital, unless you compare it on the terms on which it was compared, which was dollar income per volume, per unit, in other words per farm unit. But our position is that in comparing output from farms you're not comparing dollar income but you're comparing volume of goods produced. I mean surely that is the test of whether or not a farm has become more effective over a time is whether or not it's producing a greater volume.

Now you will notice that the - well any one with even a reasonable memory will recall that barley was changing hands for 30 cents a bushel in 1971, so clearly farms that were say essentially fairly intensive grain farms were showing a pretty low dollar return per capital investment and for the acreage of land but it submitted, if you look to 1974, and this is particularly with reference to table 27, you would see a dramatic difference with farms with over - about 817 average improved. We felt that those statistics were introduced possibly to make a point and we felt that the point that they were trying to make was that this observation of intensive versus extensive farming, that intensive was somehow better. But we felt that the statistics didn't confirm that - you know, it may be possible that such statistics could be obtained but those statistics certainly didn't do it.

The final point we had was that if you're going to repopulate rural areas we felt that it would be better to encourage the location of agricultural processing industries in rural areas. This in turn would bring with it intensive farming, you know in the area of the particular facility whatever it might be, but to simply encourage farmers to reduce their acreage and invest more capital in a plant that would produce greater volumes of livestock and this kind of thing was not wise. That is the substance of our report, so I guess we can leave it stand.

MR. CHAIRMAN: Yes, thank you very much Mr. Fulton. I believe it would be a good opportunity now to recess. I have a number of people on my list, so we come back at 2:00 o'clock. I might mention that, for those people wishing to avail themselves, there's a dining room downstairs, a meal is being served from 12 to 1 p. m. Committee rise. 2:00 o'clock.

* * * * *

2:00 p. m.

MR. CHAIRMAN: Order please. We shall proceed. We have Mr. Fulton who had presented the brief this morning. Mr. Fulton. Would you please come forward. I have a number of people on the list. Mr. Walding.

MR. WALDING: Thank you, Mr. Chairman. Mr. Fulton, I wanted to deal with just one point that you brought up on page 14 of your brief where the Reeve suggests a surtax on foreign-owned land. I want to make sure that I've got this quite clear, what you're suggesting. If there should be two farms in the Brandon area one of which is owned by a man in Windsor and one of which is owned by a man in Detroit, are you suggesting that a surtax be levied on the man in Detroit but not the surcharge on the man in Windsor?

MR. FULTON: What we were suggesting there is that a surtax be levied on the man in Detroit to pay for the services provided through Canadian income tax that he does not pay, and we suggested that since he does not pay Manitoba tax you may want to consider a smaller surtax on Canadian residents, non-Manitobans who don't pay any Manitoba income tax yet there's also residual kind of social services paid through Manitoba income tax that wouldn't necessarily be paid by an Ontario resident. But we did express a reservation there; that is that that tends to limit mobility within the boundaries of Canada, and in general we would prefer to see Canadian non-residents not pay a surtax at all, simply to facilitate easier movement within Canada and perhaps to avoid the prospect of other provinces enacting reciprocal legislation or something like that.

MR. WALDING: I see. In this particular case that I just gave you, what would be your reaction if the man in Windsor was an American citizen and the man in Detroit was a Canadian citizen?

MR. FULTON: We looked upon it primarily as a question of economics. In other words, as I mentioned in my presentation, we wished to preserve the common-law right of the individual to sell to whomever he wished, so we would prefer not to distinguish between people on the basis of nationality but rather on the basis of the actual economic contribution they make to the services which give their land value.

MR. WALDING: That's the point that I was getting at, that what you're talking about is rather non-residents than foreigners. Would that be correct?

MR. FULTON: No, no. Well shall we say we're not distinguishing on nationality so much as non-residents in Canada, yes, non payment of Canadian.

MR. WALDING: That's what I meant.

MR. FULTON: Yes. Like the paper talks about non-residents including Winnipeg and Brandon people who own land in the RM of Birtle, for example. I wouldn't include them.

MR. WALDING: In your brief you used the two expressions, foreign-owned and non-resident. I take it that you would understand those to be the same thing. That a Canadian citizen living in Los Angeles would be subject to the same surtax as a US citizen living in Los Angeles.

MR. FULTON: The question being whether or not the Canadian citizen living in Los Angeles was filing a Canadian Income Tax return or an American one, I guess.

MR. WALDING: Thank you.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, Mr. Fulton, I wonder whether or not you can elaborate more on the point you make on page 3 about a greater equality of opportunity that you are desirous of bringing about within the rural community. Just what do you foresee there as a mechanism to bring that about. And I put it to you in this context: Let's assume that you have three or four buyers of land, one of which is a buyer that has very limited access to capital, the other three of which have unlimited access to capital. How do you propose to deal with the need to improve the inequality of opportunity in that situation?

MR. FULTON: The paper really actually provides for this it seems to me through the mechanism of a high-ratio low interest loan. Furthermore, we never specifically denounced the MACC Lease Program. We admitted that it is an alternative that's very reasonable in terms of financial propositions. We thought that there might be some deleterious effects in terms of the actual use of the land and we felt there should be an option to own the property, from MACC . . .

MR. WALDING: There is.

MR. FULTON: At a comparable interest rate, and again we favour the high-ratio mortgage loan with crop failure protection. I don't believe MACC provides protection for crop failure.

MR. USKIW: Do you believe that we should have added protection for that group of people who would be high risk borrowers over and above the normal protection that is now provided to people generally, namely through the crop insurance program. -- (Interjection)-- Don't tell him what to say. I think the man should speak his mind.

MR. CHAIRMAN: Yes, please. I would wish that if anybody wishes to make a presentation they can come forward, put their name down. I believe the person that comes forward to make a presentation would prefer to be able to make that answer one way or the other on his own without the feeling that there's somebody sitting behind him saying what he should say.

MR. FULTON: Yes. We felt that the problem with the crop insurance program I guess as such is that it perhaps - well we felt that the most you would want to take in any given year of serious crop failure would be a one-third share of the crop, or the value of a one-third share of the crop, and we felt this might place less of an economic burden on the individual than simply requiring to make his payment from the crop insurance program.

MR. USKIW: But are you then not setting up a double standard between two groups of owners as to the insurability of his production and his income? And how could we run a double standard in the Province of Manitoba. Once you move that route you would virtually have to abolish crop insurance as it is known, would you not?

MR. FULTON: Lots of farmers who don't have MACC mortgages carry crop insurance.

(MR. FULTON cont'd) You know it's good protection for a number of reasons, but I don't think I would be unduly concerned about the fact that young farmers getting into farming through MACC were somehow in a slightly better position than young farmers who perhaps had adequate financial backing and could get in without the necessity of a high-ratio loan. I wouldn't personally be too concerned about that. I mean he's got an advantage anyway if he's borrowing money at 5 percent instead of 9 1/4 from FCC.

MR. USKIW: Now let's get back to the equality of opportunity. If the foreign land buyer is prepared to invest two or three or five times the value of your land on a long term proposition for whatever reason, your neighbour is one of very marginal financial means, are you suggesting that the Crown should subsidize the difference between what your neighbour is able to raise himself and what his competition is through the foreign buyer and that the taxpayer of Manitoba pick up that difference?

MR. FULTON: The Farm Credit Corporation as you probably are well aware have their own appraisers for land and in determining what they will offer for a particular piece of land in the way of mortgage money they had their appraiser set a value upon the land. Clearly you can't lend money with a completely blind eye to the economic validity of the proposition.

MR. USKIW: Yes. I want to put it in proper context. Throughout the world land values vary very dramatically. For example, you have areas where land is worth four or five thousand dollars an acre, another area is a thousand, fifteen hundred, other areas five hundred to a thousand. Here in Manitoba, in the ball park of 200 is a good price. And because your land base is fixed and because the demand for land is increasing every year can't you foresee that over a period of years into the next three or four decades that it's obvious that land values will come under more pressure and logically become more valuable. And as that happens more people will not be able to own land if we allow only the financial market, the private system to determine who shall own land on the basis of his eligibility to borrow land. And hence my question then, wherein lies the equal opportunity for those people that we are concerned about.

MR. FULTON: First of all, I don't accept that it's obvious that land is going to increase in value. You know having seen it drop as much as 30 percent as recently as two or three years ago I don't hold it as obvious that it's going to increase in value. Furthermore, there are some safeguards built into the proposal that we make insofar as it's going to become less viable for a foreigner to own land as a non-resident if he's paying his surtax every year in municipal taxes. Furthermore, we provide in here that if the situation came that it was impossible to sustain this, or that foreign ownership became so extensive that it was impossible for the farmer to bargain reasonably in lease prices, we suggested regulating it with a maximum of one-third share of the crop.

MR. USKIW: Are you saying that a foreign owner is anyone that is not an owner in Manitoba, or what is your definition?

MR. FULTON: No, I mean by nationality living outside of the country. In other words, I'm assuming we're talking about a German cartel or even a German citizen living in Germany.

MR. USKIW: You wouldn't impose that on Mr. Green's friend who lives in New Brunswick.

MR. FULTON: No, you see we discussed this a moment ago and as I said, I felt that there could be deleterious effects on Confederation if the provinces start enacting reciprocal legislation to prevent the . . .

MR. USKIW: All right, then let me get down to the basic question. Why do you think that it is bad to have foreigners own land in your municipality?

MR. FULTON: I don't. All I think is that they should pay their fair share of the cost of sustaining that land and providing it with the services that give it value.

MR. USKIW: Okay. But that normally is done through a lessee. The landlord never pays, a) for the property nor for the taxes imposed on it.

MR. FULTON: Most landlords I know pay the taxes.

MR. USKIW: It's the lessee that eventually does the paying, and therefore if a landlord is a resident of Belgium . . .

MR. FULTON: How does the lessee eventually do the paying if his lease is limited to a maximum of a one-third share of the crop?

MR. USKIW: If his which?

MR. FULTON: If the maximum lease payment he can make is a one-third share of the crop.

MR. USKIW: Oh, now you're saying that we should legislate the terms of the lease then?

MR. FULTON: Well what I said was that if the situation became serious we would consider the possibility of limiting lease payments to a one-third share of the crop maximum.

MR. USKIW: Should we impose that regulation on a transaction between two Manitoba farmers - one who owns land and one who leases land?

MR. FULTON: If it came to the time that you were enacting such legislation I don't see any reason why it shouldn't be universal.

MR. USKIW: My point is, would you differentiate between the foreign owner and the Manitoba owner on that question?

MR. FULTON: You see we're concerned here about the use of land, as I understand it, and we would see - at least I'd see it and I think those who are with me probably would as well - that it would be better for the man - like it makes no difference to him who he leases the land from if you're talking about a man who's leasing land. So therefore if you're going to pass legislation to limit the amount - I mean there have been laws in usury so I mean clearly it's perfectly, you know there are lots of historical precedents for limiting the amount of profit a man can make in a contract, and we could see limiting it to a one-third share of the crop. And that would apply across the board I would assume.

MR. USKIW: You wouldn't then agree with the proposition that there should be some limitation on the amount of land that can be owned by foreigners.

MR. FULTON: This time, no.

MR. USKIW: No. All right. So that means that there is no discriminatory feeling on your part as to foreign ownership of land.

MR. FULTON: No. I think personally, and I don't know about members who are with me so I speak on my own count on this matter, but nationalism is a kind of dangerous sentiment really; I just think that people should be treated as people. Mind you, obviously you are going to be dealing with companies as well, and although they're defined as people under the Interpretation Act they're not really people.

MR. USKIW: Okay. You then make a point on page 6 having to do with the imposition of a speculation tax. Who would you apply a speculation tax against?

MR. FULTON: Well again - I know very little about the Ontario Statute. We refer to the Ontario Statute but it obviously has worked out a mechanism for defining a speculator. I don't understand, I haven't seen the statute, I don't know, but as I mentioned when I presented my brief, if an adequate definition can be found for a speculator, and they seem to think they've done it there, then we should look at it. Because if we can define what is speculation we feel it should be controlled. There's a tricky question of definition there.

MR. USKIW: What would you personally define the term "speculation" as meaning?

MR. FULTON: Speculation it seems to me - now whether you can define this in objective terms, but I can define it in terms of a person who's engaged in the act - is merely buying property with no intention of ever using it, simply hoping to turn it over in short order for a vastly increased sum.

MR. USKIW: Could one buy property on a speculative basis but in the meantime lease it in the hopes that at least the cost of carrying the property year to year would be covered by the lessee? Would that be a realistic situation?

MR. FULTON: Well I'm sure lots do.

MR. USKIW: Okay. Now if we're going to have a speculation tax of any description, then is the owner of land in Manitoba who is not farming the land but is leasing it to someone else a speculator?

MR. FULTON: Well the speculation tax as I understand the working of the Ontario Act is applied at the time of the sale of the property and it's against the proceeds of the sale that the tax is applied. I mean clearly when he's owning the property and leasing it he doesn't pose a particular threat other than on the question of land tenure and that's a problem with the department.

MR. USKIW: If you and I decided to buy 50,000 acres of Manitoba land that we would not want to farm ourselves would we be speculators or why would we be buying it. In your opinion.

MR. FULTON: You and I? I don't know . . .

MR. USKIW: Yes. I want to know the difference between you and I owning 50,000 acres of land and somebody over in Germany.

MR. FULTON: You want to know the difference.

MR. USKIW: Yes. On the question of speculation.

MR. FULTON: On the question of speculation? I don't think there's any. I mean if someone in Germany is speculating and you and I are speculating, we're speculating.

MR. USKIW: Therefore, would you agree that if the province had a speculation tax then it should apply to everyone universally?

MR. FULTON: Oh yes. Certainly.

MR. USKIW: Okay, that's the point I wanted to get from you.

MR. FULTON: The Ontario Act does, by the way.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Fulton, I'm told that you're a lawyer, is that right?

MR. FULTON: Well I pretend. The Law Society countenances my presence in Birtle.

MR. GREEN: Well, I assure you that unlike Mr. Henderson I will not hold that against you.

I've always sort of inarticulately understood that there is some way in which a foreigner who earns income in Canada pays an income tax to Canada, and the Canadian who has income earned in the United States pays an income tax to the United States. Not perhaps by paying it direct but through, or perhaps - and I'm not certain - or through a tax agreement between the Canadians and the United States.

MR. FULTON: Well there are some exemptions as you know for a reciprocal--exemptions on the Canadian-American Tax Treaty, for example.

MR. GREEN: I gather that there are exemptions but it would not be fair to say that an American who had three sections of land in Canada and received rents from it that none of that income would go by way of income tax.

MR. FULTON: I'm not myself entirely familiar with the mechanism but it's a certainty that if he is owning land in Canada and paying tax on it, I believe as long as he declares it as American income by the Canadian-American Tax Treaty, as he declares his Canadian source income as income it's taxable in his hands in America, as long as he declares it in America, and he applies to do that under the tax treaty.

MR. GREEN: I understand that he may be able to declare it either way, but how do they say it? - what you lose on the swings, you get on the returns, because the same would apply to a Canadian who had property in the United States and earned an income on it. That there is an arrangement whereby you just cannot earn money in another country and not pay any income tax on it to the country in which it is earned.

MR. FULTON: No, no, you pay income tax to the country in which you live by the Canadian tax treaty with the United States.

MR. GREEN: Yes, but what I am suggesting is that what income you would lose by having that occur you would gain by getting the income from somebody who had property in the United States and earned an income on it and had to declare it in Canada.

MR. FULTON: Yes, conceivably, there's a trade-off there, sure.

MR. GREEN: Well the arrangement would be reciprocal. So that it would not be fair to say that Canada loses income tax by virtue of a piece of property being held by a foreigner in this country?

MR. FULTON: Well not entirely, because you see there's a non-resident owner - a man who isn't farming the land and is leasing it no doubt has other sources of income on which he will be paying income tax and clearly he's paying--so I mean the income from the lease of his property is but a small percentage of the tax that he would normally pay, in most instances.

MR. GREEN: But that's the only part that you are worried about because you are concerned that he is earning money in Canada on which he is not paying an income tax.

MR. FULTON: On which he isn't paying his share of the services that give that land value.

MR. GREEN: Because he is not paying--the municipal taxes would be exactly the same.

MR. FULTON: Exactly the same, sure. So he's not paying Canadian income tax . . . Your point is he pays some Canadian income tax.

MR. GREEN: My point is, Mr. Fulton, that nothing is lost to Canada because either

(MR. GREEN cont'd) . . . there is an arrangement whereby the tax is paid or what is lost by that particular person is gained by Canada on the person who has income from the United States which he then puts on his Canadian income tax.

MR. FULTON: No, that's not entirely right because if he was living in Canada he would have other income on which he was paying taxes as well.

MR. GREEN: Yes, but I would like to confine it to what you say the problem is. The problem is that there is an income being earned in Canada on which no tax is being paid, and if so there is a . . .

MR. FULTON: No, that's not what I said the problem was. I said the problem was that he isn't paying his share of the services that give his land value.

MR. GREEN: Yes, but whatever arrangement there is, Mr. Fulton, whatever arrangement there is, it is a reciprocal arrangement and that Canada would gain from its citizens having the same arrangement as United States citizens had in their country and the other arrangements whereby a person cannot earn income in this country without there either being a tax or an arrangement with the country in which that tax is paid.

MR. FULTON: Yes, but the point is, we're losing something insofar as we're still getting income tax from Canadian residents owning land in the United States, the point is that if a resident in Canada owns that land--I'll withdraw that, I concede you've got a point, yes.

MR. GREEN: And one of the other important points is that that particular non-resident that we are talking about of course is not serviced in many other ways in terms of what the reciprocal arrangement which you've already conceded in which Canadian citizens demand services from their governments, which I agree with by the way, he then does not get served for education, he does not get served for medical services, he does not get the roads or what have you, he is not availing himself of services that are also paid for out of that reciprocal arrangement in taxes. And I'm not saying we gain by that; all I'm saying is that there isn't the apparent loss that you have put.

MR. FULTON: Well of course what we're talking about here is a situation that appears about to get out of hand, in other words, vast influx of foreign capital invested in Canadian land, and at that point in time obviously what we're losing we're not making up in Canadian-owned foreign land. In other words the tax treaties are working against us if you get considerable amounts of Canadian land owned by foreign money.

MR. GREEN: With the exception that the municipal taxes are exactly the same, that if the land is rented and the farmer is earning an income that that income tax that he would pay would be exactly the same, what you are talking about is the difference in the rent that is accruing and the rent that is paid, and to that extent you will agree that there are reciprocal arrangements between the countries which take care of this situation.

MR. FULTON: Yes, except that I wouldn't mind betting if you looked at the figures Canada is a loser on reciprocal tax arrangement.

MR. GREEN: Well I would wager with you but I would say that you would be rash to make a fast wager if you do not have the figures, that's right. I would prefer to know before I placed a wager.

MR. FULTON: The fact of the matter is that what we're talking about is a relatively small . . . --(Interjection)--

MR. CHAIRMAN: Order please. If you don't like what you are hearing, the questions are relating to property and land use.

MR. GREEN: Mr. Chairman, for the benefit of the citizen of Manitoba who rose, the gentleman before us indicated that when land is owned by a foreigner we do not get income taxes from him. Through the process of questioning in the last five minutes he has agreed that that should be modified, therefore if there is greater light to the people of Manitoba who are in this room, which I think Mr. Fulton will agree came forward, then we shouldn't be unhappy about it, we should be grateful for it, unless we don't wish to have any greater light.

Mr. Fulton, I was interested in your statement that you disagree with the utilitarian doctrine of the greatest good for the greatest number, which of course is articulated very strongly by John Stuart Mill and you differ with it on the principle of civil liberties which is also articulated very strongly by John Stuart Mill. Do you not believe that it is for the greatest good to the greatest number of people in our society that the civil liberties of every individual be protected?

MR. FULTON: Well first of all it wasn't John Stuart Mill who propounded the proposition, "the greatest good for the greatest number", it was Jeremy Bentham . . . but aside from . . .

MR. GREEN: But I say he articulated it. He articulated it. And you will admit that Mill was a follower of Bentham, absolutely.

MR. FULTON: Well at one point in his career Mill agreed that he was a utilitarian; Mill also was regarded as a determinist which might come as some interest as well. As a matter of fact if you read carefully "On Liberty", you will find -- well if you want to get into an academic discussion on this, I'm quite prepared to argue the point that "On Liberty" is not a great statement of civil liberties; in point of fact if you try and find out from what source the decisions of liberty are being made, there's always the assumption in the background of a benign group of aristocratic individuals who set the standards.

MR. GREEN: All right, then I accept that. That if what you are saying is that John Stuart Mill was not a defender of civil liberties in your terms then I can understand the difference that you are making. You don't accept John Stuart Mill as being a stout defender of civil liberties?

MR. FULTON: Well he certainly was never set forth as the classic exponent of utilitarianism, I mean if you wanted to . . .

MR. GREEN: Oh, well he was certainly a follower of Jeremy Bentham, would you not agree?

MR. FULTON: Well I wouldn't know for what period of his career, I couldn't comment on it.

MR. GREEN: Fine. Besides which, I mean if you accept the fact that Mill was not a proponent of civil liberties, I accept the consistency although I don't agree with your position.

MR. FULTON: Well speaking of consistency, I'd be quite interested to know--if you like I could quote some Adam Smith to you, I brought along a copy of The Wealth of Nations. How, for example, do you react to this quote, he's talking about a system of annual taxation, he's talking about public debts and he's talking about the wisdom of the government imposing a system of annual taxation on people. And he's saying that "If the method of funding destroys old capital, at the same time hinders less the accumulation or acquisition of new capital than that of defraying the public expense by revenue raised within a year. Under the system of funding the frugality in industry of private people can more easily repair the breaches which the waste and extravagance of government may occasionally make in the general capital of society."

MR. GREEN: I would agree with Mr. Smith's statement and I will also take from The Wealth of Nations the suggestion that private commercial capital are the last people that the government should go to for advice because their interests and the interests of the public . . .

MR. FULTON: No, no, you misheard the statement.

MR. GREEN: Well if you will give me The Wealth of Nations I will read it for you exactly. Give me The Wealth of Nations and I will get the statement for you.

MR. FULTON: I will certainly give you The Wealth of Nations.

MR. GREEN: I'm not going to get it immediately, I'll continue with my questions then I'll come back to it.

Do you agree, Mr. Fulton, that the province, in your brief say, should at least give the beginning farmer the option of borrowing or leasing - I read from page . . . ?

MR. FULTON: That's right.

MR. GREEN: So the option of leasing should be available from the public to the farmer?

MR. FULTON: What we were saying was that the short-term advantages outlined in the paper, on the three examples postulated, are no doubt there and we, you know, if a farmer wishes to own his land by that mechanism we wouldn't deny him the opportunity. We do, however, say that as a matter of general policy we feel it is better for the land to sit in the hands of a private individual.

MR. GREEN: I understand your position completely. All I am suggesting is that you agree that the option of leasing should be there? Unless I read this wrong, I'll read this to you: "The province should at least give the beginning farmer the option of borrowing or leasing." So I assume that if you are saying that there should be an option that there be a choice of one or the other.

MR. FULTON: Well, you see, that's with specific reference to the fact that the option for leasing exists, I mean that statement follows a discussion of the benefits of the present MACC lease scheme, so, you know, assuming that it exists we're saying that he should in addition have the option of borrowing. We wanted to avoid comment on the merits of the

(MR. FULTON cont'd) leasing system because it hasn't been in action long enough to really assess, you know, so

MR. GREEN: Okay, Mr. Fulton, if you want to give him the option of borrowing, would you refuse to give him the option of leasing?

MR. FULTON: No.

MR. GREEN: So then you are willing to give him the option of borrowing or leasing?

MR. FULTON: Indeed.

MR. GREEN: Now I tend to agree with you entirely that the same subsidy that can be used to provide a five percent lease can be used to provide a low interest mortgage. with one result, the public subsidizing private ownership, and the other result, the public subsidizing a lease and retaining the ownership.

MR. FULTON: That's right and we're saying that the social advantage in having the land privately owned, simply to avoid, (1) to avoid having the land mined; and (2) because it provides better use of the land because of the relationship between a farmer and his land.

A further point which we didn't make in the paper but perhaps should have made, is that it's often in the life of a farmer important to have capital on which he can mortgage to borrow money for machinery or construction of buildings or this kind of thing, and if he has nothing but a lease it's often very hard to obtain the mortgage money.

MR. GREEN: I'm really not sort of at this point debating with you the attributes and social advantages of what you refer to as private ownership. I'm suggesting merely that a case could be made, as you make it, for public subsidy of private ownership on the one hand, or public subsidy of leasehold ownership on the other hand.

MR. FULTON: That's right. And the question really is in what way do you get the most effective use of the land. I mean that's really the question.

MR. GREEN: Mr. Fulton, you're one of the few people who have appeared before the committee who stated, and I hope I have you correctly, that this paper is directed more to what should be the land use rather than land ownership. Did I understand you correctly?

MR. FULTON: No, I said rather than foreign ownership.

MR. GREEN: Right. Oh, land use rather than foreign ownership.

MR. FULTON: Yes.

MR. GREEN: Because many many people have come to us and have said that you shouldn't be concerned with ownership, you should be concerned with land use. But as you read this paper it is concerned with land use.

MR. FULTON: Well it seems to be to me, yes.

MR. GREEN: You wouldn't describe this paper as a document agitating the public ownership of all Manitoba land, or did you read that into the paper?

MR. FULTON: I think that would be an overstatement of the contents. Frankly I don't think the paper contains, you know, very much really. You know, like seriously, this chapter discussing Ricardo and Adam Smith could have been deleted without--in fact I would like very much if you could perhaps as a kind of master of syntax and definition, define for me the term "capitalized value of economic rent." I spent a better part of an hour myself on it and concluded that it was nothing more than profit interpreted as percentage return on investment. I kind of suspect that's exactly what it is.

MR. GREEN: I rather think that that's not what it is but I think the people would become impatient with me if I start to try to explain that term so I'm going to leave it. The important thing is that you do not, you have not read into this paper - you have made little of it and of course that is your privilege as a person, but you have not read into this paper a strong advocacy for the public ownership of all Manitoba land?

MR. FULTON: No, I haven't. I will say though that

MR. GREEN: You see, lawyers think alike because neither have I.

MR. FULTON: Yes. But I will say this, that on page 79, the examples given on page 79 give me the impression that the most favourable scheme for the individual and presumably for Manitoba is the MACC leasing scheme, and we certainly wanted to refute that by pointing out that the costs of loaning money are no greater under the circumstances and we would feel that's socially more advantageous.

MR. GREEN: Well you've made that point very well and I thank you, and I will now look up the quotation that I promised you.

MR. FULTON: That's only Volume II, remember; there was three other volumes.

MR. GREEN: Page 15, Volume II.

MR. FULTON: That's right.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, I was interested in the remark you made a moment ago in response to Mr. Green wherein you indicated that you were concerned that leased land, leased from the public, might be mined. Why would that not be a problem with respect to a lease from a private individual?

MR. FULTON: I think that it could well be a problem from a private individual. This is why we favour ownership of land at the high ratio loan . . .

MR. USKIW: So you're saying leases from private or public ownership are both bad.

MR. FULTON: Well you're overstating the case. I never said that. I simply said that we favoured private ownership.

MR. USKIW: No, but you said that if one was to lease from the Crown the tendency would be to mine the land, to get everything out of it.

MR. FULTON: I never said lease from the Crown.

MR. USKIW: Oh all leases that would be a problem.

MR. FULTON: There's a danger with leased land that he will mine it. This is a point by the way the paper makes, is that there's no continuity of tenure with commercial leases. In other words the non-Crown leases. This I would submit we need more statistics on because it seems to me the question is how many of these three-year leases are renewed for a further period of three years. There's lots of reasons for the three-year lease. One is that it doesn't require the wife along to give a dower consent. But you know aside from that it's an organic part of the farming life, that you did crop it two years and summer fallow one, and it fits ideally into that category. But my experience of the Reeves was that in general people tended to lease lands for considerably longer than the term of a three year-lease.

MR. USKIW: Okay. I now come back to a question that I raised before, and that has to do with the competition for land in the marketplace and who is the person that cannot obtain land through that system. I presume you live in rural Manitoba?

MR. FULTON: Well Birtle has been called urban by some very optimistic . . .

MR. USKIW: All right. Do you see in your mind a reasonable desire, your mind or your community, to have a balance in population as between rural Manitoba and urban Manitoba. And I say rural would include your town.

MR. FULTON: You mean a balance between rural and urban?

MR. USKIW: Yes.

MR. FULTON: Do we see that as a good thing?

MR. USKIW: Yes.

MR. FULTON: Well I . . .

MR. USKIW: Let me put the other question: Do you see any problems with continued depopulation of the countryside in favour of the large urban centres.

MR. FULTON: You know it seems to me that some difficulties are starting to manifest themselves with the large urban centres; that there are social problems beginning to appear which don't seem to be desirable, and for that reason you may want to prevent rural areas from depopulating simply to prevent the growth of a highly central, highly delicate urban setting where you may find you're having all kinds of social problems with young children.

MR. USKIW: Do you think it would be good public policy for Manitoba to set a target of farm entrepreneur population, in other words farm enterprises at 5,000 or 10,000 or 20,000.

MR. FULTON: Well I don't think that's an intelligent way to put it.

MR. USKIW: Or do you have a concept as to what really should be the sort of ultimate in the population figures as representing Manitoba farms. Is there such a thing as an ultimate position?

MR. FULTON: Is there? That's a good question.

MR. USKIW: I mean from a community point of view not from an individual point of view. Not from the point of view of the kind of individual that would think it would be an advantage if he owned all of the province himself, but from a community point of view where everyone has a concern for the community.

MR. FULTON: Our position is that the size of a farm depends upon the kind of farming operation and the nature, intelligence and ability of the operator. The point is commercial efficacy really. But the fact is that it's quite possible to have agriculture based industries located in rural areas such as meat processing and this kind of thing. So the point is to get

(MR. FULTON cont'd) maximum product from the land bearing in mind that it must be marketable, and on the other hand to encourage people to live in rural areas, which means decentralizing government services which have tended to centralize in the cities and may mean incentives to relocate agricultural based industries, processing industries in rural areas. So we may find smaller towns growing, and I don't know about actual farm population. It may not be efficacious to try and increase that. That may not be the best way to approach it.

MR. USKIW: Do you look at present government efforts to try to maintain a larger rural population as a reasonable objective on the part of the government? Or are we all wrong in trying to achieve that.

MR. FULTON: Well the government's policy has been and has been announced some time ago that we would want to maintain a larger rural population rather than a smaller one for the sake of the viability of many of our towns and villages, and certainly stability in agriculture flows into that picture. I'm saying do you agree with that philosophy?

MR. FULTON: Oh yes. We made that fairly clear in our paper. And as I say, the only thing we question was the simplistic assumption that it was merely a matter of intensive instead of extensive farming which . . .

MR. USKIW: All right, but I'm leading to a very important consideration. And this is not theory, these kinds of proposals have been before government. If the government was to consider a proposal tomorrow, as we have yesterday, that the government provide for certain entrepreneurs of the world thousands of acres of land, many thousands, on the condition that they in turn would invest certain sums of money to develop the land and to make it more productive and so on. Is that a good development or is that a bad development, regardless of where these entrepreneurs are from?

MR. FULTON: Well, you see, what you're trying to do here is to get me to argue in absolute kind of positions. My point is that solutions lie in sensible compromises to situations that you confront; and to talk about conveying thousands and thousands of acres to a single enterprise in order for them to use it is in my opinion not being sensible.

MR. USKIW: Well let me then get down to a specific.

MR. FULTON: Yes. Okay.

MR. USKIW: Let me get down to a specific. The province has leased to Manitoba ranchers since 1933 somewhere in the neighbourhood of one and a half to two million acres of land. We have had many propositions to the effect that that land could be better utilized if many less farmers were involved on that land and working that land and using that land where they were prepared to invest many millions of dollars to make that happen. So when you try to determine the use of public lands you have to weigh the consequences of such a proposal in that it does mean in fact a depopulation of the area.

MR. FULTON: Well if leasing it all to one farmer means that you put 50 smaller farmers who have small herds and raise families, you know, in connection with this particular bit of land and that in turn means that you have 50 more families on social assistance which has to be paid for through tax money or something of this sort, you've shown a net loss.

MR. USKIW: So you're opposed to that kind of . . .

MR. FULTON: Well obviously you have to calculate the social costs into determining what is sensible and what isn't, yes.

MR. USKIW: But let's assume though that that same entrepreneur was now going to buy 50,000 acres of the land in Birtle and around Birtle and became the tycoon, the tycoon in agriculture in that part of Manitoba. Would that be a good thing or a bad thing for the town of Birtle in your opinion?

MR. FULTON: That's a hypothetical . . . I'd really not care to answer. Prima facie it would seem to be a bad thing but . . .

MR. USKIW: You're not sure.

MR. FULTON: Well I did but it depends on what's involved, you know. I mean it's a hypothetical really . . .

MR. USKIW: What I'm getting at is that that may very well be a very efficient farming operation, in fact it could be so efficient that it would have its own dealership system, and its own fuel supply system and its own repair system, and hence it doesn't need the town of Birtle. That's my point.

MR. FULTON: This would be a situation much analogous to a government, if a government owned 50,000. It's essentially a large highly centralized organization that leaves very little room for individual ownership and this kind of thing. We believe in the viability of the

(MR. FULTON cont'd) family farm, and generally speaking don't favour monstrous kinds of corporations. Our suspicion is that they're not that efficient anyway. But aside from that we favour the viability of family farms as long as, you know, the unit is large enough to support a family.

MR. USKIW: Now then if that same corporation simply was a land holding company, and we've had three or four proposals in that respect in the last 18 months, one as late as, well an inquiry as late as three or four weeks ago; if that was a land holding company who leased the land to all of your friends in Birtle that would be all right, that would be fine in your opinion.

MR. FULTON: Well no. You're just trying to ignore what I've been saying. We prefer that individuals own land. I don't seem to be able to reiterate that preference enough.

MR. USKIW: No, but I'm dealing with the question of whether there's a need for legislation against that kind of ownership. That's my point.

MR. FULTON: In other words, you wonder whether there's a need for legislation to prevent a corporation from buying two or three townships at a shot.

MR. USKIW: That's right. That's right.

MR. FULTON: I should think that an improbable state of affairs, but if indeed you seem to be confronting that kind of situation, I would think that it could be best dealt with by relatively - I don't think that it's that probable, especially if you make it sufficiently unprofitable for them to do so.

MR. USKIW: Let me assure you that it's not probable because we have given a negative reply to every inquiry in the last 18 months. But had our response been positive we would have had I'm sure a syndicate established in Winnipeg that would be administered from Australia as one example, Sydney, Australia. I'm simply pointing out to you the kind of inquiries that have flowed into the government system and then the kind of concerns that have been expressed by the public to us about those possibilities, and hence this discussion here should give us some guideline as to what public opinion is on that kind of a question.

MR. FULTON: Yes. Well it's a shame that your Working Paper didn't direct itself to that question more explicitly because in point of fact relatively little discussion was made of the question of foreign ownership, more of the question of land use within the province and the effects of leased as opposed to - ownership as opposed to something else, you see. Frankly, you know, it might be a wise thing. I would hesitate to comment without having more information and more background, but it might be wise to limit such a vast purchase.

MR. USKIW: Thank you.

MR. CHAIRMAN: Thank you, Mr. Fulton. Somebody's asking - Mr. Henderson's asking for that quotation, if you've found it Mr. Green.

MR. GREEN: The quote that I want is unfortunately in Book I but it's almost repeated . . .

MR. FULTON: That is also the quote which deals with relations of labour and government which I . . .

MR. GREEN: That's right. It almost is repeated in Book II which says, "In every country it always is and must be the interest of the great body of people to buy whatever they want of those who sell it cheapest. The proposition is so very manifest that it seems ridiculous to take any pains to prove it; nor could it ever have been called in question had not the interested sophistry of merchants and manufacturers confounded the common sense of mankind. Their interest is in this respect directly opposite to that of the great body of the people."

MR. FULTON: That presupposes a much more self-seeking individual than the farmers who live in Birtle municipality . . .

MR. GREEN: Oh I never used the quote with reference to the farmers in Birtle-Russell; I used it with respect to the commercial interests in the country.

MR. FULTON: Perhaps as a parting thing, I, as I say, speak on behalf of the Reeves of six municipalities and there are three of them here today, Mr. Ashcroft from Birtle, Mr. Bouchy from Ellice and Mr. Antonation from Shoal Lake and if you wanted to question any of them about something that I have said or we propose they'd be quite happy to speak.

MR. CHAIRMAN: Are there any questions that would be desired to be directed to the Reeves of those municipalities who subscribe to this particular presentation by Mr. Fulton? Thank you, Mr. Fulton. We shall proceed.

We shall go back to the Manitoba Association of Cow-Calf Producers. The person to present this brief, I believe you did indicate this morning that you want some time to work on

(MR. CHAIRMAN cont'd) it. Would you please indicate your name and your address for the benefit of the people who are transcribing. Your name, Sir?

MR. VAN DAMME: Mr. Chairman, my name is Harvey Van Damme, I'm from Austin, Manitoba.

MR. CHAIRMAN: Proceed Mr. Vandon. Vandon?

MR. VAN DAMME: Van Damme, amme. I didn't come prepared here to speak at all. I'm with the Cow-Calf Association and our President suddenly had problems that he couldn't make it this morning. I was supposed to meet him here and he was supposed to have our brief here but the fact that he can't be here he asked me to get something up together.

MR. GREEN: I wonder if it's of any value to tell Mr. Van Damme that there will be other occasions. That doesn't mean that I'm not anxious and wanting to hear him but you needn't feel that this is your last go.

MR. VAN DAMME: No, this is right. I'm speaking as an individual and at the same time with the Cow-Calf behind us.

MR. CHAIRMAN: Proceed Mr. Van Damme.

MR. VAN DAMME: Mr. Chairman, before I get going here, I've never been in a position like this before and I realize that Mr. Green, or anybody here for that matter, can talk circles around me and I hope he'll bear that in mind and try not to be too hard on me.

MR. GREEN: Why? Because I can't raise cattle. . . .

MR. VAN DAMME: Okay. We feel

MR. CHAIRMAN: Mr. Green is taking woodworking and he's coming to my assistance all the time, and I can't argue with him on other matters but I can tell him how to do some carpentry work.

MR. VAN DAMME: Okay, I'm going to make some pretty harsh comments here right in the beginning and I intend to point out my reasons why as I go through.

First of all, meetings of this nature are really just a matter of formality. Now I said I'll expand on that later. Furthermore, I get the feeling from this hearing here today so far, and from particularly this meeting here today, that government is trying to make government ownership look good in comparison to foreign ownership with a complete disregard for what the people really want. There is skepticism on the part of producers that government can reclaim a lease at any time, and when I say that I'm thinking of a chap I run into approximately two weeks ago in the Interlake country. This is God's country to me because I've never been back in that part of the country before. I got lost in that part of the country one night coming home from a meeting, asked my way and got talking to this particular farmer and he began to tell me about a five-year lease he had as I understand with government, along the Red River Floodway, and he had been served notice, I believe it was after two or three years of his lease expired, that next year he will not have this property to produce on. Further to that he had land leased around Lake Manitoba, he was situated in between these two areas, and as I understood it from what he told me that Wildlife was taking within a mile around the lakes, back, and he was losing his producing capacity there. Now this man was sitting with a herd of beef cattle and a dairy operation, and deeply in debt as most of us, and he had no place left to turn. Now if this man, as he explained to me, was to sell out everything he owned at today's depressed prices would nowhere come near to clearing himself. This man is in a bind, there's no doubt about that.

And when I say there's skepticism on the part of producers that government can reclaim a lease at any time, this is why; because he had a lease with government and now it's been pulled out from under him and, you know, it's asking a lot I think to ask a farmer or any producer to go along with a land lease program when he sees what's gone on in the past and is going on when they're talking the other way and doing something altogether different.

Another thing - is government nearly as concerned about productivity or are they more concerned about control? Now we have had - and I have taken them myself - farm management courses, beef courses, courses of everything related to agriculture and all along the line I have yet in any of these courses to hear anything said about marketing. All that has been pushed and promoted has been productivity and efficiency, and by God we're doing a good job of it, but what the hell about our markets.

I would suggest that government is not as concerned about the young farmer being established as they are about controlling him. I also feel from this meeting in the past that government, and this was mentioned earlier by the way, is here to have us say what they want to hear

(MR. VAN DAMME cont'd) and that otherwise it's futile to discuss it. If government is as concerned as they say they are about establishing the young farmers, for example, let's have fair appraisal with land and buildings by FCC, for example where they are concerned, and if this were done, there would be no need for government to own land.

I am against foreign ownership and even more strongly opposed to government ownership and government does not have to fight foreign ownership by becoming the main controller of land. Farmers have proven that they are much more efficient than any other segment when it comes to productivity compared to all other sectors of society, when it comes to produce per man-hour in dollars spent, and if the rest of society would be as productive there would very probably be no need for this meeting here today. Let's not forget that agriculture contributes as high as 56 percent directly and indirectly to the gross national product, yet we represent approximately only five percent of the vote and that is dwindling. If I had to lease from the government or anyone else under such terms as have been proposed as I understand them, I would not work or produce agricultural products half as efficiently and not nearly as much as I am today, for the mere fact that there is no incentive or any pride left. I can speak in my own case in those terms if you wish to expand on that.

Why should recreation and wildlife, while I believe they are very important, take priority when we have a starving world today. I believe government's time would be much better spent on promotion and distribution of agricultural products at a fair price to the producer, namely his cost plus a fair return on his labour and his investment, since we are equally entitled to a decent standard of living in return for our labour and our investment as anyone else in society.

Mention was made before on mining the land. I'll go back to the comment I made earlier on the farm management courses and beef courses and dairy courses and everything pertaining to agriculture. I think the number or percentage of people that are mining land today are definitely a minority. We know better. I, as a young farmer, will not mine my land, I will make my land produce to the best of its ability with what I have to work with. Different people have said people have gone into cattle where they shouldn't be in cattle. I am one of the people caught in the cross squeeze and diminishing returns on livestock, not because I want to raise livestock compared to grain but because that is what my farm is best suited to produce, and that if I do not I in fact am going to be mining that land.

Now here is my last comment. Is legislation already on the books and able to be implemented in three sessions and in one day, if government sees fit as of today, in regards to a land policy for Manitoba? I would like a straightforward answer on this, a definite yes or a definite no. And believe me we will be watching to see whether it is upheld or not. Or will there not . . . Perhaps that should be answered first but I'll finish the whole thing and you can answer it later.

Will there or will there not be a hearing conducted in Arborg this week or anywhere else for that matter and you mentioned first at the outset of what I had to say, that there would be. There could be much more put into this but this was just put together over the noon hour.

MR. CHAIRMAN: Thank you, Mr. Van Damme. Are there any questions directed? Mr. Johnston.

MR. G. JOHNSTON: Mr. Van Damme, did I understand you to say that the appraisal practices of the FCC is very good?

MR. VAN DAMME: It is very poor.

MR. G. JOHNSTON: Very poor. I didn't quite understand you.

MR. VAN DAMME: It is definitely very poor. We just went through a deal last fall and I was in this same auditorium last winter making comment on it. Mr. Hofford knows all about it.

MR. G. JOHNSTON: You weren't making a comparison with the MACC, is that correct?

MR. VAN DAMME: No. I can't in all fairness go right into it because I'm not completely familiar with it. I'm saying it is an alternative, that we do not have to have government ownership. There are other ways and other means, and this is one of them.

MR. G. JOHNSTON: You stated some objections to the terms of the lease, and I understand you to mean the leases of the MACC. Is that correct? There was some objectionable clauses in the lease?

MR. VAN DAMME: I am not going specifically into MACC because again I came here unprepared but I know of these cases. I'm not sure who they are with. I know it was with the government, whether it is MACC or whichever. This is what is taking place. I'm talking to

(MR. VAN DAMME cont'd) cow-calf men in the Interlake. Not just Interlake, in my area, in the sand hills, Crown land. They are working on a year to year basis. Now how can anybody in this day and age operate a business and put everything on the line and produce efficiently and stake his whole livelihood and everything he has worked for and generations before him and work under these conditions. It is unrealistic and definitely unfair. A man has to have a long-term lease if he is to lease at all.

MR. G. JOHNSTON: You're speaking of leasing grazing land from the Crown.

MR. VAN DAMME: Absolutely, and this is all I'm speaking of right here.

MR. G. JOHNSTON: This is a longstanding practice that you're complaining about is it? It's not a new . . .

MR. VAN DAMME: I am told, I was speaking to people yesterday and before that, that are caught in this situation. They said they could get a five and ten year lease before where they are stuck with a one year deal now and don't know from - they are on the open, I shouldn't say open market - they have to compete yearly for that same piece of land and try and build a viable operation on that and there's just no possible way. You just cannot do it with the input you have today.

MR. G. JOHNSTON: While we're talking about leases and you didn't touch on this but I understand that the government in recent times, I think it was a year ago, substantially increased lease prices. Has that had an effect on you or any of the people you know?

MR. VAN DAMME: Absolutely.

MR. G. JOHNSTON: In other words, are they dropping leases because it's not economic?

MR. VAN DAMME: We met Mr. Uskiw here last week with the cow-calf, along with the beef growers who supported us, and we had a meeting with land-lease people that morning and this was one of the complaints, that it's not tied into the cost of production, or should I say what is produced from those acres. Do you follow me? This is what we are so strenuously opposed to. You know, we were told that - I think Mr. Uskiw was the one who made the remark that land is being rented for \$40.00 an acre in the Portage area. Whether this is right or not, I cannot say whether it is right or wrong. But just to make the point; that \$40.00 an acre rent in the Portage area this land will produce accordingly. Whether the \$40.00 is right or wrong is immaterial at this time. But by the same definition Interlake land where you're running perhaps 6 cows per quarter you can't, you know the rent on land - unless there is room for a return and to make a decent standard of living, what are you doing it for.

MR. G. JOHNSTON: That's all, Mr. Chairman.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, I appreciate the fact, sir, that you have not had time to research your subject matter but I do want to make some comment on some of the points that you did raise. You express some degree of dissatisfaction on the raising of the fees on Crown land leases in answer to Mr. Johnston's question. That's a correct statement is it?

MR. VAN DAMME: Yes, but I understand from some of the cow-calf men that are concerned with the land-lease that it is being looked into.

MR. USKIW: Well I'd better put it differently then. Are you familiar with the way in which lease fees are arrived at - the formula?

MR. VAN DAMME: It was explained to us, yes.

MR. USKIW: Yes. All right. Last years lease fees were based on the cattle prices of the year before. That has been a longstanding procedure ever since we've had Crown land leases. That is not a new procedure. Your cattle prices last year peaked, you had the highest - or a year ago that is - the highest average price ever in the history of this province, which resulted in substantial increases as well as a change in the royalty structure, resulted in substantial increases to the cow-calf operator. In fact it resulted in a doubling of the lease fee for 1974. 1974 is of course one of the worst years, if not the worst, that the cow-calf people are experiencing. As a result of that situation your 1975 leases are zero based on economic rent formula and the only obligation on the lessee is to pay the tax portion. So that the formula really means that in years where your cattle prices are high you will pay a proportionate rent on the use of land, when you are in trouble you will not pay anything for the use of land. Do you see that as an unfair treatment of your group?

MR. VAN DAMME: It is unfair to the point that cattle from the land that is being used to produce that beef are the cattle it should be based on, not A-1 and A-2s. These cattle do not by any means in the whole represent the cattle taken from this leased land.

MR. USKIW: But if you apply that formula as you suggest, if we were to amend that formula that you now suggest, and we have considered this, it would have meant that your lease rate for '74 would have been much higher than it was even though it was already doubled. My Deputy advises me that A-1 and A-2 in veal calves are not included in the formula.

MR. VAN DAMME: I'm talking A-1, A-2 cows. It should be feeder cattle, let me make myself clear; it should be feeder cattle coming from the grass and taking a time period I understand, which I didn't know before, but I don't recall the cut-off date, what they call their year, so it makes it . . .

MR. USKIW: May to October, inclusive, yes.

MR. VAN DAMME: It makes it difficult to establish a given time when we would like to see cattle coming from this grazing land to be built into the structural price of that leased land.

MR. USKIW: But do you realize that that in essence would have meant that last year's grazing rate should have been higher than it was.

MR. VAN DAMME: Last year . . .

MR. USKIW: If we accepted your suggestion.

MR. VAN DAMME: Right. I know what you're saying. And we would not object I don't think on the whole to pay a higher lease if we could justify it by getting a decent return for what we are producing on that land.

MR. USKIW: No, but my point is that last year your leases were high based on high cattle prices. In 1975 your lease rate is zero based on low cattle prices. What is wrong with that kind of flexibility from the point of view of government policy? We are giving you maximum consideration in 1975 because you are not making any money. You are going to pay zero in 1975.

MR. VAN DAMME: I'm not that familiar with it that I can maybe get that deep into it because I'm not involved in land-lease myself and I'm sorry that our President who is caught up in this thing . . .

MR. USKIW: No, that's fair enough. I appreciate you're not prepared for that.

MR. VAN DAMME: All I'm saying - we would be prepared to pay a decent rent if we could get a decent return, that is all I'm saying. And we do not feel right now that it is fair by the fact that we are not taking the prices of strictly feeder cattle coming from this land. Because I think any producer in this room here today who's been selling feeders this year knows exactly what he was getting, and is substantially less than the base price figured into the structure of this land.

MR. USKIW: But it is difficult for us to lease land to you at less than zero rates though. We really can't do any better than that can we?

MR. VAN DAMME: We were told that this was being looked into and this was about as far as I can comment, because I say I do not know that much about it further than what I've stated.

MR. USKIW: Now you raised a question as to whether there will be further hearings and I think we should remind you that the Chair did announce this morning that we will have three or four more meetings at least, at which time we will decide whether we should have another dozen or two over the length of time. Let me assure you that this question is such that I think it requires a great deal of discussion. And from my own personal point of view, and I can't speak for the committee because the committee was struck on the basis of discussions in the legislature from all parties which thought there was some urgency to this question and that some legislation should be forthcoming. But not knowing what the committee will recommend to the legislature I can assure you from my point of view that I would be most happy to debate this for a couple of years before I would want to introduce legislation.

MR. VAN DAMME: We would certainly encourage this and in fact as the people which are part of this government, demand it.

MR. CHAIRMAN: Thank you. Mr. Green.

MR. GREEN: Mr. Van Damme, I'm going to sort of repeat a question that I've been asking almost everybody because I am sincerely trying to see whether there is other answers that have been given which I have not yet found satisfaction in terms of the reason. You are opposed I gather to foreign ownership of Manitoba land?

MR. VAN DAMME: That's right.

MR. GREEN: Now, can you tell me would you be opposed to a fellow in New Brunswick owning Manitoba land? Let's say four sections of Manitoba land, and living in New Brunswick, a Canadian citizen.

MR. VAN DAMME: I think I would have to say that I am opposed to it but not as opposed as to government ownership. And I will say why.

MR. GREEN: Well just before you - Oh go ahead I don't want to interrupt you. Remember I was talking about a fellow in New Brunswick.

MR. VAN DAMME: That's right. I don't care where he's from. The mere fact that if I had to make a choice, and I don't see any reason why I should have to, but if I had to make a choice I would reason it this way. That the man from New Brunswick has got to lease that land out for what he can get. In other words, fair market value of the times. I am competing with him man to man. On the other hand, if I have to deal with government I have to compete with the taxpayer.

MR. GREEN: Yes, I understand, and that point has been pretty forcibly put from time to time, but I'm trying to get you to see whether there is a different question involved. You said that you're opposed to foreign ownership.

MR. VAN DAMME: That's right.

MR. GREEN: Now by foreign I have taken you to mean non-Canadian. Is that not what you mean when you say "foreign"?

MR. VAN DAMME: That's right. If he is not prepared to live here under the same terms and conditions that I have to live and make a living as living on that property and making an economic unit of it.

MR. GREEN: Then my question is, do you think that a owner of land, take four sections of land in Manitoba, who lives in New Brunswick and never intends to move here is a worse situation than an owner of land who lives in North Dakota and never intends to come here.

MR. VAN DAMME: No, I would say it is a better - taken in the context that you put it, it is a better situation.

MR. GREEN: And I ask - maybe you'll give the answer. Why is the New Brunswick owner, who doesn't intend to live here, better than a North Dakota owner who doesn't intend to live here?

MR. VAN DAMME: Because he is still a Canadian.

MR. GREEN: Yes, I understand that, and if we deal with it solely from the position like he's closer to the family and that it's based on nationalism then I can understand what you are saying. Is there any other benefit that you know of or that you can give me? Remember Mr. Fulton said that nationalism is a dangerous concept to rely on, and I'm asking you if you have something else other than nationalism. Let us say that the New Brunswick owner doesn't come up and see the land, doesn't watch what his tenant is doing, isn't as good in husbandry as the North Dakota owner who is just a couple of hours away. Would the New Brunswick owner still be better in your eyes than the North Dakota owner?

MR. VAN DAMME: Well before I even answer that I would have to ask why am I being forced to make that decision?

MR. GREEN: Nobody is forcing you to make a decision, sir, but . . .

MR. VAN DAMME: Not being forced, I am being asked to make a decision as to whether this man from Newfoundland should be given priority or the man from North Dakota.

MR. GREEN: I'm not really going to even push it. You did say you're opposed to foreign ownership of land . . .

MR. VAN DAMME: This is right.

MR. GREEN: . . . and I was just trying to find out why. And if you say that you don't want to be forced into having to make that kind of decision then I'll leave it at that.

MR. VAN DAMME: That's not what I said. You're taking it out of context.

MR. GREEN: I'm sorry. Then I don't intend to take it out of context so you go put it in your own context.

MR. VAN DAMME: That's what I'm trying to do.

MR. GREEN: Okay.

MR. VAN DAMME: Why is it necessary to say that we've got to choose between a North Dakota man and a man from Newfoundland. Can we not say neither one of them and keep it within the population - there's enough people around today who want to farm given half a chance and can do a job of it given half a chance, and we have proven this over and over again, through the products we have on the market that are worth nothing today being overproduced. And call it overproduced if you like; markets are the big thing, so why do we have to worry about letting somebody come in from North Dakota or Newfoundland. We have the people right here at home.

MR. GREEN: I believe, Sir, that if you will read "In Search of a Land Policy for Manitoba",

(MR. GREEN cont'd) the fellow who wrote that asks exactly the same question. He says why should we look outside of Manitoba. Why should we go to New Brunswick or to foreigners. What we should be looking to do is to have as many farmers in Manitoba farm Manitoba land. And I gather you agree with him.

MR. VAN DAMME: I agree with that but privately owned.

MR. GREEN: Well if somebody . . .

MR. VAN DAMME: That's exactly what I was getting at.

MR. GREEN: Now you really force me, as you say, to ask you another question, and I don't have the answer to this question but would you prepare it. What you are interested in is as many farmers in Manitoba creating a great productivity of the land, getting as much as possible out of it in a husbandry manner not mining it.

MR. VAN DAMME: That's right.

MR. GREEN: And if someone could show you that that would occur through a mixed system of farm ownership, farm leasing, joint ownership, co-operative ownership rather than one particular system, would you be prepared to look at them all, or would you look at them all except public ownership?

MR. VAN DAMME: I would look I think at just about any other definitely first, let's put it this way, other than public ownership. Because I said before, and now I think maybe this is the time to mention it, that in my own case I started from nothing the same as a good many people start and worked damn hard to get what I've got, and I'm proud of that fact. I'm in debt over my ears but I'm not ashamed of it. And if I go under nobody's going to bail me out. I've got to sink or swim on my own. I get three years grace and if I can't make the grade, sorry Buddy we hate to see you go. But with that hanging over my head I am digging and I am producing as much and the best way I know how, and in fact I along with everybody else have done such a damn good job of it that now we haven't got a market for it anymore.

MR. GREEN: Well I respect your feelings and that's fine.

MR. VAN DAMME: So all I am saying - we are talking about a starving world. And as soon as you put it in the hands of where you have not got pride of ownership there is no longer the incentive to get out there and dig and produce, efficiently. If I did not own that land, if you were my landlord and I had no guarantees as to where I was going, that I couldn't take pride in what I'm doing myself, I would not have cleared 250 acres of land in four years, and I would not have worked round the clock. I wouldn't have done custom work and raised stock and everything else that I have gone without for a long time, same as everybody else. But I've reached a point where I said I've had enough and I am not going to live that way anymore. I can only work so many hours a day. I was working just the same before trying to get by without getting into debt and I wasn't getting anywhere. Now I've gone into debt and I have made a decent standard of living for myself in terms of a decent home, a decent vehicle to drive and a few bucks jingling in my pocket, whether they're borrowed or not.

And let me go further. I've got a decent standard of living in those terms, but I've also got the right to go broke, because government is so damn busy trying to set up policies like this, or going through the procedure we are going now instead of taking the responsibility of going to the public, the consumer, of which we are also a consumer and a taxpayer, as producers. But like I said before, we represent about only 5 percent of the vote. They will not take the responsibility and the initiative to go to these people and say, "Look you are getting a bargain and get behind the producer and get him a fair shake." And I say we are going at this completely backwards. And if you were concerned at all about a continuity of supply in the marketplace for the consumer I think you had better get out there and tell them what's going to happen pretty darn soon.

MR. GREEN: You mustn't assume Mr. Van Damme, because there are different opinions that there isn't concern. You mustn't assume that because I perhaps may have a different opinion than you have that I'm not concerned. You know I started from absolutely nothing and I do not recall ever having taken a public cent in workman's compensation, social assistance or anything else except the salary that I get from the public as an elected representative. But I haven't in that process come to the same opinions as you have, so it doesn't necessarily flow from the fact that somebody works hard that he therefore forms a certain opinion.

I will only, sir, try to recall what you have said and see whether I've stated correctly so that I see the depth of your feeling rather than the reason for it. That you would prefer that German interests controlled 50,000 acres of Manitoba land who did not live here than that the

(MR. GREEN cont'd) public should own that land? I gather that's what you said, that you prefer foreign ownership to public ownership.

MR. VAN DAMME: Because I am competing, like I said before on the basis of man to man and not competing with the taxpayer which is government and I have no control at all over it.

MR. GREEN: Well we happen to own, you and I and the people in this room, we happen to own 75 percent of the land in the Province of Manitoba, much of it containing valuable minerals which we do not alienate. I gather that you would want me to sell this 75 percent of the land in the Province of Manitoba, of which you and I are now the owners, to private interests.

MR. VAN DAMME: I am talking here as agricultural land.

MR. GREEN: I understand.

MR. VAN DAMME: Strictly agricultural land.

MR. GREEN: You were talking about tenure, and this is where I'll terminate my remarks. I understand that you said that somebody in the Delta Marsh is being taken over by Wildlife and he's on a lease. I gather that you would understand that even what we call a Torrens Title, that is an ownership title, is being taken under the same circumstances and was taken, for instance, thousands of acres taken for the Red River Floodway, thousands of acres taken for Birds Hill, that under even the most complete form of ownership or tenure, as you know it, that the public has terminated and can terminate the lease. The only difference is that if one has a very short term lease he generally does not then put a great deal of improvements on it because it just expires, whereas with a Torrens Title the public takes back the land and pays compensation.

MR. VAN DAMME: Okay. We get into a whole new business here. When we were in Mr. Uskiw's office last week he told us by the fact that our problems . . . and in his office asking for assistance, that we became beggars. Now by the very fact of what you have just stated you're doing a damn good job of keeping us beggars. Am I not right?

MR. GREEN: Sir, I don't believe that you can properly charge me with making beggars of anybody. You can say what you like, I have not operated in such a way in my opinion, in my own opinion, and I am willing to face the public on it, in such a way as to turn people into beggars. I believe that dependency status is the most degrading thing that can happen to any human beings, and everything that I'm doing in public life is to try to eliminate dependency status. So if you want to make that charge about me I suppose as an elected person I sit here and I take it, but I deny it.

MR. VAN DAMME: I did not make it to you. I said simply what Mr. Uskiw told us and I am comparing it. I am comparing it . . .

MR. GREEN: I thought you were referring to me.

MR. VAN DAMME: I am comparing it against the policy that you are stating that even a Torrens Title or a lease can be terminated.

MR. GREEN: There's absolutely nobody, no elected person would disagree with that. It's been done by every government in Canada, of whatever political complexion. It was done far more by the Conservatives than has been done by the New Democrats. There is absolutely no argument about that question. Torrens Title has been, can be and always will be terminable by the State, and has been.

MR. VAN DAMME: Then are you not asking an awful lot of a young person in particular, and any person, getting into a land-lease program with the understanding that everything he does can be in that way terminated, and I would say you are on far less stable ground with a lease with the government than I am with a Torrens Title.

MR. GREEN: I don't agree. I think that the lease program which will be done specifically on agricultural land intended to continue as agricultural land will probably provide greater stability in tenure than the other form. However - and I'll give you an example. There are many many Manitobans - somebody mentioned Clear Lake - who have built cottages in the Whiteshell and at Falcon Lake, cottages valued sometimes between 10 and 15 thousand dollars, and in many cases they have done it on a one year permit, because they have confidence that the public as a whole, having set that up and let them build their cottages there would never exercise the right to eliminate that tenure. And as a matter of fact you cannot find a single person who has ever lost a cottage who has built on a one year permit.

MR. VAN DAMME: I might also say they had the money.

MR. GREEN: Well, you know they have had the money - I want you to know that many of those people are very modest income people who have worked hard, who started from nothing,

(MR. GREEN cont'd) who have never taken any public assistance and have put away a little bit to have a cottage at the Whiteshell. They have not found that money, nobody has given it to them; they were not subsidized cottage builders, they built it as a result of a program that was opened up by the Conservative Party in the Whiteshell to have recreational opportunities available to Manitobans, and they used them. And none of them - even some take 21 year leases, many live on one year permits and none of them have been taken over by the public, because the public is you and I in this room, and we just wouldn't do that. And that is the security of their tenure. Whereas a lot of private people have done it.

MR. VAN DAMME: I still take more faith in my neighbour, I'm sorry to say, and I don't care whether it's NDP, Conservative, Liberal or what Party it is.

MR. GREEN: Okay. I understand.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, I think that we should clarify for your benefit, sir, that in the Crown land leases that have been administered in this province for decades, that there are different kinds of leases - some have a long term, some have a short term; some are interruptable, some are not - and to the extent that there is an interruption in mid-term of an agreement then it's to be compensated for, it cannot be interrupted without compensation. So I would hope that if anyone feels that they have had their lease contract interrupted and didn't get paid by some misfortune, and I couldn't imagine what they would be, that certainly they have a right to raise the question with whichever department was responsible, and to get compensated for the period that they have lost. If it's a firm five year agreement.

MR. VAN DAMME: May I ask what basis is used for compensation.

MR. USKIW: Well I don't know the nature of the agreement in question so I couldn't tell you.

MR. VAN DAMME: But take any given agreement, what would be your basis of arriving at compensation.

MR. USKIW: Well it's obviously a negotiated thing. I couldn't tell you what it would be. I think there is one other observation, and that is that a lot of these leases were issued under an assumption that the Crown was not willing to give up the land, that it wanted to retain certain privileges for the people of Manitoba, but alongside of those privileges it was compatible to lease the properties to cattlemen for grazing purposes. As this developed over the years it became a sort of an argument as to whether the farmer shouldn't be given complete rights to this Crown land rather than be given a privilege to use it. In other words, the argument was that we really would like to take control of it as if we owned it, or in fact we would like ownership of it. That was never the intent when the Crown first decided to lease land, and that goes back to the thirties. But it was the intent that it was compatible to lease land to give some benefit to ranchers in the area as well as retaining some other public uses of that land. So we shouldn't confuse the intent of that program.

But let's assume that we take as given that you don't trust your government, your elected officials in the administration of those leases, let's assume that you don't trust the government,

MR. VAN DAMME: You assume correctly.

MR. USKIW: . . . would you trust a gentleman like Jim Prentice, who happens to be in the audience - I just noticed him, that's why his name comes to mind; - do you think that Fred McGuinness from the Brandon Sun could handle the two million acres of Crown land leases if we said to him you can have this and do whatever you want with it. Do you think you would make a better deal with Fred McGuinness, or do you think you would make a better deal if we gave the Crown lands to the Great West Life Assurance Company and we said to them, you make your own deal with the farmers of Manitoba, providing these public interests are maintained. Do you think that this year they would have said to you, because you didn't make any money in agriculture last year that you can have your leases free in 1975?

MR. VAN DAMME: I think you've gone too far when you state "all this land-lease as to grazing land".

MR. USKIW: You were complaining about the fees in grazing land and I'm trying to point out to you that no private owner of grazing land would let you use his land; in fact very few would, if any, for nothing.

MR. VAN DAMME: I'm not asking it for nothing. I said based on the cost of production so you can make a living. This is completely divorced in my opinion from land that MACC is trying to buy up today. That's completely different, and this is what I am talking about. Let's not forget that.

MR. USKIW: No, you were talking about the . . .

MR. VAN DAMME: Right, but in whole.

MR. USKIW: All right, let's pursue that point. That will be my last question. Do you look upon the person who leases Crown land, your neighbour, who can't afford to buy it, do you look upon that land as Crown land or do you look upon that land as his land because he chose to acquire that land through a lease rather than through a mortgage?

MR. VAN DAMME: I would have to consider it as Crown land.

MR. USKIW: No, no, but it's his choice, it's not the Crown's choice.

MR. VAN DAMME: But you asked how I would consider . . .

MR. USKIW: No, no, what I'm saying is, your neighbour decided he couldn't afford to buy that land but he wanted to farm that land, and the only way he could do that is if someone would buy it and lease it to him. Do you not consider that that is his farm?

MR. VAN DAMME: I do not, because why should he have to lease it?

MR. USKIW: Well because he hasn't the money to buy it.

MR. VAN DAMME: Now you come back to why has he not got the money to buy. I said earlier that appraisals should be fairer. Farm Credit puts very little value on buildings for one thing. I understand there are changes being made possibly in the Act, but under the old system that I had to work under till now we had to provide approximately 35 percent of the capital. Now why does it have to be 35 percent? Like I stated earlier, you've got three years grace before they say, Sorry, Buddy, we hate to see you go. But at the same time, those first three years you have made your biggest input in most cases, anybody who is legitimately trying has put in his biggest effort, most hours, to try and improve and make this a viable unit, if it was not when he took it over. Why cannot this be taken into consideration. Then they say that government is worried about the taxpayers' dollar; and where can you get a better investment where you can get somebody working for three years for nothing and losing everything he put into it.

MR. USKIW: All right, let's now take it into the proper context. You have the impression that wherever government is involved there are problems; you are not happy with their involvement, that's sort of the position you're taking. Then why are you interested at all in FCC credit arrangement, why don't you go to your neighbour, to your banker or to your finance company and ask if they'd finance your mortgage. I mean, why do you want government . . .

MR. VAN DAMME: There is more and more of this I think going on.

MR. USKIW: No, but wait a minute. You are complaining that you are not happy with the program. I don't have to defend the program of the Government of Canada to the FCC, I happen to think they've got a fairly good program, but apart from that you don't like it. No one is compelling you to borrow money from the FCC. You have the private institutions . . .

MR. VAN DAMME: You're absolutely right, but I go to my neighbour to buy a particular piece of land and if I go to MACC, which has been the case in one I'm aware of, and I am sure there are others that people aren't aware of, they approached them and they said well we will look into it; within a day or two they go to this party and make a higher offer and buy the land.

MR. USKIW: That is your experience?

MR. VAN DAMME: Not my experience but it has been of some and I think these people could be brought up to testify to that.

MR. USKIW: We have yet to receive that information. We have written to the party that suggested that and haven't received a reply yet, sir.

MR. CHAIRMAN: Mr. Van Damme, I have a copy of the letter written by one of the officers of the Manitoba Agricultural Credit Corporation to substantiate that particular statement that was made at the January 20th meeting in Winnipeg. To date we have not received it; when we do we will have it made known.

MR. VAN DAMME: All I'm trying to say is I have to compete on that same market, where government has the money, where I have . . . I'm not put in a fair position to bargain, because, like I said before, I cannot go to my neighbour and deal with him as an individual. I'm in fact competing with the taxpayer.

MR. USKIW: No, but you're really negative towards government involvement in your affairs, that's what you're really saying as I understand you. So my suggestion . . .

MR. VAN DAMME: To that extent - you can't quote me on that because I have said that FCC should re-arrange their appraisals and by the fact that I'm saying that I'm not saying government shouldn't be involved, but in a different way. Do you follow me?

MR. USKIW: Well, you know I get the impression that you're negative towards government of any kind, whether it's federal, provincial, whether it's Liberal, NDP or Conservative. You know, that's the impression you are leaving.

MR. VAN DAMME: I do not wish to leave that impression; you are in fact I think putting words in my mouth when you say that, because by the fact that I say that we are not - we need a loaning agency for the young farmer. Let's give the young farmer a break in interest concessions of one form or another, to give him a chance to do some borrowing, to bargain, and if he can prove that he can make this a viable operation what have we got against letting this farmer own it, and giving him the incentive to produce.

I can cite a case of my younger brother last summer, we worked together and we worked damn hard, and I'm not ashamed to say it, I'm proud of it, with the idea we were going to get him farming. My Dad has passed on and we are four young boys trying to get each other going; we have stuck together from the word go and this is how we've got where we are going, the same as most people. There was no limit put on to what we would take on or the effort we would make to achieve this goal. We have been looking for land for two or three years and finally last summer my younger brother worked with me, I couldn't pay him a decent wage because I couldn't make enough out of my own operation, but with the idea that we will pull together and we will get you farming.

We found a section of land, Mr. Minister, with 470 acres under cultivation. Now granted it is a cattle farming area, but approximately half that acreage was suitable to feed grains, coarse grain. You could have raised practically chickens and made this place go - for \$40,000 with a brand new home on it. He was eligible under Farm Diversification and the PEP Program to have a cattle shed built. He had cattle of his own through the family; we had some machinery to put into it; we had arranged with the banker; we had a \$500 down payment on the purchase of this land. All we needed was the okay from FCC. Snow had just fallen on the land and FCC will not appraise at that time of the year. We had a second mortgage drawn up with the party concerned, that they would accept whatever FCC appraised the land at and take a second mortgage on the remainder, as to what we were going to put down on it. This was all agreed. Suddenly the party in question passed away and the woman was left having to know where she was going, and understandably so.

We went to Farm Credit and asked for a letter of confirmation, that he would be eligible and that we would go along with whatever Farm Credit saw fit to appraise it at, and we were turned down. I believe I made two or three trips to Dauphin over this, it was in that area, and that we were at a loss as to where to go. So the cheque got torn up for \$500 and we parted company. For \$40,000 on a section of land with a house that was worth approximately \$23,000 - I just built one last summer, I knew just about what it was worth. You are talking of approximately \$7,000 a quarter, with 470 acres under cultivation. It is government drained, there's dugouts, it's fenced and it's sitting on a high ridge with the idea of a hog barn going up behind this in a few years. And yet we are told about young farmers being helped to farm and here's a prime example, and we were in fact told to go to hell.

MR. USKIW: You have just made my point. If your circumstances are as you state, then what would have been wrong for you to go to MACC and ask their agent to buy the farm, lease it to you for five years, after which you could buy it back. In the meantime you would accumulate some assets.

MR. VAN DAMME: He had assets, Mr. Minister, he had everything necessary to make this farm operate.

MR. USKIW: But obviously not sufficient to satisfy the Farm Credit Corporation.

MR. VAN DAMME: We did, we said whatever Farm Credit will appraise it at we will come up with the remaining 35 or 40 percent, whatever they saw fit, and the other party agreed to it also, and a second mortgage. How can you say that that is not viable. We were losing everything we were putting into it plus three years work.

MR. USKIW: My point is, since you were turned down in mortgage financing, why wouldn't you think it's reasonable to then take the lease program for five years and then pick up the option to purchase. That way you would have secured that farm for yourself.

MR. VAN DAMME: Why should FCC, again being government, if they are so concerned that he should take an ownership or work that property, why did they not make it possible for him in the first place to secure it. This was not at all unreasonable.

MR. USKIW: I don't know their reasoning, sir; all I can tell you is that our program

(MR. USKIW cont'd) offers you another option through which you could get ownership of that land, and I'm saying that you should have used it, if it was a recent situation.

MR. VAN DAMME: It was a year ago last fall.

MR. CHAIRMAN: Mr. Dillen.

MR. KEN DILLEN: Mr. Van Damme, I'm sure that we'll get an opportunity to speak with you in Arborg, you will probably be there making an additional presentation when we get there.

MR. VAN DAMME: I'm not sure that I will be there.

MR. DILLEN: Well at least a representative of your organization, we can follow this conversation through. One of the things that I did agree with you is on the question of hard work. I work in the mining industry and many of the young fellows that I work with have come into the northern mining industry with the sole purpose of putting enough money together to get into farming, and they want to take over a farm that is owned either by their father, or a relative or a friend or neighbour or whatever. I had one fellow in particular who came with me in 1968 to the mining industry, mines, and he worked and saved and did everything he could, but as he was saving the cost of the land kept increasing, the cost of machinery kept increasing, the interest rate kept increasing and he is no further off today in acquiring that farm than he was in 1968.

Now my question is, do you think that as a form of government policy that we should have some form of assistance which would give that person or those persons who are sweating themselves out in very hazardous conditions the opportunity to find a piece of land to farm on. Or whatever assistance is necessary to get them started.

MR. VAN DAMME: Well as I understand it, if you have been away from farming three years you are not even eligible. Am I right?

MR. DILLEN: I don't know. I know nothing, absolutely nothing about farming.

MR. VAN DAMME: This was brought up at this meeting last winter. I'm sure Mr. Max Hofford must remember it. There were people here, young people, as you say who have gone mining and tried to scrape up a few bucks together. This young man I'm referring to, I don't even know his name, had mentioned he had I think in the neighbourhood of \$10,000 saved up but he had been away from farming over three years and when he came back they said, sorry Buddy. They told him in one breath go out and acquire something for backing so you can borrow against this property so we can go along with you, and when he comes back after three years they say, well sorry, if you've been away from agriculture for over three years you're out. I don't think you can call this helping the young farmer.

MR. DILLEN: Do you think that should be changed?

MR. VAN DAMME: Absolutely.

MR. CHAIRMAN: Thank you, Mr. Van Damme. There are no further questions? I thank you. Possibly this might be a good time for a five minute recess, it's been suggested to me, people can stretch their legs. Be back shortly after four. Is there anyone else present who wishes to make a presentation? I forgot to mention it. Would you come . . . --(Interjection)-- Yes, I do have . . . you're next with the R. M. of Morton. Fouillard? I've got you down. You're going to be second after Mr. Ransom.

MR. VAN DAMME: May I have your attention for a minute please.

MR. CHAIRMAN: Well right now we have recessed for a few minutes. What is the . . .

MR. VAN DAMME: I still have no commitment as to a time on a meeting that I asked at the end here.

MR. CHAIRMAN: For Arborg?

MR. VAN DAMME: Right.

MR. CHAIRMAN: I'll have to check with the dates available. I'll be able to find that out, to determine that tomorrow, but there will be a meeting in Arborg and the announcement will be made tomorrow.

MR. VAN DAMME: Now I never got an answer as to whether legislation is already on the books.

MR. CHAIRMAN: No, I can assure you that there is no legislation whatsoever on the books. This is the purpose of these meetings, is to see what the ideas are from the general public. There is no legislation I can assure you of that.

MR. VAN DAMME: Okay. Thank you, Mr. Chairman.

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MR. CHAIRMAN: Mr. Ransom, the R. M. of Morton and the Town of Boissevain. Sir.

MR. RANSOM: Mr. Chairman, I'd like to introduce other members who are here today on behalf of this brief. We have Mr. Miles Phillips of the Town Council of Boissevain.

MR. CHAIRMAN: Mr. Miles Phillips, Town of Boissevain.

MR. RANSOM: And Mr. Barry Dickson, Councillor of Morton.

MR. CHAIRMAN: Councillor Dickson, Councillor of Morton.

MR. RANSOM: And Mr. Grant Gurdis, another Councillor from Morton.

MR. CHAIRMAN: Grant Curtis?

MR. RANSOM: Gurdis.

MR. CHAIRMAN: Gurdis - Morden.

MR. RANSOM: Mr. Chairman, with your permission, some of the questions that come up afterwards if they would like to answer them that's okay with me.

MR. CHAIRMAN: Fine. That is in order that when a brief is presented in that form that other people from the group can be asked by the Chairman presenting to answer any particular questions that they so desire. Mr. Ransom, you proceed.

MR. RANSOM: Thank you, Mr. Chairman. To the Special Committee of the Legislature. Gentlemen: Our concern for the future of agriculture has prompted us to accept the Honourable Mr. Uskiw's invitation to respond to the Working Paper entitled "In Search of a Land Policy for Manitoba" recently published by his department. We appreciate this opportunity for discussion of some of the complex problems facing agriculture as related to land use in particular. We regret that the short period of time between publication of the paper and the hearings does not provide for public participation in the process of government as suggested in the fourth major clause under Guidelines for the Seventies. We believe that the terms of reference as provided for your committee are somewhat inadequate to meet requirements in the development of a land policy to serve present and future needs. Perhaps this is the reason that the Working Paper appears to us to be rather vague, resulting in differing interpretations.

We would like to have seen provision made whereby your committee could have been a continuing body to study and gather information on the broad aspects of land policy dealing with the most urgent problems first. Though the Working Paper suggests that the question of foreign ownership is not a critical one we feel that it could become so in a very short time, and therefore is a matter of urgency. It would seem advisable to adopt legislation at an early date to prevent further foreign ownership of land in Manitoba.

Reference is made in the paper to the difficult task of determining ownership of land. Your committee will no doubt be making recommendations with a view to establishing a better system of determining land transactions in regard to sales, titles, registration, etc. Time will not allow us to deal with all the various philosophical views expressed in the Working Paper. Most thinking farmers are going to question as we do certain philosophical aspects as well as some of the statistics provided and conclusions drawn. It is stated, page 4, "Like any other specific policy or program, land policy must be consistent with the overall broad objectives of public policy." Further down the page we read that Manitobans are fortunate to live in a province where there is little division of opinion on the broad objectives of public policy respecting rural Manitoba. Reference is then made to Guidelines for the Seventies, in which four major objectives are listed which spell out the broad objectives of public policy. They are as follows: Maximization of the general well-being of all Manitobans; greater equality of the human condition through a more equitable distribution of income; to provide Manitobans with a realistic option to live and work in the region of their choice. The fourth concerning public participation in government has already been referred to earlier in this brief.

As we consider the above objectives many questions arise and we cannot help but be deeply concerned as to how agriculture is to fit into the framework of public policy, especially as related to urban Manitoba. How significantly will urban consideration influence policy pertaining to the rural area. How are these objectives to be implemented?

The second guideline is perhaps the one of greatest concern. Are we to have greater equality of the human condition regardless of inequalities of responsibility, participation, input and productivity. Are we to have more equal distribution of income regardless of our contribution to society. Are we to have more equitable distribution of income without equal distribution of that which creates income. What is meant by the term "more equitable distribution of income?" What will the formula be? Might we be face to face with a bureaucratic monster.

The third guideline prompts us to ask what is meant by "a realistic option to live and

(MR. RANSOM cont'd)work in the region of one's choice." In the past, government policy on education, hospitalization, transportation and industrial incentives has influenced the options to live and work in a particular region to a much greater extent than has agricultural policy. A statement, page 8, reads as follows: "Again, the more families there are the better it is for the economy of rural Manitoba."

Whilst more farm families than we now have may be desirable we cannot agree with the principle of the more the better. For too long the rural area remain hitched to the pattern of the homestead settlement. Only after this pattern started to change, not that long ago, did rural people begin to enjoy a living standard comparable to that of their city cousins. The agricultural pie is only so big and can be divided among only a certain number before the pieces become too small to provide generally accepted living standards of today. Perhaps too large a share of the pie does leave the rural for urban centres in the form of rent, interest or mortgage payments; but once there whether it goes for goods and services, to pay taxes, or is invested, it does serve to keep our economy rolling, which it would not do if it were to go to the United States or Hamburg, Germany. Frankly we fail to see this flow of money to urban centres like Winnipeg and Brandon as being all that serious. Is the drain on our economy not much greater when our government floats a loan in the USA?

From page 9 we quote, "It would follow from the above that among developments in agricultural land holdings that would assist in reaching the objectives are intensive rather than extensive use of land; more equal distribution of farmland among farmers; easier access to farmland for young people; moderate prices for farmland, etc., etc. Reference appearing in the paper concerning intensive and extensive acreage production and certain conclusions reached do not appear to us to present a true picture of the facts even though substantiated by Chart No. 27, page 74. It must be obvious to your committee that the high return per acre on the very small farm must be limited to a few farms. It is not hard to imagine the disastrous effect if the theory expressed in the paper were applied across-the-board. The world markets require major supplies of cereal grains and oil seeds as we are all aware. How anyone can compare market garden acre return to acreage devoted to supplying major world markets is difficult to understand.

It should also be remembered that the 1971 statistics, Chart 27 were prepared when the LIFT Program was in effect. In our opinion most farmers are doing a very good job of intensive farming and in most cases are probably farming as intensively as circumstances will allow. For example: it appears at the moment that beef production has become overly intensive with results that are verging on disaster for the industry. Indeed it is often the case that we dare not or cannot go all out for incentive farming as markets are not always available. Bottlenecks occur in transportation and marketing due to strikes or; adverse weather, not to mention many other factors. So we must be realistic and not be carried away on the fantasies of imagination.

The third clause - easier access to farmland for young people. No one would disagree that we need competent young people entering the farming industry. Much could be said on this whole question and we must ask, do we expect too much when we think in terms of a young person perhaps in late teens or early twenties taking charge of a farming enterprise. What other industry would be expected to offer the same opportunity. Though credit in some respects can prove dangerous, it is provided for the young farmer when he qualifies to begin a farming operation. We believe there is more opportunity in the farming industry for the young person who is diligent than some may realize. The transfer of farms from one generation to the next where desired does not appear to be a major problem in our area. Especially with health services available, Canada Pension and Old Age Security benefits to those retiring.

On page 48 of the Working Paper it is stated that high land prices are bad for everyone but the farmer who is retiring or leaving the industry. The inference is that low-priced land is more desirable. So the question arises, how low? Maintenance of a low price for land would appear to require government ownership and under these circumstances the dangers of a bureaucratic government agency deciding who and how many should have the land would be completely unacceptable. If public ownership were instituted we think that today's problems in agriculture would be trivial compared to those created under such a set-up. No matter what government was in power a dominating factor in administration would be political rather than based on measurements of ability and efficiency. It appears to us that if present costs of goods and services were allowed to float low-priced land would look better and better to

(MR. RANSOM cont'd) . . . more and more people, thus requiring an ever-increasing amount of bureaucratic government decisions. Ownership of land or any other natural resource by a government can be potentially dangerous in the long run, or by a government can be potentially disastrous in the long run. Governments can pass laws to conserve resources or limit exploitation by private enterprise, but who can control a government that may find it politically expedient to exploit a resource to its limit for the short-term economic or political gains. No one has been more guilty than government, with every good intention, of boosting land prices through various incentive programs, administration of credit, overly optimistic and sometimes bad advice, and through apparent inability to control inflation. It must be recognized that agriculture generally selling on an uncontrolled home market and on competitive world markets has not contributed to inflationary trends to anything like the extent that most other sectors of our economy have.

We would like to point out that higher prices for land is not creating the concern that the higher and higher costs of inputs of production are. As the purchase cost of land is paid for inequity is created whereas production costs are continuous. The point is, are not costs of operating a farm today far more significant than the cost of the land-itself. Are the concerns of the Working Paper focused in the right direction. It is generally recognized that agriculture in western Canada in spite of many difficulties and uncertainties is one of the most successful and efficient industries to be found anywhere. We have produced an abundance of quality food at comparatively cheap prices and it appears that we will continue to do so for some time to come, providing the industry is not emasculated by ill-conceived government policies.

Whilst we agree that changes and adjustments in the pattern of agriculture may be necessary from time to time the Councils of Boissevain and Morton do not believe that socialism and regimentation of the farming industry would be in the best interests of those depending on its production. We are convinced that such a course at this time, or in the foreseeable future could only result in stagnation of agriculture and would cause almost irreparable damage to one of the healthiest industries in our country.

Mr. Chairman, we may be open to criticism for failing to provide constructive ideas or for taking a negative attitude. At this point we have been invited only to respond to the Working Paper. However, as the search for a land policy for Manitoba continues we hope we may be of some service to you in promoting acceptable policies which come closest to the goals we all desire. Respectfully submitted.

MR. CHAIRMAN: Thank you, Mr. Ransom. I must make a correction when I stated earlier, I stated Morden. It's Morton. My mistake in the pronunciation. Mr. Jorgenson.

MR. JORGENSEN: Mr. Ransom, I pretty much agree with the contents of your brief so there's not very many questions that I can ask you that will elicit any more information than what is contained. There is only one point in the brief that I would like to question you on, and that's concerning the statement on page 1 about foreign ownership. You express the fear that foreign ownership in a very short time could be a problem. I'm not even going to quarrel with that statement, but I would like to ask you if in the light of two pieces of legislation that are currently on the statute books, and have been for some time, one in the Province of Manitoba, one which is contained in the Law of Property Act and the other one in the Citizenship Act, a federal statute, which says, and I'll paraphrase it, I won't read it; in effect that an alien, which is someone who is not a naturalized citizen of Canada, has equal rights to the acquisition, ownership, enjoyment and disposition of land to that of a natural Canadian. Would you want to see those two sections removed out of those two Acts? And I'll ask you one more question, you can answer them both at the same time. Do you know of any law in the United States that prevents any alien, let's say Canadian, for example, to acquire property or business in the United States?

MR. RANSOM: Well answering your last question first, I don't pretend to be familiar with the laws in this regard. Going back to your first question, Warner, I think that anyone buying land here should be prepared to accept responsibilities of citizenship. I think we're all well aware of what people coming from foreign countries and becoming Canadian citizens what a great contribution they've made to our country in every respect and we wouldn't want anyone to take a wrong interpretation here and think we were against this. But rightly or wrongly, we believe that we are against foreign ownership of land in Manitoba, or perhaps even in Canada, without the responsibilities of complete citizenship. Does that answer your question?

MR. JORGENSEN: Yes, I'll just go one step further then. There was evidence submitted before this committee in Winnipeg on the 20th. It was a testimony that was given by Mr. Nemy, who represented, I might as well be frank with you, he represented the German interests - and they are varied, there is not just one single syndicate that is buying land in Canada, there are various numbers of them - and his testimony was to the effect that to the best of his knowledge 75 percent of the Germans that bought land in this province are in the process or have already taken out visas to come to Canada to live and farm, at that time. Would your concerns be allayed somewhat in that knowledge?

MR. RANSOM: Somewhat, Warner, but I think, at least I personally would be concerned if this got out of proportion; whether it's possible to get out of proportion, I mean we have to look at the immigration laws and all this sort of thing. I wouldn't want to see it get out of proportion or the balance with other people coming in from other countries.

MR. JORGENSEN: Yes. I share that concern with you as well but I wonder if you would find some other alternative. An alternative was suggested earlier today, I think it was by Mr. Fulton, that we follow the example that has already been established in the Province of Ontario, I think it's called not a naturalization tax or anything, I think it's called a transfer tax, where any foreigner buying land in this country if he was not intending to reside in this country would be subjected to a transfer tax, which would be a payment in excess of what the normal payment of the land would be. And to the best of my knowledge, although I don't know the details of the Act, it has to a large extent discouraged a great deal of the speculation that was going on in Ontario. Would you prefer that to an outright restriction?

MR. RANSOM: I'm very hesitant about having outright restrictions. Perhaps modified restrictions should be worked out, of which I'm sure there could be volumes written on. We didn't attempt to go into this paper to any extent because you know it wouldn't serve any useful purpose here.

MR. JORGENSEN: Yes, I appreciate that, Mr. Ransom. In the United States - I was reading an article I believe it's out of McLean's just recently - which indicated that American state governments go out of their way to encourage Canadians to come and invest in that country rather than the fears that we seem to express. What is the difference in the mentality or the make-up of Canadians as opposed to Americans in that we constantly fear when people come into this country and invest their money and their talents. Why do we do that, do you know?

MR. RANSOM: I don't know. Perhaps Mr. Green could answer that one better than I could. I'm sure he could.

MR. JORGENSEN: That's all, Mr. Ransom.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Since I have been mentioned, I don't recall ever having suggested that foreigners should not be able to buy land in the Province of Manitoba. I heard you suggest that, not I. Now you having made the suggestion suggesting that I can answer it, maybe you can help me. I've been asking this question and I have gotten various types of answers. What is the difference between a person in Cape Breton owning four sections of land in Manitoba and a person -- (Interjection) -- Yes, I moved to Nova Scotia. I haven't had any luck with New Brunswick. What is the difference between a person living in Cape Breton, intending to live out his life there, owning land in the Province of Manitoba and a person in North Dakota living in North Dakota, intending to live out his life there, owning the same four sections of land in Manitoba? What is the difference?

MR. RANSOM: Well I believe that there must be some hidden benefits there or they wouldn't want to own land here. I believe that when they live in this country they can't help but contribute more to the economy of the nation as a whole than they will if they live in North Dakota or somewhere else.

MR. GREEN: But, Mr. Ransom, surely you know that some people leave this country with Canadian money for the purpose of not contributing to our economy. In other words, we've had Canadians who have gone down to the Bahamas to live there so that they will not have to make the same contribution to this country as Canadians who continue to live here. Now what if this man from Cape Breton had four sections of land in Manitoba and lived off the - well I don't suppose he can -- that he then spent that money - as by the way I may be different from you and some others but when I have a little bit of extra money I would like to go to Europe and spend it there or go to London and spend it there or go down to the States and spend it there, that

(MR. GREEN cont'd) when I have extra money I tend to broaden myself as an individual, and I really don't have any criticism of myself in that respect. Now what is the difference to the Manitoba agricultural community of a man in Cape Breton owning four sections of land in Manitoba and a man in North Dakota owning four sections of land in Manitoba - and since you suggested that maybe I could answer this tendency of Canadians such as Mr. Asper and Mr. Johnston and Mr. Patrick who have been worried about foreign ownership of land in the Province of Manitoba that I can answer for them, perhaps you can help me answer for them. What is the difference?

MR. RANSOM: Well, Mr. Green, I can only answer your question this way and if there's anything I dislike it's evading the issues.

MR. GREEN: That's right.

MR. RANSOM: We haven't had very many days to really think about this let alone time to do research and so on and I think that you're going into a question here that is beyond the scope of your terms of reference in this book and you know we really didn't come here prepared to go into the intricate details and I think it's already been stated here how we feel about it.

MR. GREEN: But, Mr. Ransom, it's you who said that you are objecting to foreign ownership of land in the Province of Manitoba; it's Mr. Jorgenson who asked you questions about it and apparently you did not accuse him of going outside of the terms of reference. Why is it that when I ask the same question there is some suggestion that I am outside of the terms of reference?

MR. RANSOM: Well you know, it's fresh in our memories yet what happened to Japanese, for instance, that settled in British Columbia when the last war broke out and a lot of them were subjected to what I would consider very unreal regulations and so on, lost property and a lot of this sort of thing and I wouldn't like to see history repeat itself in that question.

MR. GREEN: Well wouldn't the best way of not repeating history in that respect is for Canadians not to take a nationalistic position about other people. After all what did happen to the Japanese? The Japanese during the war were, by Canadian people, at a time when nationalism reached its hysterical peak, that is during the war, and I'm not criticizing Canadians because all human beings are subject to the same emotions, that that was an injustice done to the Japanese under a spirit of perhaps irrational nationalism. All I'm asking you to do is rationalize your nationalism which says that you are opposed to a foreigner from North Dakota owning land in Manitoba and you approve of a Canadian in Cape Breton owning land in Manitoba under exactly the same circumstances. Neither one of them choosing to reside in this province, or farm in this province.

MR. RANSOM: Well you know I don't think we can serve any useful purpose by getting into a debate here. But I can use an instance. As I understand - and I can't name the man nor I can't name the section of land - but recently a piece of land in the Goodlands area of southwestern Manitoba was bought by an American at \$300 an acre, which I suppose is probably twice the price of the going land in that area. Now I understand the intentions are that he's going to farm it from North Dakota. Now I question very much that this is a good thing for the Goodlands area.

MR. GREEN: What if that was done by a fellow from Victoria?

MR. RANSOM: From Victoria?

MR. GREEN: Yes. Victoria, British Columbia, Canada. True blood, 100 percent Canadian.

MR. RANSOM: Well he won't live in Victoria very long if he pulls off that kind of deal because he won't be able to afford buying land at that price.

MR. GREEN: Well I suggest to you, Mr. Ransom, perhaps you are not aware of the ways of the world but there are many very, very wealthy people in Victoria.

MR. RANSOM: I guess they must have bought land in Manitoba.

MR. GREEN: Now I will ask you this question. Why did you in response to Mr. Jorgenson say that perhaps Mr. Green can answer that question. I mean what's . . .

MR. RANSOM: Because I was giving you credit for being a very intelligent man. That was my only inference there.

MR. GREEN: Well, Mr. Ransom . . .

MR. RANSOM: That's right.

MR. GREEN: Mr. Ransom, I thank you very very much. I need that kind of help you know, I haven't been getting it. So if that is the reason, that is the reason, then I think that it should be well known and I wish the public and the various farm bureau magazines - that the reason that you thought that I should be dealing with this question was because of my superior intelligence. -- (Interjection) -- Well he said very intelligent. He thought that he couldn't do it and I could do it therefore, at least superior to him, that's right. Let me, Mr. Ransom, just carry this a bit further because we haven't - you know I don't think we're going to get an answer to my question. I think that it's almost like Diogenes - is he the one that goes all over the world looking for an honest man and can't find one. I've not been able to find an answer to this question and maybe I'll have the same results. My impression is that things such as the Farm Credit Corporation and the Manitoba Agricultural Credit Corporation would be sort of classified under your heading as being a socialistic involvement and bureaucratic involvement of the public in the affairs of agriculture.

MR. RANSOM: The interpretation is we think there'd be dangers in this direction.

MR. GREEN: Now my impression is that the -- by the way is the brief that you presented here today the same one that was presented some place that was reported in the Brandon Sun before the hearing started this afternoon?

MR. RANSOM: I just heard about that, Mr. Green, about one hour ago and I . . .

MR. GREEN: I believe another meeting where this took place.

MR. RANSOM: No, there was no other meeting and it was agreed between our two councils that this is not to become public until after it was presented here today and I understand from Garth . . . who was very disturbed about it and came to me and told me what had happened and I wasn't aware of it until that moment - apparently a reporter from the Brandon Sun called in at the radio station and the municipal office yesterday, went up and said we hear you're presenting a brief. Could we have a copy of it? Well one of the clerks in the office said quite innocently, sure, here you are. Now we apologize that that had to happen because . . .

MR. GREEN: I understand. Then it was sort of the newspapers that did you in. They often do me in so I can understand your position. Mr. Ransom, the fact is that FCC and MACC you've identified sort of as bureaucratic socialistic involvement in agriculture. Now my impression is that in this particular area - that is the southwestern Manitoba area, and I'm not criticizing this, I want you to understand I think it's a great thing - that a greater percentage of Manitoba agricultural credit has been advanced to various farmers than in any other area of Manitoba.

MR. RANSOM: Right. But let me comment that it can become a dilemma because on the one hand it's helping people out, on the other hand it's helping to force the price of land up the same as it did with cattle when loans for buying cows became available and so on.

MR. GREEN: So I gather that it would have been better for the citizens of Manitoba and the farmers in the Boissevain area if the Federal Credit Corporation and the Manitoba Credit Corporation had never gone into business at all?

MR. RANSOM: Certainly not. I think that we have to recognize that a good deal of help and subsidization in one form or another is in the make-up of our economy today right across the board and I think it would be very unrealistic to think that agriculture, as we are on a free and open market and so on, that we could be expected to survive without help of some sort. But what we're trying to say is that we have to recognize that there are limitations and that as far as these programs are concerned we feel very strongly that they must come from the people up and not from government down or they can become dangerous. And we think - maybe we're wrong but this is the interpretation that this document has left with us - that there is the idea of more and more government takeover of the land as time progresses. Now you know maybe we've taken the wrong interpretation but nevertheless that's the way we see it.

MR. GREEN: I take it from what you're saying that basically the agricultural community in your opinion is best served by the free enterprise philosophy. You know, if you don't want me to get into a philosophical question, I'll pass.

MR. RANSOM: No, no. That's all right. Best served by free enterprise alone without any government intervention at all.

MR. GREEN: Well, yes, let's put it to you that way first.

MR. RANSOM: I think within the framework of the free enterprise system that we have a democratic right to expect and ask government to help us from time to time as long as it's done as I said from the ground up.

MR. GREEN: So what you're saying is that the free enterprise system as required for the benefit of the agricultural community requires a bit of socialism to prop it up?

MR. RANSOM: I'm not going to use the word "socialism" there but I believe that it needs, as I indicated earlier, some government intervention. I think, for instance, that government intervention in owning Hydro and Telephone today is just excellent and never thought otherwise, but I don't think you can compare that as applied to agriculture.

MR. GREEN: Mr. Ransom, I hope that you enjoy the clash of opinions and the dialogue as much as I do because I do enjoy it and I don't do it for the purpose of anything other than trying to have the ideas put forward in their most sort of contrasting forms. So I hope that you don't find this line of questioning a problem for you. If you do I will stop it.

MR. RANSOM: No, not a bit for me but I'm rather hesitant about the rest of the people here, you and I have to consider them and I don't think you and I should spend too much time without giving the rest of the members of the commission a chance to ask questions. And you and I through correspondence or face to face, you know, can get down to some of these other things later.

MR. GREEN: Mr. Ransom, I gather that they are enjoying it as much as you and I.

MR. RANSOM: Fine.

MR. GREEN: Now I want to say to you that there has been a practise or was a practise of the Manitoba Agricultural Credit Corporation for some period of time in not actually advancing capital but underwriting capital advances that were made by banks, I believe that that is the case.

MR. RANSOM: On the farm improvement loans?

MR. GREEN: Yes, but the Agricultural Credit Corporation didn't have to actually advance the money, a bank advanced it, it was guaranteed by the corporation and of course the bank made the money and not the corporation. Do you understand that to be correct?

MR. RANSOM: I believe that the loans served a very useful purpose, I never was familiar with exactly whether the government loaned the money --or the banks loaned the money at a lower interest rate because the government guaranteed it.

MR. GREEN: I would hope so. My God, if they had the guarantee of the province they stood a lot less chance of losing.

MR. RANSOM: But I take it the bank did not make the same revenue from those types of loans that were guaranteed by government as they did from the straight loans.

MR. GREEN: I would hope not. I mean, you and I, as businessmen, would not want them to.

Now wouldn't under that system, wouldn't it be the banker that decided who was going to farm and who was not going to farm, and do you think that that's better than the elected representatives of the public responsible to the public for whom Mr. Warner Jorgenson and anybody else - Mr. Johnston - can get up in the Legislature and raise hell. Wouldn't it be safer that it's the people generally who decided who the farmer was rather than the banks?

MR. RANSOM: Not necessarily so.

MR. GREEN: You prefer the banks?

MR. RANSOM: I have found the banks to be very very useful and that we've always been able to get as much credit as it appeared to us to be justifiable.

MR. GREEN: So you would say that it is better for the banks to decide which young farmers are going to be financed, than for the public of Manitoba through the democratic system. And, you know, I'm not really arguing that, I'm just stating that that is your conclusion.

MR. RANSOM: That is not correct, that's a false assumption to say that the banks would decide which young farmer was going to farm. A good many of the young farmers that would like to farm may not even go near the bank.

MR. GREEN: Of course. You're absolutely right, and it's good that you made that observation. Those that don't need money to get a start, and my impression has been that you indicate that many of the young ones will need money, that the ones that will need money, it will be the bankers who will decide, or it was the bankers who decided - not it will be now because now there is a different program. But that was a good system in your view? That's fine. No further questions.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, on Page 6, item 17, are you alluding to existing programs or the fear of programs that you characterize in the way that you do on the top of Page 6.

MR. RANSOM: Would you be a little closer to the mike please, Sam, I can't quite hear you.

MR. USKIW: Item 17 on Page 6, are you referring there, or alluding to existing programs, in the characterization that you are giving these programs, or are you fearful of programs? You say that councils of Boissevain and Morton do not believe that socialization and regimentation of the farming industry would be in the best interests of those depending on its production. Are you referring to existing programs of Federal and Provincial Governments, or the fear of programs that you have not mentioned?

MR. RANSOM: The fear that the tendency may become more and more to this sort of thing and we feel that many of the suggestions made in the book here would of necessity eventually lead to socialization and regimentation. We don't see how it could be brought about any other way.

MR. USKIW: Then let me ask you a hypothetical question. Let's assume that your son wanted to buy my farm - we were neighbours - because you wouldn't give him yours or you thought that maybe you couldn't afford to, or maybe you were just stingy.

MR. RANSOM: Maybe I was just a miserable old bugger.

MR. USKIW: That's right, yes. But nevertheless notwithstanding all those complications your son was determined that he wanted to branch off and establish his own farming enterprise. Do you see anything wrong with him establishing himself under the MACC Land Lease Program?

MR. RANSOM: No, my sons have done this.

MR. USKIW: You see nothing wrong with that program?

MR. RANSOM: No, not up to the present time, but I'm wondering if we're now entering into a new area whereby the funds from the Provincial Treasury are going to be used more and more in this field and, you know, we think this is something that needs to be looked at very carefully.

MR. USKIW: Do you feel that the programs that they have been involved in are socialistic or economic, or both? Is it an economic question on which they make that decision or is it an ideological one?

MR. RANSOM: Well of course what you may consider to be socialistic I might not or vice versa.

MR. USKIW: No, but what is the basis of their decision; you say they have participated. Was it based on the economics of the situation, the advantages or disadvantages, or on some idealism that they thought that the MACC program was good for some philosophical reason or other?

MR. RANSOM: I expect they looked at it in terms of hard dollars and cents.

MR. USKIW: Okay, that's fine.

MR. CHAIRMAN: Mr. Blake.

MR. BLAKE: Thank you, Mr. Chairman. I just wanted to clarify one or two points that might have been left by Mr. Green or Mr. Ransom and possibly not clearly understood, and I refer to the interest subsidized loans to farmers, particularly the Farm Improvement Loans Act which as a banker I consider to be one of the most helpful pieces of legislation that has been passed to assist the agriculture industry in many years. Mr. Green left the impression that loans granted by banks to young farmers under a government subsidized program, that the bankers would be calling the shot on who would farm and I don't think that that could be considered the case and I just wondered if you would agree in your experience in the farming industry that if you ever considered bankers were calling the shot on your farming operation when you had to apply for a government subsidized farm improvement loan?

MR. RANSOM: Well my answer I'm sure will please you very much, Mr. Blake, because I would think that perhaps just as often as not the banks have decided or enabled the young person to farm, whereas if it hadn't been for assistance from the bank that they couldn't have got started.

MR. BLAKE: That's right. I think that interest subsidized loans of this nature have been most helpful to the agricultural industry and I think the responsibility of government was under that act put on the banks to assess the risks such as the Farm Credit Corporation may do in assessing the risk of a young farmer whether he may be a successful farmer or not. I think that responsibility was assigned by the governments of the day to the banks to do that and their success has been phenomenal; their loss ratios under the government assisted loan programs where the banks provided the funds to young farmers has been exceptional to say the least.

MR. RANSOM: Right. Perhaps one of the biggest flaws in the whole scheme is because agriculture is very vulnerable due to the fluctuating prices, and quite often there's been more wrong with the selling price of what we produce than there has been in the purchase cost, whether it be credit or what have you, you know, the relationship out of proportion.

MR. BLAKE: I could assure Mr. Green, as having been a practising banker at one time, that if farm improvement loans were turned down with any regularity it wasn't long before the bank heard from the MP of the day so the farmer was still at liberty to go to his elected representative and get some satisfaction.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Just on that last point, since we're involved in the political process, I think Mr. Blake should observe that at the time when the Government of Canada was considering the removal of the interest rate on bank loans that there was a total absence of the banks from the FIL Program across Canada until the interest rates were jacked up. -- (Interjection) --

MR. CHAIRMAN: Okay. Thank you, Mr. Ransom. There were no other people here on the . . .

I've had a request for one gentleman who comes from St. Lazare. He has to leave to do some milking, and I just wonder if there is any desire, and the will of the committee to let him present his brief. Is it agreed? Yes, Madam.

A LADY FROM THE AUDIENCE: Yes. There was talk about as much if not more trust in the government's control when you first met here, I would say . . .

MR. CHAIRMAN: Order. Just a minute, Madam. If you wish to be on the list I'll add your name to the list and you may make a presentation or comment. Right now I just thought that you were going to ask some specific question other than . . .

THE LADY: But this is . . .

MR. CHAIRMAN: Order please. Would you come forward then to the mike. You have a comment. I wish that . . .

THE LADY: Oh, I have to leave at five so I haven't much time to speak but at any rate we are farmers, and we are small family farmers, and we are very attached to our land like all farmers are, but we have been recently annexed to the city. Now in . . . one or seven it was clearly stated and written that our farmland would remain as farmland and be taxed according to how the six surrounding municipalities were. Well this last assessment notice that I got about four weeks ago, my assessment has been raised by 300 percent, which means if you calculate the taxes on it would mean three times as much the taxes as they were last year. Now others have had their assessments raised as much as 700 percent. Now I have property in the city, too, which I live in during the winter months for about three or four months, otherwise I live out in the farm during the summer months. Now the other assessments that I know of in the original city boundaries were raised by about 30 from 35, mine is raised to 52 percent but still you see the distance to go even from 52 to 300 or to 700. Now we were promised that our rent would be taxed the same as the surrounding municipalities. My daughter has a little farm in one of the surrounding municipalities. Their assessment has not been raised but their mill rate has been raised by about 3½ percent. Now calculate, that just the difference. If the mill rate was raised by 3½ percent by the City of Brandon we wouldn't have much objection, but calculate on 300 and 700 percent. Now this question arose. Can you trust government or not? I personally want to trust the government, but just how far could we really? You answer the question, please. And anybody can answer the question. And as for farming the government now wants to push this legislation through like they pushed that legislation with annexing our land to Brandon. They start reading, the first two readings in one sitting, then the next one we had a chance to go and say a few words and after we were told at 9:00 o'clock at night that the meeting was adjourned. Everybody thought it would be adjourned indefinitely but what did they do, they went in legislation, got the Governor-General, and they passed the legislation during that night and now who suffers? We're suffering. And I say if the government takes over control of everything and of the land, God help the people.

MR. CHAIRMAN: Madam, would you identify yourself please for the benefit of the . . .

THE LADY: I will identify myself as a grossly mistreated citizen and taxpayer. Thank you very much.

MR. CHAIRMAN: Thank you. I do believe that your question and argument should be directed to the City of Brandon, that's if you're referring . . .

THE LADY: Oh no. We went to the City of Brandon and you know what they told us? It's the Government of Manitoba who make the assessment and we have nothing to do with it.

MR. CHAIRMAN: Thank you, Madam. Mr. Fouillard.

MR. FOUILLARD: I would like to first thank the members for letting me present my brief before them. I would also like to ask the Chairman . . .

MR. CHAIRMAN: Order please. You may proceed, Mr. Fouillard.

MR. FOUILLARD: I would also like to ask permission to the Chairman to move this desk away so that I can sit, I've got this knock in knee problem, and if I fall down I won't be able to get up again. -- (Interjection) -- Well, that's it, not to ask me too many questions; put me over the coals like you did the other guys.

MR. CHAIRMAN: Proceed, Mr. Fouillard.

MR. FOUILLARD: This is a brief that I'm presenting in regards to the Qu'Appelle Valley Basin. I don't know under what land-use program you could put it. In my case I think we should have another control program, and that would be the underwater land-use program because my land has been under water for the last two years. I haven't been able to put any crop in, so that I've had to purchase all my grains for the dairy operation. I understand that there is a program along with the Federal Government - I believe it's called the New Qu'Appelle Land Adjustment Program - and this is contrary to all the briefs that have been brought up here, that to keep the government out of land purchase I would ask the Provincial Government to purchase the lands that are in the Qu'Appelle Valley Basin, and that includes only six miles.

We have had several meetings: one in Miniota where we had these water resources people come in and we were told that there would be no compensation for flood damages, that they weren't man made. Now if they call this not man made - there are seven dams and you can add an end to it as far as I'm concerned because they have been a problem ever since they've been put in. The land that I own has been farmed by my uncle since 1920. In the past two years we have never had one year where we couldn't seed either some feed grains or something but last year and the previous year, we haven't been able to get on it until September. There is something being done in Saskatchewan where the government is purchasing the lands affected by the floods, and we would ask the Provincial Government to either get into the New Qu'Appelle Land Adjustment Program deal and see if there couldn't be anything done for the farmers affected.

MR. CHAIRMAN: Thank you, Mr. Fouillard. Are there any questions? Mr. Graham.

MR. GRAHAM: Mr. Chairman, through you to Mr. Fouillard. You mentioned a land purchase program in Saskatchewan under the Qu'Appelle Implementation Program. Under that program does the government purchase the flooded area and then lease it back to the farmer?

MR. FOUILLARD: I believe they do. Or else they will purchase your land and you can acquire other lands, either government lands, owned lands, and that are not affected by flood.

MR. GRAHAM: Under that program is that a program just for the Province of Saskatchewan and the Federal Government?

MR. FOUILLARD: It seems to be, yes. I don't think that Manitoba is taking part in this program yet.

MR. GRAHAM: Is there any provision in there for Manitoba to take part in the program?

MR. FOUILLARD: Yes, there is. Yes. The agreement will be between Canada and Saskatchewan with provision for Manitoba's involvement in certain programs such as increased conveyance capacity.

MR. GRAHAM: That increased conveyance capacity, does that mean channel improvements so that the water would get away better?

MR. FOUILLARD: Yes. If Manitoba doesn't take part in it I can see more problems to us because they would speed-up the waters of the Qu'Appelle into Manitoba and all of the lands would be flooded, and it would also affect all of the Assiniboine Valley.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: It's Mr. Fouillard? I see.

MR. FOUILLARD: Well I can't get that French pronunciation that you are able to.

MR. GREEN: I am sorry I didn't hear it properly. Mr. Fouillard, I gather then that you are not in principle against the public as a whole trying to deal with misfortune as it may affect one citizen or another citizen in various parts of the province.

MR. FOUILLARD: No. But what I suggested was this underwater development land-use program.

MR. GREEN: I want you to know that I'm not directly acquainted with your particular position but that there are many farmers who from time to time have not been able to seed their lands. You've only had it in the last two years. I can tell you that there are many farmers who've had it more often than that.

MR. FOUILLARD: No, I've had mine since '48 but it's been farmed by my uncle since 1920, and we have been told by the Water Resources of Manitoba that these floods and that are not created or man-made, but they are because we did not have these floods before. We had flash floods but these were in April when our land was frozen and there was no erosion. Today they are holding back those waters until June, then all those lands are thawed out, they're ready to get the crop in, and the first thing you know the land is covered with water, so that you're getting this erosion.

MR. GREEN: I'm sorry. I really wasn't intending to argue your position. I thought you said that it's in the last two years that you haven't been able to seed the land.

MR. FOUILLARD: Right. The last two years only that I haven't been able to . . .

MR. GREEN: I am suggesting to you that there are many farmers in different parts of Manitoba, some very very, I wouldn't say impoverished farmers, who don't have lots of land, have only small pieces, who have not been able to seed their crops for one reason or another.

MR. FOUILLARD: Yes, and there is no compensation for it. You couldn't even get it if you had insurance.

MR. GREEN: Insurance, that's right. But I gather that you are not in principle opposed to all of the citizens of Manitoba, all of the taxpayers, including those who reside in the cities --by the way I'm not arguing with you--from time to time spending tax money to assist various people who are faced with a misfortune of one kind or another.

MR. FOUILLARD: Well it's created by the people, especially those who are interested in resorts and that, and these lakes are for a purpose . . .

MR. GREEN: What if they're engineers?

MR. FOUILLARD: And those people at Crooked Lake that have a high water level they cry like hell. So they have to open the gates and let the water down and they don't give a damn about the farmers down below.

MR. GREEN: But you say that your water resources engineers, and I assure you I have not spoken to them about this question, that your water resources engineers say, whom you and I are paying -- we try to hire good ones, and the ones that we have have mostly been there for many years -- say that it's not man-made.

MR. FOUILLARD: That's right.

MR. GREEN: Would you say that if I had an engineer's report saying that we have nothing to do with this flood, that there is water on these lands, that in spite of the engineer's report because Mr. Fouillard has approached me and I'm worried about how he thinks of the government, that I should say to hell with the engineers, buy that land. Would you say that I should do that as a Minister of the Crown?

MR. FOUILLARD: No, I'm not putting any pressure on either the government buying it, providing we get compensation, because we are affected by a man-made. . .

MR. GREEN: The engineers apparently, you say, say that it is not man-made.

MR. FOUILLARD: Well, all right then why is it then since 1920 we must have had as much snow in one year as we did last year, but the waters were not controlled, they were not held back, and held back until June.

MR. GREEN: Well I really am not, Mr. Fouillard, in a position to argue the merits or demerits of your position. I would suggest that if it is man-made, that it is possible if it is man-made, that if you hired a lawyer and could prove that you would have a good case, although don't take my word for it and don't tell the Judge that I said that. You'd have to prove your case in court.

MR. FOUILLARD: Talking about a good lawyer, would you take it on?

MR. GREEN: Mr. Fouillard, in order for me to take it on I would of course not claim that the public should pay me, that all the taxpayers should pay to look after your particular position, but really I'm going to something more basic. If there is a problem that certain people are experiencing by virtue of the problems of economics generally, let us say bad

(MR. GREEN cont'd) . . . slumps on the market, temporary problems have created real problems, would you say that under those circumstances it is not wrong for the public to gather together resources and help the individuals who are adversely affected such as you are with the water.

MR. FOUILLARD: Well I'm asking the Manitoba Government to jump in with the Saskatchewan Government, which is the . . .

MR. GREEN: Also publicly financed.

MR. FOUILLARD: . . . and they are doing something about it.

MR. GREEN: Then my real question is, you don't disagree with that type of socialism for farmers?

MR. FOUILLARD: Well not when it's created by the people.

MR. GREEN: That's fine.

MR. CHAIRMAN: Mr. Graham.

MR. GRAHAM: Mr. Chairman, I would like to ask Mr. Fouillard if he could successfully follow Mr. Green's suggestion and take the Province of Saskatchewan to court in the Courts of Manitoba. As I understand it, Sir, the controls on the Qu'Appelle Valley are entirely at the discretion of the, or maybe not entirely but the Province of Saskatchewan is the culprit in this particular case, and they are the ones that are making the decisions, and you as a Manitoba citizen are asking the Government of Manitoba to look after your interests are you not in your relationship with the Province of Saskatchewan?

MR. GREEN: If I may, seeing I've been referred to as the legal advice here, I can assure Mr. Graham that if there is liability, and I'm not certain that there is or is not, but it would not be a problem because one is in Saskatchewan and one is in Manitoba. You could still sue in Manitoba.

MR. GRAHAM: Would it not also be logical for a resident of Manitoba to appeal to the Government of Manitoba to look after his interests in dealings with the Province of Saskatchewan?

MR. GREEN: If he believes in an extreme form of socialism, yes.

MR. GRAHAM: Well that's only because probably we have an extreme socialist government in Manitoba.

MR. GREEN: Does he agree to this? Except that I am not that extreme, Mr. Graham, as apparently you are . . .

MR. FOUILLARD: There's another subject I'd like to bring up and that's the Shellmouth Dam that has been set up, and that was to control waters I suppose for the supply of water to Brandon and Portage possibly in that. Now during the month of May and June they release a certain amount of water and it keeps the water level of the Assiniboine about three-quarters full. Now when this water is released from Saskatchewan then down it comes, like last year, and it only has to go back six miles, so that all these waters coming down into the Qu'Appelle and then hitting the Assiniboine, which is just about full, then it creates an overflow of water in the Qu'Appelle.

MR. GREEN: If I have some type of reminder I will give you full particulars on how the Shellmouth was operated, what the water levels would have been with it or without it. My impression is that the operation of the Shellmouth did not hurt any people within the province. The levels would have been higher without the operation of the Shellmouth; but that's only sort of going from memory. I'd be prepared to give you the statistics on the operation of the operation of the Shellmouth if you'd contact my office.

MR. CHAIRMAN: I believe, Mr. Fouillard, that your particular question actually does not belong before this committee, that possibly you should direct your particular concern directly to the department responsible, which would be the Water Commission, and the Minister of Mines and Resources Environmental Management is the Minister in charge. I think you would be better to deal with it on that basis, that if you would bring it to their attention, you have done so now, that we can proceed with matters which we are really dealing with and that is land use. I know that this does concern you because of the fact that your land is affected because of some man-made dams, but I think it would be better to be dealt with directly through the department rather than through the committee.

MR. FOUILLARD: Yes. We've already brought it up and we didn't get . . .

MR. CHAIRMAN: Well you brought it up again. Thank you.

MR. FOUILLARD: Thank you.

MR. CHAIRMAN: Mr. Graham.

MR. GRAHAM: At the same time I think that it is appropriate that this be brought before this committee because we are dealing with land use as well as land abuse, and I think we have to be equally concerned about the abuse of land as we are about the use of land.

MR. CHAIRMAN: Thank you, Mr. Graham. I believe that this is what we've been doing and we can proceed now. Mr. Johnston, do you have a question? I'm sorry.

MR. JOHNSTON: No, Mr. Chairman, I'll forego my questions if Mr. Fouillard is satisfied that . . .

MR. CHAIRMAN: Thank you, Mr. Fouillard. Mr. Johannson.

MR. JOHANNSON: Just on a point of procedure; it's now almost 5:30. We have, I believe about five briefs left to hear, possibly more. Do we keep going now until they're simply finished, or do you want to break at 6:00 o'clock?

A MEMBER: Let's go till six, maybe we'll finish the five.

MR. CHAIRMAN: Well there is one gentleman that was waiting in Winnipeg on the 20th of January. I had taken the liberty of putting Mr. Fouillard ahead of Mr. Ackerman. Possibly we could call on Mr. Ackerman and then at that time decide whether we will proceed or adjourn for supper and come back after supper. Mr. Ackerman from the University of Manitoba, agricultural economist.

MR. ACKERMAN: Thank you.

MR. CHAIRMAN: I must mention that Mr. Robson was planning to make a presentation. He has handed in his written submission on land policy. I will ask the people transcribing that this submission be added to the transcript that is made made, so for the benefit of those people who would like to read it, it will be available in the transcript of the meetings.

Submission by Mr. Robson, presented but not read.

I am pleased to make a contribution to this hearing on the matter of developing a land policy.

I have studied the working paper, and been concerned about these things for a long time, and I feel strongly that there is need for us as Canadians to look to our future in the land ownership and land use question. I am satisfied that we as a social group known as Canadians have a responsibility to all future generations of our species. I feel that nobody, whether an individual, or a group, wants to be part of an action or inaction which will result in worsening the human condition.

When our country was younger, say around the time of the development of the B. N. A. Act 1863-67, those who set the pattern for growth in Canada could not have foreseen the many and varied changes that were about to develop. The jurisdictional division that is affecting our energy resources is in my opinion a case illustrating this lack of foresight. The matter of the development of our agricultural resources is also I fear some kind of a jurisdictional problem.

In early Canada it was a national land policy of some kind that was guiding the development of agriculture in Canada. The concept of individual ownership of a plot of land was very dominant. It was generally felt that the greatest sense of security attainable was that from the ownership of land. The more one thinks about these matters the more one realizes that in early days the concept of individual ownership of land was very valid indeed. In those times there was a great deal more individual self sufficiency than is the case today. In those days a man and a woman set up a family unit on a plot of ground which other people around them agreed was theirs. This hypothetical man and woman provided nearly all their own needs from the application of their own labour to their farm property.

However, since that time our society has undergone many changes. The feeling of individual security and stability while still very strong is no longer resting on ones own plot of ground and ability to arrest a living from that plot. We are now living at a time when individuality in securing of a livelihood is no longer as valid as it once was. We are now experiencing a kind of interdependence which has come about due to powerful influences. One of these forces in man's inventiveness, another is our profit economy, another powerful influence is the increase of our population. These great pressures are upon us all the time, they make it difficult for us as individuals to understand clearly where we fit into the great scheme of things. Because of this complex social structure many of us are looking for ways to get to something which is more satisfying, more solid, more secure. Many of us are grasping at straws.

(MR. ROBSON'S brief cont' d)

Those of us at this hearing are directing our attention to one major concern. We know our land, available for food production, is being reduced by urbanization, industrialization and road building, etc. We know that land is being used for profit-taking at a serious cost to all of us as members of the agricultural community. We know that time is running out.

It is my feeling that we should by way of our governments declare that our food-producing land is a critical resource that can no longer be traded for monetary gain. We must find some other way to facilitate the land transfer from one generation to another. I believe this can be accomplished by use of the lifetime lease.

Now this lease concept may be difficult to get ourselves adjusted to. One of the serious and major conditions which must be dealt with is the fact that many if not most farmers think of their equity in their farm property as their retirement fund. So to move us as farmers into a lease position we will need a good pension to replace this equity. There is also the fact that many farm people have put a lot of their earnings into farm buildings. This, too, has a value to be reckoned with. Perhaps the farmer could justly claim value on permanent buildings which could be bought by the succeeding generation leasing the land.

I mentioned earlier in my remarks that there was a national land policy of some kind which our present situation developed from, I suspect that a new policy on land use and ownership will have to involve our Federal Government as well as our Provincial Government. It seems that the B. N. A. Act divided authority between the two levels of government in such a way that if we want to make major changes in our economy it is impossible to do so at any one level of government alone.

I observe from the working paper that in other provinces where action has been taken it was done through prohibitive taxes. I believe we should not allow absentee ownership of agricultural land in Canada. I believe that to legislate directly against absentee ownership we will have to do it at the federal level of government.

I don't want to see absentee landowners, whether foreign or otherwise, extracting a share of the earnings from our agricultural production. I prefer that those who work the land shall receive the earnings from that work.

Gentlemen, I hope that from your deliberations you come up with action that will result in keeping our land for Canadians. "C. M. Robson"

MR. CHAIRMAN: Mr. Ackerman, you may proceed.

MR. ACKERMAN: Thank you, Mr. Chairman. I think I am at some advantage over the committee. The copy I have of my scribbling is more legible than yours.

MR. CHAIRMAN: Okay.

MR. ACKERMAN: Mr. Chairman, Honourable Members of the Legislature, Ladies and Gentlemen. Thank you for the opportunity of participating in this process of government. I'm glad to note that the Government of Manitoba wishes to hear the views of citizens with respect to the regulation of property rights in lands within the province. I wish that more time had been scheduled in which to carry out this worthwhile purpose, small portions of one day in three locations appears to be desperately inadequate as just about everyone has an interest in the land policy of this province. I realize this is hardly an original point and that this special committee has assured everyone of additional hearings, but it has been suggested that the opening of the Legislature will obviate the holding of further hearings at this time, and it has also been suggested that the government has a new land policy for Manitoba in draft form ready to lay before the Legislature when it convenes. I hope that neither is the case. It is my position that the adjustment of policies affecting property rights in land dare not precede thorough examination of: first the historical developments; secondly, the existing social, economic and political conditions; thirdly, calculations and judgments about the impact of previous and existing trends, as well as the anticipated results of alternative land policy changes being considered. Too often in the history of Manitoba have the results of hurried decisions been pushed onto all Manitobans before they had an opportunity to examine them adequately. I'll cite two recent examples to illustrate.

Firstly, the CFI forest product development at The Pas in which a huge amount of public money was wasted with no more likelihood of return than from the nation's railways or the post office. What can I do? I can complain or I can quit, that is, I can leave.

My second example came in the mail this last week. It's called Autopac, though I've started to call it "Autopark". This ever-expanding bureaucracy whose costs to motorists

(MR. ACKERMAN cont'd) are exploding like a Plutonium bomb. Please excuse me if I take such a situation personally, Mr. Chairman, but I've experienced 25 years of successful driving with only nominal increases in insurance costs till 1973. In the two years since then the cost of my driver's license has quadrupled, and basic minimum coverage for my 4-cylinder auto has increased in price 157.3 percent. What choices do I have? I can complain - which I'm doing obviously - or I can quit driving.

Mr. Chairman, the farming persons of this province are also interested in more choices than those two, that is complain or quit farming. They deserve something more, both from their elected representatives and from appointed civil servants, scientists and educators. I'll be specific. Before a new land-use policy is enacted some more justification must be offered than a rambling, pseudo-philosophical, hodge-podge of incomplete and misconstrued information, irrelevant references, distorted reasoning, misunderstood concepts, and unsubstantiated conclusions. I refer to the red working paper entitled "In Search of a Land Policy for Manitoba" prepared by the Manitoba Department of Agriculture. Frankly I'm ashamed of it, as you'll see.

Mr. Chairman, I do not mean to take up an unnecessary portion of our valuable time here today to list in detail all the shortcomings of this working paper, which purports to be useful for considering issues of land use. I'll only mention some page numbers for whoever is assigned a similar task in the future.

(a) Unsubstantiated Conclusions: Pages 57 to 61; Page 82, paragraph 2, Page 83, paragraph 1; Page 87, paragraph 2; Page 88, paragraph 3; Page 89, paragraph 1.

Secondly, Misunderstood Concepts: The concept of land market supply and demand on Page 39. The concept of opportunity cost, probably the most basic economic principle, on Page 52. The concept of diminishing returns on Page 77. Productivity. I suppose I'm especially sensitive about productivity; I have a Ph.D. Thesis accepted on the subject, and maybe I'm more sensitive there than on other concepts in economics, but Pages 70 to 75 do not meet minimum standards. And on Page 88 the economics of size and the economics of scale are obviously confused.

Thirdly, Distorted Reasonings: I cite Pages 55, 59, 62, 75, 76, 81, 83, 84 and 86.

Fourthly, Irrelevant References: I guess I don't want to get into the previous discussion about John Stuart Mill, or Adam Smith, or David Ricardo, Pages 40 to 46. I would only point out that there is a contradiction on Page 54, paragraph 1. If we really accepted the Ricardian notion about economic grant for land, then that paragraph cited on Page 54 would tend to refute that. I'm left wondering which is serious.

In addition to that Winnipeg lands prices on Page 47. Perhaps that isn't irrelevant; it's just that maybe I just can't see how it's relevant.

And the quotation of Hans Blumenfeld on Page 89-90 suggests, well, you know, it suggests, but to me I don't think that individual and collective financial success, the so-called honest dollar. has been shown to be necessarily incompatible with an efficient, convenient, health, and pleasant environment, so the quotation just really missed me.

A fifth. Incomplete Information, on Page 19. There are unnamed factors and forces affecting land prices. Page 64, paragraph 2: the portion of agricultural production ought to be disclosed, and it is not. It could be, it's available in the same reference, the Census Statistics for Canada, for Manitoba. Page 64, paragraph 3: the effect of technology is unmentioned. Anyone associated with agriculture recently is aware of the dramatic effect of technology, and yet that's not touched on. Page 74, and the table, column 5: value of agricultural production sold per farm is not interpreted. To me that would be where I would start in interpreting that table.

Pages 78 and 79 the described farmer - this is the example of the ABC, the described farmer would be less than fully employed on his half section, and he would earn less than a full-time income. Whether that's just or unjust, I think that could be stated categorically. No mention is made of off-farm income, and the lease terms under (c) would not be constant as I understand the information about the land-lease program.

In Appendix (B) some rural municipalities are omitted and yet there's no explanation why. Maybe it's a simple one that I couldn't think of, but most of them are there but not all of them. The question is, where do government acquisitions of land appear?

And in the area of misconstrued information, Page 63, the part owner; Page 54, the farm is poorly defined. I'll say a little little bit more about that later.

(MR. ACKERMAN cont'd)

Page 74, the use of total acres instead of improved acres. I believe that's been brought to the attention of the committee before.

Page 77, less intensive use of land as the farms grow larger. I think that is a misconception of the information.

In perusing this so-called working paper, I could not help but remember that some employees of the Manitoba Department of Agriculture studied economics at the University of Manitoba - you see I am getting quite sensitive about this - but I suggest to you if any had submitted a paper of this quality that they would not have graduated.

MR. GREEN: Mr. Chairman.

MR. CHAIRMAN: Mr. Green.

MR. ACKERMAN: That's not my entire . . .

MR. CHAIRMAN: That is your presentation?

MR. ACKERMAN: No. That's only the first part. I have two roles to play, Mr. Chairman, today.

Mr. Chairman, a further purpose for my appearance here at Brandon today is to contrast my personal experiences and observations with the implicit assumptions and explicit contentions of the Red Working Paper. Perhaps you will suggest I turn myself in. You see I'm one of the nameless, faceless evils and I'm here to admit it. Am I a straw man, a red herring; yes, most certainly a devil. I'm a landlord; I'm absentee' I'm a non-resident landlord. I own a very large farm, reference Page 64. I have outbargained and exploited farmer tenants who have become, according to Page 83, economic vassals without having the benefit of continuity of tenure that was the right to the medieval peasant.

How did it happen? Well my career as a malicious intruder in the agricultural scene began in a seemingly innocent way, on a rocky, in fact a bedrocky non-farm in the Precambrian Shield of eastern Ontario. Ten cows, good fishing, a few rabbits and partridge, financed my parents through the 30s, but it took until the end of the war to pay off the 1925 mortgage.

Tourist fisherman from the United States responded to my Mother's cooking, helped finance my two brothers and I away from the non-farm. Through construction work and trucking for one, to high school for two of us. I might say my brother was the first kid of that community to go to high school and our family was the last family to leave it.

I keep saying non-farm, Mr. Chairman, because it didn't make a living for our family though it had much more than one acre of land, if you call it land, bedrock is not quite land; and we sold more than \$50.00 worth of agricultural products every year. That was the census definition of a farm, and I redirect that, and I think it's within the power of this committee to use a more sensible definition.

Leaving behind the potential career of farming came easy enough for my brothers and I--after all 10 of the 11 families that I grew up with and went to school with in that neighbourhood, had left as soon as a better income opportunity appeared; and we were each willing to work and study at the same time. Getting interested in sociology and farm management at college helped me look back, return for visits, and to realize that the 90 percent depopulation of that neighbourhood, sentimentally disrupting as it was, improved the lives of everyone involved. Gradually I came to lose many of my fears of change, perhaps even to understand change as a force often more constructive than at first realized. As I studied changing farm business in changing farm communities of central New York state and southwestern Ontario, I came to appreciate the advantages of anticipating, perhaps even welcoming, the side-effects of becoming a more mobile person.

Three years in the midwest convinced me that the area was ideally suited for corn and soy beans but not for me. I finished one more degree and headed for western Canada, a year in Alberta and then to Manitoba to become reborn as a prairie boy. That was a fine time in my existence.

For six years of continually changing conditions, 1961 to 1967, dozens of farm families about 50 miles north of here fed me and educated me as I tried to show them how economic ideas could improve their decision-making. They didn't seem to mind; in fact I think they reacted positively to my borrowing the money to buy a farm near Newdale in 1964.

After land prices in the area had increased and some farmers were suggesting that prices were too high - there were only 400 improved acres on the section making it too

(MR. ACKERMAN cont'd) small to be viable according to my analysis - and there were two dozen old buildings and there were half a dozen wrecked cars, two brothers cash-rented the farm from me for three years, at which time they were able to rent land closer to their home base. But plan and figure that we did the production on the farm never reached \$20,000 per year. More acres got cleared and broken but \$40.00 per improved acre was tops for our crops, as it seemed to be for most farm businesses I was studying.

Once I joint-ventured the land with a neighbour, growing a crop relatively new to the area. Our summer success - the crop was frosted badly in August - convinced other farmers of the area to grow the crop. It's a well-established crop in the area now. The next year I hired the crop work done and I came to see first-hand how unsatisfactory that kind of arrangement really is for both the absentee landlord and the absentee tenant. In 1969 grain marketing prospects were meagre. If you recall the Manitoba Pool Elevators was estimating 6 bushels per acre as the quota for an entire year. I think it just about made that.

Well no one in the community was at all interested in additional land with one exception, who worked out with me a long-term lease, partially cash, partially share, providing for full continuity of tenure, and I had to throw in my perfect crop of fall rye to seal the bargain. During this time the land, during the time I've owned it, it has been subject to a year of drought in '73, a year of hails in '74, and has grossed over \$20,000 only twice; once when a new special crop was grown with some financial encouragement from the landlord, and once when high commodity prices overcame the effects of the weather.

The additional land I now own, making 1,120 total acres in all, resulted from my next door neighbour contacting me in Winnipeg in the spring of 1973. I have leased most of this land, though I hired the work for one-quarter section for one year in order to grow the special crop again. I might identify the special crop. It was faba beans.

Mr. Chairman, the Newdale area farmers who leased the land from me during this period are present here today and I urge you to question them, your committee to question them, as to their status as economic vassals and peasants. Ask them what they have learned?

What have I learned about land ownership and land use for these more recent farm experiences in Manitoba?

Firstly, I think I've come to define a viable, at least a potentially viable farm, as one that grosses at least \$25,000 of production per year. At 1971 prices - that's a long way from a political definition, but I'm not a politician so I'm trying to give you a meaningful, viable definition of a farm - with grain and oil seed production on the better soils of Manitoba, we are talking about 600 to 700 improved acres, a farm unit of such a size is capable of generating a relatively full schedule of work during the summer, and enough challenge for the farm manager year round, without livestock and without the latest or largest farm equipment and machinery.

2: I consider this probably the most important of my learning. I have found mutual care and respect for the ambitions of others to be an essential aspect of any farmland tenure arrangement. If you like repeating that, I have found mutual care and respect for the ambitions of others to be an essential aspect of any farmland tenure arrangement. No contract is better than the goodwill brought to it by each party. Somehow I think that's what that little old lady in green was talking about.

3: With currently available Farm Credit Corporation mortgages and line of credit financing from agricultural banks - I might point out that agricultural banks are a new phenomenon within the last 10 years - some credit unions and some private sources, a sufficiently motivated farmer who has demonstrated management ability, can expect to assemble a viable farming enterprise within a reasonably short time. Strategic assistance can be provided by either a farming relative or an interested landlord, whether or not resident.

4: I firmly advocate part-owner land tenure arrangements, as have proven increasingly effective throughout the mid-western states. The owned land, plus carefully bargained leasing contracts that take into account both parties needs and interests, provide fully satisfactory continuity; no subsidy is required. In short, and in summary, though I may be an absentee landlord I do own a pitchfork; it's bought and paid for.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, I'm not going to deal with this imaginative submission to any great extent. I do regret, Mr. Chairman, that there seems to have developed,

(MR. GREEN cont'd) particularly over the last four years, a tendency upon some people to deal with matters, particularly as they relate to civil servants within the Province of Manitoba, in what I can only describe as an insulting manner. I think that their brief has been presented; I think that we're interested in criticism; I think that a comment that the person would not have graduated is gratuitous - however the person is entitled to deal with it in that way. I'm going to take the two briefs, Mr. Chairman, the Search of a Land Policy for the Province of Manitoba, and the brief that's been presented, submit them to what I hope will be an impartial panel of professors of agricultural economics from the University of Manitoba, to see which brief passes and which brief fails.

MR. ACKERMAN: I'll welcome that, Mr. Chairman. Let me go a little further and say that when someone that represents in any way agricultural economics does this quality job, my credentials suffer too. You understand that.

MR. GREEN: Absolutely. That's why both credentials will be dealt with.

MR. ACKERMAN: Yes.

MR. CHAIRMAN: Thank you, Mr. Ackerman. There are no further questions.

Now what is the will of the committee at this particular time. Do we adjourn and come back? We have a number of people who have indicated a desire - we have one, two, three, four, five, six more briefs. The next one Mr. McIntosh, farmer, Carberry; Mr. Cameron; Mr. Lelond, Local 511 National Farm Union; Arnold Baker and Gerard Parent, farmer Ninette. Now what is the will of the committee? That we proceed at this stage or do you wish to recess?

A MEMBER: Let's hear one more brief.

MR. CHAIRMAN: All right. Mr. McIntosh.

MR. McINTOSH: Mr. Chairman, gentlemen: I'm sorry I just have the one copy to present to you at this time. I will hand it over to you when I get finished.

My presentation to you today is my personal views, and I have kept it short without elaboration as you must be getting pretty well tired of words by this time and the old saying that the head can only understand as much as the seat can endure, this could be part of the situation.

MR. CHAIRMAN: Mr. Henderson, we will proceed with the presentation.

MR. McINTOSH: I agree with the Chambers of Commerce that depletion of rural population is of primary importance to the Province of Manitoba. Some way must be found to reverse this trend of the past few years with its reduction in numbers of farms and their consolidation into larger and larger units. Over the years I've seen many young people leave the farms for the cities or the mines, or some other job. Not because they didn't want to farm but because there was no way they could make a start. It was a quirk of fate that enabled me to get a start in farming in the late 30s, and it was the help of my father and my neighbour with equipment and seed that got my first crop in and got it harvested. That wheat sold at 42 cents a bushel; some difference from today.

The acquisition of land has been and still is a primary stumbling block for many young men who would like to farm. Up till this last year returns on investments have been small and many of the older farmers just cannot afford to hand over their land and equipment to their sons. The small profits for many years had to be ploughed back into the farming operation, with the result that the farmer had his land and equipment clear but no cash to live on. The result is a difficulty in transferring their land from one generation to another. The practice has been that each generation pays for the land, and in the payment a large amount of farm income is syphoned off by interest charges. The ownership of land can only be maintained as long as the owner can pay the taxes levied by the rest of society. Renting of land as long as there's security of tenure, based on good farming husbandry, can solve a lot of the problem.

In New Zealand where the native Maoris would not sell the land because they consider themselves caretakers for future generations, land can be leased for up to 45 years with the option of passing the lease on to family members. When a farmer gets into difficulty there he can obtain help to solve these problems by calling in the equivalent of our ag reps. If he makes improvements to the land, to the holding, such as buildings and wells and drainage, he is given credit for that improvement. We would do well to take a look at that system to a certain degree.

Absentee landlordism is definitely not in the best interests of the farmers of Manitoba.

(MR. McINTOSH cont'd) And the purchase of land for speculative purposes does not improve the position of bona fide farmers in any way however, whether it be by individuals, corporations, or foreign interests.

Over the years we have heard many people pay lip service to the farming problems but no positive action has been taken. You are to be congratulated on attempting to find a solution to this longstanding question. Thank you.

MR. CHAIRMAN: Thank you, Mr. McIntosh. I have nobody on my list here to ask questions. Do you leave that? Thank you.

Mr. Cameron, he is not here. Oh, Mr. Cameron was the gentleman that I had read the letter earlier in the morning; he had submitted that particular resolution, and it is now on the record.

Mr. Lelond, Local 511, National Farmers Union. Mr. Lelond. Would somebody . . .

A MEMBER: How many more do you have?

MR. CHAIRMAN: We have Mr. Baker, that leaves one, two, three. Mr. Baker. Mr. Baker.

MR. BAKER: Could I have permission to take this down and sit in a chair?

MR. CHAIRMAN: Certainly.

MR. BAKER: My name is Arnold Baker, and I'd like to thank you, Mr. Chairman, for this opportunity to speak here.

MR. CHAIRMAN: Would you state where you are from?

MR. BAKER: Arnold Baker from Newdale.

MR. CHAIRMAN: From Newdale.

MR. BAKER: I don't represent anyone; I'm a farmer, and I thought I would like to speak because a lot of people who've spoke here have to represent other people, so sometimes they have to be kind of careful about what they say, so perhaps I won't have to be so careful.

One thing I'd like to know is how come every farmer didn't get a copy of this working paper and a chance to look at it. Maybe I could have an answer to that.

MR. CHAIRMAN: It is available by writing to the Department of Agriculture. --(Interjection) -- The Queen's Printer, I'm sorry.

MR. BAKER: But how are we to know about these things until we hear about them by rumour a day or two before the hearings. There should be more publicity; maybe they should be sent out to people. It wouldn't cost the government that much.

MR. CHAIRMAN: I am sure there has been, I know, advertising carried on; there has been a press release. Now sometimes it is not always carried throughout, and that's something that we have no control, but there was advertisement about the availability of that working paper from the Queen's Printer.

MR. BAKER: I think something this important should be sent out to each farmer. Okay. Some other things I'd like to say.

The government seems to be concerned about the cost of land, and I would say that it's not really overpriced, it's just inflation increasing the prices of everything; and I would say that inflation is due mainly to the fault of government spending more money than they should.

Another thing that I'd like to say is that the price of land has probably been increased a lot by government loan programs. I think if these weren't there that there wouldn't be as much money available for buying land, and I don't think the prices would be as high. So when they give easy money to farmers to buy land it may help some of the first ones but it's not going to help the later ones because this is just going to force the land prices up.

I also think that governments should stay out of a lot of things that they are trying to get into these days. I don't think they should be getting into buying land, and in fact I don't think they should be doing a lot of things. For example, Autopac I find to be a disastrous thing from my point of view, and other things like Flyer Industries and the airplane factory at Gimli, and so on. I think these should be left alone by governments.

I wanted to answer Mr. Green's question, but where did he go? Well perhaps . . .

MR. CHAIRMAN: You may; it will be on the record.

MR. BAKER: I think that Canadians should have privileges in their own countries that aliens do not have, so I see nothing wrong with making some differences for Canadian citizens with respect to buying land or anything else for that example. For instance, one of the reasons that I think that we should have some regulation concerning foreign buyers is that they often come from a different economic situation than we do. For example, I don't think I'd like to

(MR. BAKER cont'd) compete with people from North Dakota because they have a different marketing system for their grain, and perhaps there's more market for their grain in the states, and quite often they are able to get a lot more money than we are for our product, and so I think we should have some protection because they're not really competing with us on an equal basis. If all the economies of the world were all joined together into one unified economy where there were not any artificial barriers, then I see no reason for preventing foreigners from coming here to buy land because they wouldn't come to buy it except to make money and I think I can make money off our land just as well as they can.

In other words, I think maybe to be practical we should look at reciprocal arrangements with other countries, and if Canada and the States are pretty close together in their economies I wouldn't object to Americans buying Canadian land; but if the Arabs have taken a whole lot of money artificially from the rest of the world and don't know what to do with it, I'd hate to see them come here and compete with me with that money.

I think that governments should not own a means of production; this is what I call socialism. I think governments do have a lot of function though and that is a protective function of some kind, regulatory function, so this is perhaps what we should be talking about here today, rather than who's owning the land but what the land should be used for. I see no reason why governments can't zone land for different reasons, and once it's zoned its price will be determined by the economic return for its use, and land values for farms would not go so high because people would know that they couldn't use it for anything except for farming, and its value would be determined by its farm economic output rather than some other thing like residential land in Winnipeg, and this is what puts up land around the cities because people think they're going to be able to use it for some other purpose. So I would be in favour of governments zoning and planning for the use of land, but I'd be very greatly against them buying any land.

Some other questions that came up today with regard to northern Crown land. Well this land isn't presently owned by anyone because it doesn't, or didn't have much productive use, most if it, per acre. If you bought an acre of it out there in the middle of the wilds you couldn't really make any money on it. So I think that's okay for the government to keep that but they should zone all this kind of land and then if a private individual can find a use for it, I think he should be allowed to buy it and to use it with respect to the zoning. So that this idea that 75 percent of Manitoba is owned by the government so why not own the rest, I don't think is valid. It sounded like that.

As far as government loans, the FCC and MACC, this was put in for the benefit of farmers and I said before that I didn't think this was benefiting as much as a lot of people think it might be. In order to get into farming I had to actually overcome disadvantages that were formed by these two organizations, because I didn't try to start farming until I thought I had the resources myself. I grew up on a farm about a quarter section in size and there were four brothers and one sister in the family, and none of us started out farming right away because it was impossible. My family didn't have the resources to help us out and so we all went away and got jobs and did other things.

But I always thought I'd like to farm, you know, I like the kind of life and being able to manage my own affairs, and so on. So after quite a few years, maybe 10, 15 years, I figured I'd saved up enough money that I could go farming. But I couldn't get any help from the FCC or MACC because they said that I wasn't a farmer therefore I didn't qualify. And even after I bought land I had to look for somebody who would be willing to mortgage it to us, a private farmer, because nobody else was in the business because FCC and MACC have driven out all the other people who might want to loan money. They just said, well there's no other source except these two government sources, and even farmers didn't want to mortgage land to us because they always wanted their cash right away and they could usually get it because there was always somebody who could get an FCC loan. So that we had to overcome that disadvantage in order to get farming.

And if it hadn't been for finding a farmer who would loan us some money, actually it was quite a short-term loan but we took it on anyway and I kept an outside job in order to pay for it, and I couldn't get any sort of loans from the government because I wasn't a farmer according to them. So we found some absentee landlords to rent land from; Dr. Ackerman is one of them so he was a great help in getting us started, my brother and I, in farming. So we see nothing wrong with absentee landlords. As far as the government is concerned

(MR. BAKER cont'd) they didn't really help us at all. I finally got an FCC loan and when I finally qualified for it, it's a better interest rate than what you can get anywhere else so naturally a person would be foolish not to take it. But I think that things would be a lot better if they didn't have these kinds of things, subsidized loans, because I don't think it really helps in the long run. There's many difficulties. It's just as hard for people to get into the farming business now as it ever was.

Somebody was talking about land speculation as being a problem. I don't think it would be a problem if governments would run their business in such a way that inflation was not a bad problem. This is probably why a lot of people are coming into Canada from other parts of the world to buy land because there doesn't seem to be too many places left where a person can put his money safely these days. Governments all over the world are in trouble with inflation, and if the government would look after the economy in such a way that we didn't have this sort of thing I don't think we'd have the problem of foreigners coming in and competing unfairly with Canadians. If it was left to sort of a natural economic situation I think that land would - its value would be based on what it could produce, and I'm willing to compete with anybody in the world on what I can produce off the land, therefore I'm willing to compete with them on what I'm willing to pay. But I think we need some protection as long as there is artificial barriers between different economies of the world.

Talking about borrowing from banks: I have borrowed more money from the banks than I have from the government and I get along with them much better than with the government. They seem to appreciate my needs and lend me money much easier than the FCC; and I don't feel they're running my business when I borrow money from them either.

Mr. Green said something that this would be socialism if Manitoba took up Mr. Fouillard's case against Saskatchewan. I don't think this is socialism at all, I think this is a proper function of government to protect its citizens from other governments if necessary. For example, I think that the Government of Manitoba should be protecting us against water pollution from North Dakota. I think this is a good function of the government, and I think it would be a good function of government to protect citizens of Manitoba from things that are done in Saskatchewan. I don't think this is socialism at all; I think this is ordinary government. I think governments are there to protect us, I think there needs to be regulations and protections but I don't think they should own, or I don't think they should do things that individuals should be doing for themselves, or can do for themselves.

So that's about all I have to say. I'd be happy to maybe answer Mr. Green's question if he'd like to put it to me about the man from New Brunswick or some place like that.

MR. CHAIRMAN: Thank you Mr. Baker. Mr. Uskiw.

MR. USKIW: Yes. Mr. Baker, you alluded in your comments to artificial taking of money. Could you define that for me? What do you mean by artificial taking of money?

MR. BAKER: I don't recall saying artificial taking of money but I was talking about artificial economic barriers between countries.

MR. USKIW: No, you said artificial taking of money when you referred to the Arab oil prices.

MR. BAKER: Oh. Okay. I suppose . . .

MR. USKIW: I mean are they stealing it?

MR. BAKER: It seems to me that they are charging maybe more for the oil than what it was worth but they seem to have gotten a lot of money there that they shouldn't have. Maybe if other countries of the world had looked forward to planning their resources and things like that a little better, maybe they wouldn't be in a position to be held up by the Arabs so much. But I just think that they got a lot of money for nothing somehow.

MR. USKIW: In a free enterprise system is any price for any service or product an overcharge, or an artificial charge?

MR. BAKER: Well I suppose if there's other ways that these resources could be obtained it wouldn't be.

MR. USKIW: Is the Virden oil field overcharging the people of Manitoba for the oil that they produce in Manitoba if they sell it in Manitoba?

MR. BAKER: No, I don't think so.

MR. USKIW: They are not overcharging.

MR. BAKER: No, I don't think so.

MR. USKIW: Is the Alberta oil field overcharging Canadians for oil?

MR. BAKER: No, I don't think so.

MR. USKIW: Are they overcharging Americans for oil?

MR. BAKER: No.

MR. USKIW: But they are charging comparable prices to the Arabs.

A MEMBER: The stuff is just expropriated.

MR. USKIW: Well I understand it. Yes.

MR. BAKER: I think the Arabs started it first and then that increased the price, caused a lot of inflation. It was one of the contributing factors for inflation, and once the inflationary fires were going these other people have to charge a comparable price in order to get comparable value.

MR. USKIW: It's not important who started it; I believe it was Venezuela that started the ball rolling. But do you think that the Manitoba Sugar Company has been taking artificially money from the pockets of Manitoba consumers because sugar went up to 65 cents a pound this year?

MR. BAKER: No, probably not, because I believe sugar prices are determined on a commodity market, and there must have been a shortage of sugar and people were bidding for it and put the price up. Now maybe the same thing happened in the case of oil as well. I don't really understand the oil situation that much but I do believe that there are different situations in different countries, that there's not a truly free economic flow from one country to another, and so maybe I could give a better example of what I mean by protection from foreigners is that our exchange rate with Germans, for example, has changed drastically in the last five or six years and it's given them a great advantage in our economy. Their money has become more valuable, so that really they are able to buy Manitoba farmland that to them seems like maybe only \$100.00 whereas to us it's really 200. And I think if governments could run their business, or the economy of the world, in such a way that this kind of artificial thing didn't come about, that I'd be perfectly willing to compete with a German or anyone else on buying land. But as long as there's nationalism, and Canada maybe is just as bad as any other country, they have different tariffs and things like this which are interfering with the free flow of economic goods.

MR. USKIW: Your suggestion is that if Mr. Ackerman were an Arab you wouldn't want to lease his land?

MR. BAKER: Oh, I'd lease it if he'd lease it to me at a reasonable basis. I'm just saying that the Government of Manitoba, one of its functions could be to look into whether or . . .

MR. USKIW: No, I'm saying in the context of being an absentee or a foreign owner. You say if he was an Arab you wouldn't want to do business with him in Manitoba as a lessee, and you say that the Crown should not allow him to own land in Manitoba.

MR. BAKER: No, I don't say that. I don't try to be as specific. Individuals of the world - I have no prejudice against any nationality, I'm just saying that some people in the world are in an economic position which is unfair when they come to compete with me because of the way governments have behaved in different parts of the world, and I think that this is one of the functions of our government to watch out that other things in the world aren't going to harm us unduly.

MR. USKIW: All right, that's fine, you've settled that part.

Your other observation had to do with one of the reasons that farmland prices were getting out of reach, or high, was based on the inflation factor caused by government spending. Could you indicate to me what kind of programs you think the Government of Manitoba should get out of in order to reduce government spending?

MR. BAKER: Well as a matter of philosophy, I'm against government ownership of any kind of . . .

MR. USKIW: I'm talking about government spending, not government ownership.

MR. BAKER: Well in order to own something, don't they have to spend money.

MR. USKIW: Well you can also make some. That's a two-edged sword.

MR. BAKER: Well it hasn't happened that often when the government of Manitoba has owned something . . .

MR. USKIW: No, no. You're not objecting to government programs then. You say you're objecting to government ownership.

MR. BAKER: I'm saying that government has certain functions and so it depends on which function you're trying to perform, and I believe we need governments.

MR. USKIW: You're not arguing about . . .

I just want to define what areas you want the government not to spend money on, whether it's things like education, and hospital services . . .

MR. BAKER: Okay. Maybe I'll say what I want them to spend money on.

MR. USKIW: All right.

MR. BAKER: Okay. I want them to spend money on education and maybe--I'd like to make a point here that, how come the municipalities aren't getting a lot more money back from the government for education when the sales tax was put on primarily to finance education, I understand, and with all this inflation I'm sure that the Government of Manitoba is getting a lot more money from the sales tax and yet the municipalities aren't getting that money back. This would be one way we could equalize opportunity for people if they had equal opportunity to become educated. So education's a good place for governments to spend money. Any sort of thing that people can't do for themselves, or it would be impractical to have commercial organizations do it. For example, road building -- (Interjection) -- Hospitals I think should be by the government. Telephones - not necessarily, they fall into what I would call utilities where I think you could have a private company but you'd have to have some kind of rules about who they had to serve, that they'd have to provide service, and because it would be a monopoly you'd have to watch their prices.

MR. USKIW: So you're really saying that we should be in certain things but we shouldn't be in bus manufacturing.

MR. BAKER: That's right.

MR. USKIW: You alluded to that once, and aircraft manufacturing.

MR. BAKER: Right.

MR. USKIW: If, no not if. Do you think that governments should be in the business of financing private ownership of business?

MR. BAKER: No.

MR. USKIW: Not at all?

MR. BAKER: No.

MR. USKIW: All right. Having given the fact that they were in this province for many years, almost two decades, and given the fact that you alluded to one company in particular, two companies but one in particular, Flyer Coach Industries, where that was a private company that borrowed funds from the Manitoba taxpayer, do you think that the Government of Manitoba was wrong in taking ownership of that asset when that company was in default on its payments to the Manitoba taxpayer?

MR. BAKER: Well they probably shouldn't have loaned the money in the first place. And if they did . . .

MR. USKIW: Oh, but wait a minute. That is a given, that is an historic fact.

MR. BAKER: Okay. If they did, then they probably should have sold it at the first opportunity and got as much money back as they could.

MR. USKIW: Could you sell a bankrupt company and recover your money for the taxpayers of Manitoba?

MR. BAKER: Probably as much as you're maybe going to recover now anyway. That's the way it seems to me anyway.

MR. USKIW: All right. Now . . .

MR. BAKER: I agree that there are some, that you get yourself into a problem from other people who've come before.

MR. CHAIRMAN: Order please. I really don't understand this line of questioning. I was out for a time, possibly this was changed.

MR. USKIW: Mr. Chairman, on a point of order. The gentleman alluded to a number of these factors as having been inputs into inflation which is pushing up the cost of land in Manitoba, and I am now asking, or pursuing the very points that were alluded to to determine just . . .

MR. BAKER: There are other much more important factors, that is, the Federal Government, and I realize that this committee can't do anything about that, but in general governments I think spend more money than what they are actually getting, and I think this is one of the main causes of inflation.

MR. USKIW: Is it your impression that this government was more prone to getting involved, as a desire, into business ventures as a government business than any previous government?

MR. BAKER: I think so. That's my impression.

MR. USKIW: That's your impression. Are you aware that most of those ventures that we are involved in were because of a default on a loan that was provided to private entrepreneurs prior to 1969.

MR. BAKER: I realize that. For example the . . .

A MEMBER: CFL.

MR. BAKER: Yes.

MR. USKIW: No. Most in numbers, most of the companies, not in dollars, dollars too.

MR. BAKER: Well I agree, and I think that they shouldn't have done it.

MR. USKIW: Do you think that we are right in protecting the Manitoba taxpayers' interest in trying to get those companies to either function, or at least to get the best possible result from them?

MR. BAKER: Well I suppose you may as well make the best of a bad job.

MR. USKIW: Okay. That's fine.

MR. BAKER: How about Autopac though?

MR. USKIW: Pardon me?

MR. BAKER: How about Autopac?

MR. USKIW: Autopac is not losing you any tax dollars.

MR. BAKER: It sure seems to me it is.

MR. USKIW: No, it has not lost you one penny.

MR. BAKER: It's cost me a lot of money anyway.

MR. CHAIRMAN: Thank you, Mr. Baker. Mr. Graham.

MR. GRAHAM: Mr. Chairman, I would like to pose quite a few questions to Mr. Baker but seeing as how it's 6:15, could we adjourn and carry on after supper?

MR. CHAIRMAN: Mr. Graham, there is possibly one more presentation that I see - two presentations. I had expressed this idea earlier, nobody seemed to take it up so I just assumed that we are going to proceed until we finish with these presentations at this time. The people might wish to leave and not be wanting to come back in an hour or two. Mr. Graham.

MR. GRAHAM: Very well, Mr. Chairman. To Mr. Baker: Are you at all familiar with the Guidelines for the Seventies which is the proposed program of the present government for the rest of this decade as it effects the people of Manitoba?

MR. BAKER: No, I'm not familiar with it.

MR. GRAHAM: Well, Mr. Baker, then there are several proposals put forward in this dealing specifically with agriculture, so I'll just confine myself to some of those that deal with agriculture.

You have stated that you feel that there are some fields that government should not be involved in.

MR. BAKER: Yes.

MR. GRAHAM: In this paper it says: "It may be necessary for the Manitoba Government to exercise greater regulatory controls over the cost of supplies wherever this is necessary, feasible and beneficial to farmers." Do you think government should get involved in the supply field of agriculture?

MR. BAKER: No, I don't think so.

MR. GRAHAM: There's another one here which says, "the facilities of the Manitoba Agricultural Credit Corporation may be used to the fullest extent by making credit available at reasonable terms to groups of farmers desiring to incorporate a co-operative enterprise." Do you think there should be any differentiation between groups of farmers operating together and individual farmers operating on their own?

MR. BAKER: No, I don't think so.

MR. GRAHAM: Have you tried to get credit from the Agricultural Credit Corporation to operate your farm?

MR. BAKER: Yes, I did and I wasn't able to get any.

MR. GRAHAM: And yet you object then to them offering that same credit to groups of farmers operating as a co-operative then?

MR. BAKER: Well I'm just saying that I think they shouldn't be in the business of loaning money at all.

MR. GRAHAM: Well doesn't this appear to be rather a discriminatory practice?

MR. BAKER: Why? I don't understand.

MR. GRAHAM: Well the individual farmer can't be helped but they are willing to offer credit to the fullest extent to groups of farmers.

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

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

MR. USKIW: Nowhere is it stated that we do not facilitate individual credit applications. Some people don't get them, they're not successful, but they are not denied that privilege.

MR. BAKER: Oh I see, I understand Mr. Graham now. You're saying that I was discriminated against and that a group of farmers was not?

MR. GRAHAM: I'm saying should there be that distinction or that discrimination between single farmers as opposed to groups of farmers.

MR. BAKER: Well I know that quite a few farmers did get loans and they were just single farmers, so I don't know if there's any discrimination. Actually when we were trying to get a loan I wasn't a single farmer I had a partner at the time so I suppose we were a group when we were applying for the loan, a group of two.

MR. GRAHAM: Mr. Baker, this was published in 1972 so it would have to apply to anything occurring since 1972. Are you aware of any single farmers who have had extended credit given to them by the Manitoba Agricultural Credit Corporation since 1972?

MR. BAKER: That's right. I understand that they have gone out of the business of loaning money altogether. But you say that they will still loan it to groups, is that right?

MR. GRAHAM: This is my understanding, sir.

MR. BAKER: Well I didn't know that. I haven't got time to keep up on all the things that the government is doing. I wish I had more time. I think it's unfortunate that we have to watch so carefully about what's going on.

MR. CHAIRMAN: Well I understand that it does not apply in either case. Mr. Uskiw.

MR. USKIW: Mr. Chairman, I think that Mr. Graham is trying to leave the impression that the MACC has closed its doors and I want to advise him that MACC is a very lively organization doing an awful lot of business even now and is willing to receive applications from many thousands of Manitoba farmers for whatever their needs are, but is not duplicating the services provided by the FCC which is a federal mortgage lending institution.

MR. BAKER: So does that mean that if you haven't got enough resources to qualify under the FCC that then the MACC will consider the situation?

MR. USKIW: No, if the FCC tells you that you are not viable, the MACC does not want to undertake a greater risk than that of the FCC. We will not take a greater risk, no. But if you are financed by the FCC, you may also receive financing by the MACC on production credit, for example. If you have a mortgage with FCC it doesn't bar you from dealing with the Manitoba Agricultural Credit Corporation.

MR. BAKER: Yes, but it seems to me that, well they're giving money out to the small farmers and they seem to favour cattle production which has again, I think, shown to be a mistake to favour any one particular kind of economic activity, because look what's happened now to the cattle farmers.

MR. USKIW: That is not correct, sir.

MR. BAKER: Well they're in bad shape.

MR. USKIW: Yes, but the program is broad, it goes far beyond livestock.

MR. BAKER: Well I don't know why I don't qualify. It seems that now I've got too much to qualify. Before I didn't have enough to qualify.

MR. CHAIRMAN: Mr. Graham.

MR. GRAHAM: Mr. Chairman, may I now proceed?

MR. CHAIRMAN: Yes, you may proceed, Mr. Graham.

MR. GRAHAM: Further to that and maybe in contradiction to what the Minister has just stated, I would like to also refer to a quotation in this where it says "the primary focus of the . . .

MR. CHAIRMAN: What are you quoting from, Mr. Graham?

MR. GRAHAM: This is the Guidelines of the Seventies.

MR. CHAIRMAN: Fine.

MR. GRAHAM: "The primary focus of the program is to encourage the expansion of livestock enterprises, particularly beef." Is that not somewhat in contradiction to what the Minister just stated?

MR. USKIW: Mr. Chairman, if the member is asking me a question, I stated that the program of the MACC is the broadest program outside of mortgage financing than we've ever had in the history of this province.

MR. GRAHAM: May I now proceed, Mr. Chairman.

MR. CHAIRMAN: Yes, Mr. Graham, you may direct your questions to Mr. Baker. You are asking questions and expecting the Minister to answer them.

MR. GRAHAM: Thank you. Now I would ask Mr. Baker, you are concerned about education in the Province of Manitoba?

MR. BAKER: Yes.

MR. GRAHAM: And you are also concerned about the amount of tax dollars that is assessed against agricultural land that goes into education?

MR. BAKER: Right.

MR. GRAHAM: I might point out to you that in the Guidelines for the Seventies it says, "the ultimate goal of the government is to be able to eliminate the burden of all property taxes on farm and residential property and raise the additional revenue through a more progressive income tax." Do you think they are succeeding in that program?

MR. BAKER: I don't see any work towards this goal at all. I understand from our local school boards that the amount of money they're getting, the actual dollars isn't any more than it was several years ago when inflation had not taken such a big bite out of the value of the dollars. So our taxes are going up all the time on the local assessment.

MR. GRAHAM: Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you. Mr. Uskiw.

MR. USKIW: I just wanted to illuminate more for our guest here and for Mr. Graham, that in the last four years the MACC advanced some \$32 million of which 13 million was debt consolidation. It might be an interesting thing to ponder.

MR. BAKER: Debt consolidation?

MR. USKIW: Ten million in land purchases . . .

MR. BAKER: I wasn't able to get any then because I didn't have any debts.

MR. USKIW: No, I know what you needed to qualify. But that's the . . .

MR. BAKER: Well actually I did have debts at the time but . . .

MR. USKIW: Subsidies in the last 30 years were in the order of five million but in the last five years, of that five million the last five year period brought in or introduced \$2.2 million in subsidies.

MR. BAKER: Yes. Well I don't believe in subsidies either because I don't think they . . .

MR. USKIW: No, but I'm just giving you the picture.

MR. BAKER: . . . I don't think they improve the situation, it just distorts the economy without any benefits.

MR. CHAIRMAN: Mr. Blake.

MR. BLAKE: Mr. Chairman, I just have one short question for Mr. Baker. He mentioned earlier his views on foreigners over Canadians, and I take it that he refers to the fact that while Canadian citizenship carries with it certain responsibilities, you would consider that it also carries certain benefits that should be conferred on a Canadian in preference over a foreigner. Is that my understanding?

MR. BAKER: Right. Absolutely.

MR. BLAKE: Thank you.

MR. USKIW: I think, Mr. Chairman, I should correct a statement I just made. I said that the last five years we provided two million in subsidy out of a total of five in 30 years. It's out of a total of seven in 30 years.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, I really had intended to let this person go by but I wouldn't be so impolite as to not accept his invitation. So I have to ask you why would a man living in the Yukon Territories and never intending to come here be a better owner of land in Manitoba than a man in North Dakota never intending to come here?

MR. BAKER: Well, the reason I think so is that the man in the Yukon is a Canadian citizen and I think that the man from North Dakota, I was talking to some this fall, I was telling him some of the things that happened up here with the way we sell our grain and so on. He says, you know, I could never operate under those conditions.

He can sell his grain when he wants and get his money immediately, so during a high

(MR. BAKER cont'd) period of grain prices he might be in a position to come up here and bid a lot more for land than what I could because a lot of my money is always tied up over the year, the Wheat Board holding it for a year, and this might put me at a disadvantage with respect to him and I prefer not to be in that disadvantage. Although I think that a man from North Dakota isn't too serious a threat to me, this is just slightly.

MR. GREEN: Well the one that you referred to is very interesting because my impression is that the Benson Agricultural Policy was far in the lead of introducing a stabilized price for agricultural producers in the mid-western United States on the basis that the government bought the product at a price to the farmer and then sold it for whatever they could get for it.

MR. BAKER: Yes, they seem to be subsidized pretty well down there at times and I don't want to have to compete against American government money.

MR. GREEN: All right. Now then let me ask you this. Let us say that the man in the Yukon Territories was a silent partner of the farmer in North Dakota and that they sold all the grain, he got half the money as being a silent 50 percent partner, used that money to buy land in the Province of Manitoba. What difference have you got?

MR. BAKER: Uh huh. Well . . .

MR. GREEN: They're still competing with this same man.

MR. BAKER: You can't find out about it, that's all.

MR. GREEN: Oh, I see.

MR. BAKER: I mean I think that there are going to be ways that people can do things maybe that they shouldn't, and no matter how hard the Government of Manitoba tries they're probably going to do this anyway. Therefore I think the Government shouldn't try so hard to stop people from doing things.

MR. GREEN: What is it that the man shouldn't do? Are you saying that I shouldn't have an agreement - just a minute - that I as a Manitoban citizen, that you are in favour of that kind of state control which would prevent me from entering into an arrangement with a South Dakota farmer to finance the operation, to buy the land, to put whatever investment I can on the basis that I would become a shareholder in the proceeds of the sale, to then use it as I see fit. You would say that we shouldn't do that?

MR. BAKER: Well I think that there are things that governments could do about regulating the ways in which foreigners invest in our country.

MR. GREEN: I agree, and I'm really not asking that question. I sort of had the hope that now a man is going to come and give me this answer to the question I have never been able to get an answer, and show me how this man in the Yukon Territories is a better land-owner in Manitoba than the man in South Dakota. You're entitled to think that you have found the solution but I regret that I will have to continue to search for an answer to that question.

MR. BAKER: Well listen, I think I have the solution.

MR. GREEN: Oh. Well I'm all ears.

MR. BAKER: Well I think it's because foreign citizens or aliens to our country often have economic advantages due to the country that they come from that we don't have, because of artificial things like subsidies given to American farmers. Now you say that this American farmer doesn't have to invest directly, that he can come and give his money to a silent partner in the Yukon and then this man can come and buy the land . . .

MR. GREEN: No, I didn't say that, sir.

MR. BAKER: Oh, I misunderstood then.

MR. GREEN: I said that a Canadian could invest in the United States in the United States. Not that he could sort of do it by way of subterfuge but because we are a free society, and you talk on the one part like someone who wants to keep it free, and on the other part someone who wants to have rigid state control, but there's nothing to prevent Canadians from investing in that economy, which you referred to as giving a great advantage, and in fact it is no secret that I have made such investments from time to time and have been paid dividends in American dollars, then use that money to buy land in the Province of Manitoba. So that you're not talking about an economic advantage, and there are many forms of economic advantage. For instance, you might not be able to compete with somebody who has an economic advantage over the farmer because he is in a field which is entirely protected on which he has a government franchise. Such as, there is only one company that can effectively sell gas in Winnipeg. They have a government franchise and that franchise entitles them to earn money that you could never earn because you don't have that exclusive right. They can invest in farmlands in the province of Manitoba and you have a disadvantage against them. What difference does it make?

MR. BAKER: No, I don't mean that kind of economic disadvantage. I was thinking more along the lines that this man could - oh, I guess maybe come to think of it I wouldn't really care that much about foreign ownership except that I still think more along the lines of exchange rates, for example.

MR. GREEN: I think that we've sort of taken it far enough and there are other briefs and I know the other members of the committee are waiting. I really wasn't even going to ask you but it was your invitation.

MR. BAKER: Yes, but don't you think that when the exchange rate of one country changes drastically and it allows somebody to come and buy land cheaply here for them that . . .

MR. GREEN: If all the rates are floating in a very short period of time that will rectify itself. However, I really don't want to go into that . . .

MR. BAKER: It's not too important a question to me either except that I thought there were some considerations, that foreigners are a little different than Canadians.

MR. GREEN: I'm afraid I'll have to keep looking.

MR. BAKER: You don't think there's any difference?

MR. GREEN: No.

MR. BAKER: No. Well. . .

MR. CHAIRMAN: Thank you, Mr. Baker. Mr. Dillen did you have . . .? Mr. Dillen.

MR. DILLEN: Mr. Baker, at the present time the province does own, or at least the people of Manitoba own about, I think the figure here, about 75 percent of the province at the present time would come under Crown land.

MR. BAKER: Right. Does that count bear land or water?

MR. DILLEN: It's the total land surface and water surface of the province.

MR. BAKER: Yes.

MR. DILLEN: Would you object to the province selling as much of that land as they possibly could, or they could find a buyer for?

MR. BAKER: No. But I think they should zone its use first.

MR. DILLEN: And then sell it?

MR. BAKER: And then I think they could sell it to people who could find a proper use for it. I think it would be all right for a person to buy some land somewhere to form a resort or something like that, but at the same time I think the province or the government should be very careful to retain a lot of public land for common use, like parks. I'm greatly in favour of things like parks. But if somebody can find a use for that rock up in the shield there then I think it'd be all right for the Province of Manitoba to sell that land to the guy so he could use it. But it should have a proper use for it which could be determined by the government.

MR. DILLEN: You've made some references to the Newdale area, I imagine that's where . . .

MR. BAKER: That's where I come from, yes.

MR. DILLEN: How would you compare the productivity of the land in the Newdale area to other parts of the province. Is it good . . .

MR. BAKER: It's quite high. I'd say it's quite high.

MR. DILLEN: It is good land?

MR. BAKER: Yes. It's cut up with a lot of sloughs and potholes and things like that but the land itself, the improved land is good land.

MR. DILLEN: Wouldn't you say that puts you in a more equitable position, a better position to compete than the person in the Interlake area?

MR. BAKER: Well I think that the value of the land should be greater than that in the Interlake area, therefore if the land is priced right I don't think either one would have an advantage over the other.

MR. DILLEN: Well if this person in the Interlake area is at a disadvantage, do you think it proper then for the government . . .

MR. BAKER: I don't think he would be at a disadvantage. Why do you think he's at a disadvantage?

MR. DILLEN: Well you have already said that you are at an advantage with the type of land that you have in the Newdale area.

MR. BAKER: No, I said it was good land, I didn't say I was at an advantage because I would expect to have to pay more for this land in the Newdale area. But I could make more off it too. For the same investment, I would think that it should be equal in both areas.

MR. DILLEN: Well in those areas where there is a less possibility of economic viability do you think that the government should be involved in providing whatever . . .

MR. BAKER: No, I don't think there's any area that has less economic viability. I think that if the government didn't step in that the people would figure out what should be done themselves without any government interference. It might mean that each person would have to control more land in the Interlake area but the investment shouldn't be any greater. Wouldn't that be all right?

MR. DILLEN: I'm trying to straighten something out in my own mind. When you talk about government programs that should be removed or you said that government spending contributes to inflation. . .

MR. BAKER: Yes.

MR. DILLEN: And I can think of many things in the agricultural sector that is being done on behalf of the farmer in the agricultural sector. Do you see any reduction in those types of programs?

MR. BAKER: Yes. Because maybe you can't take them away quickly, like Mr. Uskiw says, that we're sort of stuck with them because of historical considerations, but I think the government should be gradually phasing out of this sort of thing rather than going into it further because I can't see that it ever does any good. People still have the same problems after and maybe worse. At least the other way they maybe can solve their own problems if they're let alone.

MR. DILLEN: Would you recommend a removal of the agricultural extension centres and their program?

MR. BAKER: No. Because that's an information kind of thing and I believe that we need technical information and I think this is all right. Now you might say that this is a subsidy but if you want maybe the farming industry could pay for that itself directly, but it wouldn't really make any difference in the long run because it would just, you know, ultimately everything is paid for by the consumer. But I think somewhere that there has to be scientific institutions studying agriculture and putting out the information.

MR. DILLEN: You have stated many times in your presentation that the province, or at least the people of Manitoba should not be involved in the ownership of land.

MR. BAKER: I think individual people should be, I don't think the government should be involved. Now when you say the people, I don't equate that with the government. Because I don't think the government can represent every person, because not every person voted for the government for one thing and there's too many different interests for one group to represent it. I'm very distrustful of large organizations, governments or large corporations for that matter, but at least in corporations there tends to be more than one of them where, when it comes to the government, I usually have to deal with only one organization and that's it. Either like them or lump them. Therefore I don't think as a citizen that I like to see government getting into more and more stuff all the time.

MR. DILLEN: What you're saying then is the people, if you agree with the democratic process, then that the people have elected . . .

MR. BAKER: Well I think we need a government, it's a sort of a necessary evil and - well that's what I think about it. I think we have to have it and I think if we're going to have one I think we should get it by democratic means. I think that people are not acting in their own best interest if they encourage governments to take over more and more of their affairs and to look after them more and more. I think there are certain things they need to do but not nearly as many as they are now doing.

MR. DILLEN: Do you feel threatened that the government is out to - or the people of Manitoba are viewing your land with some kind of envy?

MR. BAKER: I don't know if they view my land with some kind of envy or not. I think most of the people in the city who don't own land out in the country kind of think we're maybe a lot of hicks and so on but maybe that's just an impression they have. I don't think they really think that much about it. I think the Government of Manitoba is interested in it and I feel threatened by that.

MR. DILLEN: Believe me I'm not interested in your land.

MR. BAKER: Well you're not the Government of Manitoba, but government is kind of an abstraction isn't it? There's a bunch of guys with a certain philosophy and I'm a little afraid of what they say their philosophy is.

MR. DILLEN: Now the other thing I wanted to ask you is that, as you know, many of the provinces are getting a tremendous amount more money than they had before. In the case of Alberta, they've got so much money that it's almost an embarrassment to them.

MR. BAKER: From their resources. Yes.

MR. DILLEN: If the Government of Alberta were to establish a land holding Crown corporation, and there was an investment possibility in land in Manitoba, would you object to the Province of Alberta investing in land in this province?

MR. BAKER: Yes, I certainly would.

MR. DILLEN: The other thing, there's again an additional amount of money that is being placed in the hands of individuals, in the case of the James Bay settlement with the native population of northern Quebec. If they decided to use their money for the purpose of investment in land, would you object to them investing in the Province of Manitoba?

MR. BAKER: No, because they'd be individual citizens of Canada and I see no reason why they shouldn't.

MR. DILLEN: Thank you.

MR. CHAIRMAN: Thank you, Mr. Baker. That is all I have for now.

MR. DILLEN: Okay. Thank you very much.

MR. CHAIRMAN: Mr. Lelond, Local 511, National Farmers Union.

MR. LELOND: Before I start I would like permission from the committee to have another gentleman help me answer questions if need be.

MR. CHAIRMAN: Fine. Who is the gentleman that you will be calling upon?

MR. LELOND: Mr. Bruce Medd.

MR. CHAIRMAN: Mr. Bruce Smith.

MR. LELOND: Medd.

MR. CHAIRMAN: Medd. I'm sorry. Proceed.

MR. LELOND: Mr. Chairman, in addressing this Special Committee of the Legislature regarding land ownership and land tenure in Manitoba, we, Local 511 of the National Farmers Union, appreciate this opportunity to express our views.

I should mention at this time that after questioning businessmen and non-farm union members also we found a deep concern and varied opinions about our land problems today. Most rural people agree that there is a possibility of further rural depopulation caused by unfair competition between young farmers trying to get established and large private land-owners and speculators, both foreign and domestic. In the past two and a half years, land sales to aliens in certain areas of Manitoba has accelerated at a frightening pace. These sales have made land prices spiral. Non-resident owners and absentee landlords who buy land as a tax concession tend also to put land prices up because cost is not an important factor with them.

We also seriously question the desirability of land developers owning land for urban industrial or rural development. Experience has demonstrated that allowing private developers to acquire and own land leads to speculation in land for the purpose of capital gain, irrational land use and poorly planned communities. Therefore, we recommend that large private developers be not allowed to purchase this land but that these developers operate under permits or leases to make the necessary improvements or development of such land. This would eliminate 20,000-dollar lots and sky-high rentals and the ordinary Joe could afford more for beef.

We believe that the most basic and important concept to consider concerning land ownership is the maintenance and rebuilding of existing rural communities. This can only be done by attractive incentives to young farmers with limitations on the size of farms. The size of farms could be based on assessment. Just as an example: no farmer can operate a farm of greater than \$16,000 assessment value. Quoting from the book "In Search of a Land Policy for Manitoba", and I quote: "The value of agricultural production sold per acre of land declines as the size of the farm increases."

There is an old saying that the farmer lives poor and dies rich. This is due to two things. The boom and bust structure of our economy and every generation of farmers rebuying the same parcel of land. Visualize what stimulation to business there would be if the farmer of each generation was able to pour into general commodity purchases the dollars otherwise spent in capital investment for land.

Now due to the above factors, it would seem that we should take a very close look at a

(MR. LELOND cont'd) land bank program with the option to buy as an alternative to the present boom and bust system, if you can call it a system. Bear in mind that what we are trying to do is overcome the unfair competition between young farmers trying to get established and the large private landholders and speculators both foreign and domestic. However, we must bear in mind that neither the farmer under a land bank program or privately investing can afford the spiralling land prices in Manitoba today. We must bear in mind also that alien land ownership in Canada cannot be curtailed or controlled under the present Land Tenure Act. Therefore we of the National Farmers Union believe that provincial governments should pressure the Federal Government to amend the Canadian Citizenship Act which states, "Real and personal property of every description may be taken, acquired, held and disposed of by an alien in the same manner, in all respects as by a natural born Canadian citizen."

In view of the fact that there has been a feeling that a one year delay is needed to study the Working Paper on land ownership, we recommend a freeze on all foreign purchases and all expansion by local farmers over the suggested assessment.

I would ask you to note that we have offered constructive suggestions and mentioned our willingness to co-operate with any government that will try to save the rural areas from further depopulation and economic chaos.

In conclusion, I recall that it has been said that change is not necessarily progress. But let's face facts. There's never progress without some changes. We of the National Farmers Union stand ready and willing to assess any changes offered. We have to be to even survive in a changing world, a hungry world, a world where agricultural land is becoming an ever scarcer commodity. That is why we are here today; not to criticize but to assess, with any government, changes which may be necessary for our survival as farmers in rural Manitoba. Thank you.

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

MR. USKIW: Yes. You suggested that we should set up a land bank program. Why do you foresee a need for a land banking operation as opposed to or additional to the land lease program that is now available.

MR. LELOND: I suggested that we should seriously look at a land bank system. I feel this could possibly be a solution for the young farmers without any capital to get established and keep the rural communities.

MR. USKIW: As I understand the concept, you would anticipate that the province would buy land even though there wasn't an apparent lessee available at the time, they would bank that land and then hopefully lease it out at some future point. The mode of operation of the land lease program is that we try to match up a vendor with a lessee and at that stage we make the transaction, with a degree of flexibility, but that's sort of the way we operate. So that if in fact a young individual has his eye on a parcel of land and the vendor wants to sell it, that we simply facilitate the transaction. In other words, they search us more than we search them at the present time. You're almost suggesting that we search out the possibilities of land banking even from people that aren't ready to sell land. Which is, you know, a different emphasis on this . . .

MR. LELOND: No, I agree with the present way because this is the only real control we have on land prices if there's a man willing to pay the rent.

MR. CHAIRMAN: Mr. Walding.

MR. WALDING: Thank you, Mr. Chairman. I just wanted to ask, if a piece of land is being held for speculative purposes or for a reason where the land use is not in the best interests of all Manitobans, what difference does it make what the nationality of that person is?

MR. LELOND: There's no difference in my mind. Everybody should be treated alike, foreign or domestic.

MR. WALDING: But I believe you said that there should be controls on aliens purchasing land. What difference is his nationality making if he is doing something against the interest of Manitobans?

MR. LELOND: He's not doing anything different basically, and I hope I'm made clear on this point, that I view an alien of any nationality the same as a Canadian that's buying it for speculative purposes only.

MR. WALDING: If the land could be zoned or regulated or controlled so that the proper land use could be guaranteed, that it can be used for agriculture where it's supposed to be and whatever other proper use, again does it make any difference who owns that land?

MR. LELOND: I don't know if this is answering your question, but for development we stated that either the city with surrounding land should own it or the government and that the development be done by contractors. That they're not speculating in the land itself.

MR. WALDING: But if you and I and every other Manitoban control the use that the land is put to, does it matter whether it's owned by a Canadian or an American or a German or all of the people? Is the ownership important or is the control of the land use?

MR. LELOND: Well if you've got the control of the land you don't have to worry too much who owns it.

MR. CHAIRMAN: I believe that you are referring to speculation.

MR. LELOND: Yes.

A MEMBER: Don't put words in his mouth, Harry.

MR. CHAIRMAN: Well he did mention that. Thank you, Mr. Lelond. Mr. Parent, farmer, Ninette.

MR. PARENT: Mr. Chairman, I'd like to point out that I am not against MACC buying land, and I have missed much of this discussion because I'm here on a course. However I do have some things to say which I would not have a chance to do had I not been here already, as many people are in this province.

When looking at retired farmers, it is my opinion that these people put their main interest in a quiet life surrounded by grandchildren. If this is right, then what would be gained by retiring with lots of money. It is also my opinion that people nearing retirement, 40 to 55, have a great fear of possible reduction in their wealth with little consideration towards their neighbour's children.

The big question: Why is this question dwelled upon? It seems to me to be irrelevant. If you want to sell, then why do you want to buy back. No. 1, to resell for further profit; No. 2, to become a landlord; No. 3, to take to your grave. Why buy back?

I have heard several references to maintaining land price levels. If this is done then what is the purpose of owning the land; if not to live poor and die rich, then why maintain land price levels. There is no guarantee of profit in any form in any farm practice, nor is there such a guarantee of any government controlled program regardless of the party. But if MACC is negligent they will find farmers on strike for the first time. Such a chaotic rebellion will always be considered.

When a person begins farming it is with the intention of making money day to day and year to year and not when they die or retire. A person must consider the value of not making a payment on the principal of land-loan as compared to being a lessee. The money normally applied to principal can be saved or invested for retirement or used for enjoying life, as so many of us seem to prefer. I would like to see a lifetime option for any lessee to be able to purchase the homestead, or any 20 acres of the lease-land, for the purpose of retirement or self-control of buildings and improvements.

I repeat, just an option as it is, an option to sell or to keep the land, and for a realistic price. Now I'll just repeat that. I would like to see a lifetime option for any lessee to be able to purchase the homestead or any 20 acres of the lease-land. I find this to be a very practical option.

Why do people interrupt government meetings with criticism to the government in power as though the majority of the people do not want the government to make economic decisions. I've heard this several times today, privately and on this floor. Change has always brought about some form of improvement. No gain is made without risk and some loss will always repeat itself in the manner of kings, nobles, middle-class and peasants. They will always shift but the distinct classes will always be the life line of society. Rich today, poor tomorrow, this is democracy. If you have more than your share then you're loss is forthcoming. This applies to individuals, corporations and governments. It is my opinion that when we have sufficient lessees they will have the opportunity to be educated with firsthand information and take part in research through our universities, thus gain several years experience in a short time while always being linked with farm life. That's all I have to say for now.

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

MR. USKIW: I caught an inference there and I want to be sure that I understood you correctly. You were implying that there is no need for the option to buy the land which is going to be farmed but that you would want an option to own the home site. Was that your presentation?

MR. PARENT: That there be no option . . .

MR. USKIW: Did you say that there should be or should not be an option to buy the land?

MR. PARENT: No, I did not say there should not be an option to buy land. I feel that the government should be free to buy the land or, pardon me, the option exist to the owners of the land as to whether or not they want to sell. This exists now and I'm sure it will not change. But people who live in that certain area would perhaps like to stay there for the rest of their lives and if they do then it's a small option, 20 acres will not hurt any farm I'm sure, and a bunch of people living out in the country in retirement, or whatever it is, cannot hurt anyone either, not on 20 acres. You could have an extra 20 or 50 or 100, 000 of these places on 20 acres. It's just a home; it's not actually doing any harm and I'm sure that they wouldn't all be taking prime farming land, they would likely settle in the bush because they don't want to sit in the middle of their field.

MR. USKIW: But I'm correct in understanding you that you would want the lessee to have the option to purchase the whole farm.

MR. PARENT: No.

MR. USKIW: You don't want the option?

MR. PARENT: What is the use of buying it back?

MR. USKIW: Oh well, all right, then I did read you accurately.

MR. PARENT: There's no point in buying it because if you're not going to sell it; for anybody else, what is the point in buying it, only to make a further profit.

MR. USKIW: All right, that's an opinion, but don't you think that he should have the freedom to make that decision himself.

MR. PARENT: Oh, absolutely. But I just ask, why would he want that decision? Why would he want to buy it back?

MR. USKIW: Okay. Fair question.

MR. CHAIRMAN: Thank you, Mr. Parent.

That concludes the presentations. I wish to thank everybody. I wish to take this opportunity to thank everybody for your indulgence. It's been a long day. Goodnight. Committee's adjourned.

A MEMBER: Committee rise.