# THE LEGISLATIVE ASSEMBLY OF MANITOBA 8:00 p.m., March 1, 1976

# SUPPLY - AGRICULTURE

MR. CHAIRMAN: Page 5 of the Estimates Book. Resolution 9, Manitoba Crop Insurance Corporation - Administration -- passed; Resolution 10, Manitoba Agricultural Credit Corporation. The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, under the Manitoba Agricultural Credit Corporation is certainly quite a change. We used to have, when we talked about MACC some years ago, and while I wasn't on the land use hearings that have been going around the Province of Manitoba in recent weeks I'm still wondering whether they are still getting the same kind of response about the government purchasing farm lands. Well you know, Mr. Chairman, I can't help but when I look across the House and see the Honourable Minister of Mines and Resources having come back from far lands that he looks the picture of health in that tan. I only wish I shared part of it. Mr. Chairman, if I may, being slightly out of order here, welcome him back and hope that we look forward to his participation in the debates here.

But, Mr. Chairman, I think that when I mentioned the Minister of Mines and Resources it seems to me that I've been informed that he has somewhat had some change of heart when it comes to the Government buying lands and I think he feels that the individuals should be the owner of farm land who wishes to buy land. I am given to understand that the Minister of Mines and Resources is having some change of thought of that. Now I wonder why he's doing this? Why is he suddenly changed his mind because he was one of the most vocal people in the debates and the hearings as we've travelled across the province.

So I would like to know from the Minister of Agriculture now how much farm land, that is good agricultural land, has the Manitoba Agricultural Credit Corporation purchased to date and is he able to inform us as to how much money is involved in the investment of that land and is it the intentions of this government to continue that policy of buying farm lands from farmers whenever the opportunity presents itself.

Also I would like to know how many people has he got out in hustings finding out where we can buy up farm lands from farmers who may want to sell - not necessarily to the government - but really have land for sale because they want to cease their farming operations. I think we'll start with that, Mr. Chairman, and see what the Minister has to say.

 $\ensuremath{\mathsf{MR}}.$  CHAIRMAN: Resolution 10 -- pass? The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, we have had since the beginning of the program, the land lease program, some 937 applications on the part of farmers wishing to sell their lands - some 937 in total. Total purchases approved to date - well, this dates back to December 31st, 1975, which is 143,647 acres - 143,647 acres, for a total value of \$12,702,000.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, just a brief question at this stage. The Minister indicates that he has had during this period of time 937 applications from farmers requesting the government to buy their land. I wonder, Mr. Chairman, if that is in fact the case? Applications - I'm quarreling with the Minister's terminology here. Were they actually applications to the government by farmers of Manitoba to have the government buy the land or was this open solicitation on behalf of the MACC out buying land? There is a difference, Mr. Chairman. I think the impression that's being left here in this, you know, straightforward answer or seemingly straightforward answer by the Minister is that farmers are flocking in to MACC offices offering their land for sale. Now undoubtedly that's happening. Undoubtedly that's happening in some cases. But on the other hand we have toured the province; we have had examples given where in fact the farmer has put up a parcel of land; where in fact a sale has just about been consumm ated between two private parties, one farmer versus another farmer, only to find an MACC official in there very often with a better bid or something like that and I

(MR. ENNS cont'd) . . . . . don't default the farmer for selling it under those circumstances. It's a small point, sir, but nonetheless an important one in terms of determining the effort that this government under this program is putting in in acquiring prime agricultural land. So has the Minister – you know, when the Minister says 937 applications – were they in fact that or is he simply saying that MACC has processed, purchased 937 parcels of land or 937 deals involving the purchase of land?

MR. CHAIRMAN: The Honourable Minister for Agriculture.

MR. USKIW: Well, Mr. Chairman, I was responding to the Member for Rock Lake who put forward some very specific questions. The number of applications approved. First I gave the number of applications that we had on hand to sell land to the Crown, the approvals are about a third on the total figure for a total of 372 approvals. So that we are operating much below the offers that are submitted. --(Interjection)-- Yes, that is correct, 372 approved; there are 101 under consideration.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: I wonder if the Minister could indicate now while he's on this subject if these were firm applications with a price attached to them. I mean applications, firm applications, offering to sell their farm at a price and could he state that they were firm applications on what the prices were.

MR. CHAIRMAN: The Honourable Minister for Agriculture.

MR. USKIW: Those that were not eventually approved of were turned down because of a disagreement on value. But they were firm offers to sell with a price, yes.

The other point that the Member for Lakeside made had to do with a number of rumours or stories circulating the province that the MACC makes it its business to try to outbid or out-compete the private offers in a given situation. Every one of those suggestions or accusations that we have followed up on turned out to be untrue. As a matter of fact the last one was brought up at one of our land hearings and we checked it out and it turned out that the MACC had not even purchased that parcel of land. So that, you know, I don't know where the Member for Lakeside gets his information but we had made it a point to follow up on every specific accusation of that kind that was made during the last two years. So far not one has been true, Mr. Chairman.

MR. CHAIRMAN: The Member for Rock Lake.

MR. EINARSON: I would ask one more specific question then, Mr. Chairman. Despite the fact that I understand many many farmers are opposed to the government buying farm land, is it the intention of this government to continue that policy of purchasing farm lands and going out soliciting for purchase if it's possible.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, I guess I have to repeat myself to the Member for Rock Lake. Perhaps in doing so he will learn something before the evening is out. The policy of the government is to provide an option to people who don't have the facility of mortgage financing but who at the same time wish to engage in agricultural production and so to the extent that we have people that are desirous of doing just that, we believe that it is only right that government should be flexible in its programs to facilitate not only those people that are involved in mortgage financing but who want to get involved but who are unable to raise mortgage money. So it's another option; it's a voluntary approach. No one is compelling anyone to participate but obviously there is a significiant degree of interest.

It's not a very dramatic program. You know you're talking about \$12 million total value here in two and a half years of business. So that in essence it's really a pretty modest program. But notwithstanding that it's very important to those people who either had a small land holding which wasn't viable and who couldn't afford to enlarge that holding in the normal way shall we say - well, I shouldn't even use the term normal way - in the old way, but who are able through this program to attach to their private holding an amount of acreage that would make their farm unit viable. It was more important to those newcomers who were not at all able to acquire an acre of land under the mortgage system but who were able to acquire even a section of land through this program and once having secured tenure were able to raise moneys through the

(MR. USKIW cont'd) . . . . . MACC and the banking institutions for buildings, facilities, livestock and so on. So that it is really very important for many beginning farmers in this province.

MR. CHARMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. Before supper I believe I gave the Minister notice that I was going to ask a few questions regarding a specific purchase that was made by this government through the agency of the Manitoba Agricultural Credit Corporation when they purchased the Birtle Indian School in Birtle. I would like to ask the Minister if he could give us the information at this time about what the plans of the government were when they purchased that land in Birtle?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, the . . .

MR. GREEN: Mr. Chairman, I wonder if the Minister, since we just passed the previous subject if he would just let me for a few minutes respond to the Member for Rock Lake . . .

MR. CHAIRMAN: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: . . . who seems to have the impression that the people who appeared before committee, the farmers of Manitoba, did not want the government to be involved in public ownership of farm land. I sat on the committee; that was not my impression. My impression was that everybody, virtually everybody - now I could be corrected - but including the Farm Bureau, the National Farmers' Association, all farmers that appeared before us agreed that a farmer should have an option of leasing land from the public. So if you are of the impression that the farmers of Manitoba came to the committee and said that they don't want the public to buy any land, then I would think that you are misinformed and I am certain that there is no farmer who sold land to the government under the Agricultural Credit Program who was opposed to the public owning farm land.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I asked the Minister of Agriculture a question and this may give him lots of opportunity to get the answers because the subject matter that has been raised by the Minister of Mines and Natural Resources, I think, does leave a very false impression in Manitoba. --(Interjection)-- Those very well may be his interpretations of what was said at those land use hearings but, Mr. Chairman, I also was a member of that committee and I did not get that impression at all from the briefs that were presented. I think that it may serve no useful purpose to debate it here.

But I think that anyone that is interested perhaps should read the briefs because they are all transcribed and they are all recorded for anyone to read. I don't know where the Minister got the impression that he did get out of that but he is entitled to his own interpretation of it.

Now I would like to ask the Minister if he could give us the information that I had asked him on the Birtle Indian school property.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, with respect to the broader question I'm pleased that we did transcribe the hearings or meetings that were held throughout the province. I recommend that the Member for Birtle-Russell go through them one by one and if he does he will conclude as did the Minister of Mines conclude that there were a great number, in fact the majority of briefs, that expressed the opinion that it was desirable to have more than one option towards access to agricultural land. I think you can go back and go over every brief and you will find most of the briefs containing that particular message. So that I appreciate that the Member for Rock Lake was not present at those meetings, but I advise him to read the transcript and he, too, will draw different conclusions than he now has in his mind.

Now, Mr. Chairman, specifically with respect to the Birtle farm, that is a farm unit that was purchased by MACC and has been leased in the normal way, I believe to a co-operative farming operation, and that is all that I'm aware of. There is no intent beyond that. That is part of the land lease program.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Well, Mr. Chairman, can the Minister indicate then to me when the Manitoba Agricultural Credit Corporation, who is now the owner of the land, intends to pay the taxes that are due and accruing on that property. I understand that the Federal Government has paid their share of the taxes from two years when it was a 50-50 deal. But since that time the province has not paid a cent of taxes although they have had a solicitor, I believe, appealing at a Court of Appeal on the taxation rate. But so far they have paid not a cent of taxes and I was wondering if he could inform me when they would be paying taxes on that property.

MR. USKIW: Mr. Chairman, the Member for Birtle-Russell is fully aware that all of the leased lands - yes, the lessee pays the taxes on the lands that are leased through the corporation and therefore taxes are collected one way or the other.

I think what he's referring to perhaps is a dispute as to - and I'm guessing here to some degree - but I would suspect as to the assessment on buildings that are no longer used. If they were agricultural buildings, of course, they wouldn't be assessed nor would they be taxable. But historically speaking the Government of Canada was contributing to the local tax base on that facility and it could be that the local government is still expecting that notwithstanding that fact that it is no longer used whatever, for any purpose, that they would still want to receive revenues, and I suspect that is what's in dispute and in the hands of the solicitors.

So it's not a question of the MACC refusing to pay taxes on those lands which they are responsible for and which are leased to tenants across the province, it's much more complicated than that and I trust that if it is in legal hands it will be properly dealt with.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Well, Mr. Chairman, what we are dealing with here is rather a complex matter because there are several houses, duplex houses, involved. The total purchase that was made by the Manitoba Agricultural Credit Corporation involved the Birtle Indian school and several houses and lots, plus farm lands, plus the Indian school and the dairy barns and that that went with it.

Now since that time it has been leased to a, what is known as the Birtle Co-op Farm, I believe. Is that the correct name of it? I would like to ask the Minister under the terms of the co-operatives, how many people it requires to form a co-operative, to operate a co-op farm as such?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, as far as I'm aware I believe the Act requires that there be seven members in a co-operative to be chartered, so that presumably they must be complying with the Co-operative Act. I have no knowledge in particular of this particular farming operation but the Act would require that there would be a minimum of seven.

MR. CHAIRMAN: The Honourable Member for Birtle Russell.

MR. GRAHAM: Well, Mr. Chairman, perhaps it should be recorded here and now that the operation that the people of Birtle were told was going to be envisaged, and I don't know where the information came from. When the MACC took over the farm in Birtle the story I was told was that they were going to operate a school for the instruction of young farmers and there was a prospectus drawn up for such and the best way to do that would be through a co-operative. At that time they had no money to start so they got probably the best man they could possibly get hold of who was well-acquainted with the farming industry, in fact he was the Director of the Manitoba Branch of the National Farm Union and as such he should without a doubt be the most qualified and most eminent farmer in Manitoba to operate it. I understood that they were to train farmers, young farmers, in the various operations of the farming industry.

There were young people brought in there through various grants, through LIP, STEP, OFY, Company of Young Canadians, you name it, they used every available program that was on the market and they brought some young people in there. They even brought them in from British Honduras at one time and these students, or

(MR. GRAHAM cont'd) . . . . what you want to call them, were there for various lengths of time. Most of it was federal money that was used through the Company of Young Canadians and Opportunities for Youth but they used the agricultural STEP Program here and every other program that they could get hold of.

I also understand there was a possibility that they could maybe work a deal with Natura Foods at Miami for a lend-lease on various young people so they would have a good labour pool that was funded by government grants of one kind or another so that the co-op farm would not have to pay labour. I don't know the exact nature of the dealings whereby the dairy herd of the former Director of the National Farm Union came in there and I believe some of his equipment came in there as well.

But through the whole thing we now arrive at the point where there is only Mr. Schwartz and his wife there. Now does that - do two people make a co-op? But the lease is still valid, they're still operating there and it seems rather odd that through this whole thing the former Director of the National Farm Union should end up with a very viable farm operation. I don't think that he himself has invested an awful lot in it but it does make a very interesting story and the people of the area are quite concerned about how it's all going to turn out. So I would like to know from the Minister that if there are only two people involved in this co-op will it cease to be a co-op and if they do not honour the lease then, will it be put out for public tender or will they negotiate another type of deal such as the first?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, I have no way of knowing whether it in fact is a co-operative or isn't. I presume it is and if they are not able to function as a co-operative I would presume they would dissolve their co-operative pursuant to legislation. That is an obligation under the Act, and that if there is going to be a winding up of a co-operative and the lease cancelled or terminated then of course there would be applications received by anyone interested to lease that farm unit in the normal way. So that has to be taken as given as far as I'm concerned. I'm not aware of any particular difficulty or at least the subject matter has never been on my desk in any event.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I just have two questions to pose to the Minister at this time. He indicated to the House that there were 937 applications from people who wish to sell their farms and he only purchased 372, or the government purchased 372 for some \$12 million. Now I wonder what criteria was used or how did you decide or you know, how it was decided which farms were to be purchased. There must have been some guidelines or criteria used or are you still following the priorities that were listed when this program was established, that you would purchase land from those farmers first, the ones that were say 65 years of age and wanted to retire or from widows who lost their husbands and could not farm or from people that for health reasons, had retired for health reasons. Is there a criteria at the present time that is used? Are these priorities that were first established followed because out of 937 applications there were only 372 purchased and one would ask in how many cases were the priorities used? Or is that criteria used at the present time at all or has it gone out the window because I know what the objectives of the program were. They were for young farmers who wished to start farming; for somebody to expand and have a larger economic unit.

Well I'd sooner see the perhaps the government would have had a program to help financing young farmers to buy the land, to purchase the land. But we have the program that's before us now and it's operating so I'd like to know from the Minister what criteria is used? What are the priorities when you're purchasing land when you have three or five – is it the price of land in all cases that you consider and that's why the 372 were purchased and all the others were too high? Or what is it.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well of the 937 parcels that were offered, the total purchase is 420 - no, I'm sorry. Four hundred and twenty-eight were withdrawn because of a lack

(MR. USKIW cont'd) . . . . of agreement on value; 428 were a difference of opinion as to value. Thirty-six were because of the conditions of the lease which weren't acceptable or conditions of sale, whatever they were, were not acceptable and they were turned down by either one or the other parties. So that that brings it down to 372 transactions with 101 still under consideration. So the criteria question, while there is a criteria, the Corporation has not been constrained financially and therefore did not have to sort of select on the basis of that criteria, although the criteria is well established in that if people have a financial crisis they certainly qualify to sell their land to the Corporation if they have to recover financially. If they are indebted to the Corporation for example and they want to get out from under that's another avenue for them; or people who retire who want to sell and of course people that become ill and so on. Yes those criteria do exist. But the Corporation to date has not had to exercise a decision as between one applicant and the other in that they were not - the program has been not that significant or large that they couldn't handle all of the applications that they were willing to agree to agree to as to price.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Sir, if I understand the Minister correctly, what you're saying is up to the present time none of the other priorities were used except strictly a price consideration. That's all. If I may, Mr. Chairman, to me the priorities that were established when this program was established, well those were the great considerations that were supposed to be used for the people that wished to - for a person that's retired at age 65, they can't farm; or somebody that's for health reasons, a widow that's lost her husband and can't continue to farm, I thought these were the great priorities and considerations. I'm told now that the Minister says these are not used. --(Interjection)--Well, you said in all the cases, or almost all cases of 372 the price was the consideration. So this concerns me somewhat, Mr. Chairman.

The other point I wish to ask the Minister: is it the land appraiser that does all the appraising, or who does the appraisal on all the properties?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR.USKIW: Well, again to clarify the point, Mr. Chairman. I merely stated to the honourable member that we were never forced into a position as having to choose between different applications in that there were always enough capital funds available to accommodate all of the applications. So we were not forced into the position of having to rely on the criteria although it is there should we come into a tight financial position. But to date we have not been in that position so that every application that has come before us has been considered. So that is not a constraint on the program whatever.

With respect to how do we arrive at value? The corporation does have its own appraisal force and before any transaction is completed the Land Value Appraisal Commission has to concur in those values subsequent to which then an Order-in-Coundil is passed confirming the transaction.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Chairman, I really should have persisted on rising I suppose on a point of order prior to the last series of questions.

I find it, you know, not quite acceptable, the Minister's answer to my colleague, the Member from Birtle-Russell, in response to his questions when he said the Minister has no way of knowing. The Member from Birtle-Russell was asking specific questions involving a specific transaction of a sizable block of land; whether or not a co-op is a co-op, or of the status of the situation in his Constituency of Birtle-Russell. I draw this to your attention, Mr. Chairman. That answer might well have been acceptable prior to the time that we provided for the Minister being able to bring his chief administrative officers on the floor with him and had to rely on the mocassin telegraph from up on high or elsewhere to have messages sent to him or to find out information. But one of the reasons why we have made the change in the rules which allows for his chief officers of the department to be with him on the floor of the House during Estimates times - and it's a rule that I agree with - is to have the information that I do not expect him to have readily at hand but to be made readily available to him. For the Minister to

(MR. ENNS cont'd) . . . . . suggest or to simply say that he has no way of knowing, well, sir, I would have to quarrel with that. He only has to lean over and ask his Deputy Minister or his chief administrative officer and if they don't know then I think there is reason to believe of who's minding the kitchen or what's happening in the department.

So Mr. Chairman, I raise that point. I don't think that we have taken cognizance of this change in our rules sufficiently enough, that there has been this change and Ministers have that opportunity of having information handed to them or whispered to them as the question is being asked, and for the Minister to rise and simply say, I have no way of knowing. Really I question, sir, whether that is acceptable under these new rule changes.

MR. CHAIRMAN: The Honourable Minister for Agriculture.

MR. USKIW: Mr. Chairman, the points that have been made have not been points of allegation that there has been anything wrong happening with respect to the lease of any lands operated or owned by the MACC. So that whatever the private arrangements are of a lessee they are just that, they are private. They lease land from the Crown. As long as they are fulfilling their obligations under the terms of the lease I have no further interest. How they operate their farm is another question entirely. That is their private affair. Likewise the person who borrows mortgage money from the same corporation, we are not going to be involved in discussing their own private business. We may indicate who the lessee is or the borrower is on an Order for Return - I think we would probably have to do that - and maybe indicate total sums of money loaned or whatever. But I don't think it's right to question the mode of operation or the methods or the labour input that any private lessee undertakes on his own farm. A lease is the same as a title to the lessee. He has full rights to that land until age 65 or whatever the terms of the agreement are. He has the same rights as anyone owning a private piece of land and those rights should not be intruded upon by members opposite or anyone for that matter. If he wants to talk about the program I'm prepared to discuss the program, but I'm not going to, for a moment, discuss the question of who a lessee may associate with. That is something of a personal nature, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Thank you, Mr. Chairman. There are a couple of questions I'd like to ask the Minister. The first would be, I was under the impression that all the leases that were being let out were under a five-year lease.

The second would be, we've had considerable discussion on both sides of the fence of what constitutes a viable unit. I would like the Minister to answer to me what he feels is a viable unit, how many acres are involved, what the total assets would be involved in each individual operation?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the member certainly has the wrong impression because the security of tenure under the land lease program is well defined and has the broadest security of tenure of any contract that I'm aware of in the private sector. It is indeed a lifetime lease. In fact, it has a provision for the passing on of that lease to the next generation, so that it certainly is different from the standard private lease arrangement.

With respect to the question of what is a viable unit? Of course, that is a matter of interpretation and the context in which I used it here this evening had to do with the people who are involved in leasing land who may have been land short and to the extent that they have added a larger land base to their operation through the lease program, makes them more viable. If that is their problem. It doesn't mean that they are viable or not viable, but certainly if they were land short if that was their problem with respect to viability, they are more viable with lands leased from the Crown than they would be if they weren't able to do so.

MR. FERGUSON: A supplementary, Mr. Chairman. Under the terms of the lease it says, "A lessee shall have the right to terminate this lease for any reasons set out in the clauses," and the clauses are pretty general. It would almost seem to me

(MR. FERGUSON cont'd) . . . . that there might be lots of reasons that the lessor could come along and say, well, look, you know, you have a patch of leafy spurs out there you're not looking after properly, so consequently your lease is going to be cancelled.

I'm very hesitant, Mr. Chairman, to buy the Minister's laissez-faire method of approaching the leases and all the rest of it. I still think it comes down to a very hard-nosed business deal whereby this lease could be a pretty tough thing in the hands of an individual that wanted to put their foot on the neck on a person that was a lessor. So consequently the Minister also hasn't answered my question of what he feels the total value of a viable thing would be.

MR. USKIW: Mr. Chairman, the question of viability is probably as wide as the Province of Manitoba depending on the nature of the operation. So there's no point in getting into the question of what is a viable operation because it'll vary depending on the commodity, depending on the management and so on. Ultimate viability is of course ultimate management and, you know, one can speculate all sorts of answers to that one. I don't think anyone has ever come down with a precise formula as to how many acres one has to have or to how many beef cattle one has to have to be viable or whatever. It all depends on the opinion of the entrepreneur as to where he wants to be in terms of standard of living.

If one wants to have a standard of living that compares with, oh, the tradesmen, one has a certain level of operation; if one wants to aspire to the level of income of medical doctors or lawyers then that is another question altogether. What are we talking about? Are we talking a minimum wage? Are we talking about a professional salary? Those are the considerations that are entered into once you start talking about viable units so it is something that cannot be simply defined as such.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): I am rising on this item, Resolution 10, at \$3 million. It says here Loans for Farm Diversification and I wondered if under this program, to the Minister, if the co-op will ever work under this item and possibly - I'm looking for the missing example of the first dairy co-op after all these loans that may be in existence right now.

MR. CHAIRMAN: The Honourable Minister for Agriculture.

MR. USKIW: Well again, Mr. Chairman, I am not familiar with the number of co-operative farms that we have in the Province of Manitoba. That is a matter of statistics, I suppose. I certainly haven't made it my business to know how many there are if there are any. I'm not sure if there is one beyond the one at Birtle, I couldn't tell you.

MR. WILSON: Well I would like to if I could, to the Minister, touch upon what was an attempt at the first dairy co-op in Manitoba and this is why I wonder if under this section that we shouldn't maybe give up on this fruitless venture because the Stony Plains Co-op Farm out at Inwood was an attempt and apparently they borrowed have to date anyway, borrowed \$12,000 from your farm diversification loan. I spoke to somebody about the program and it was apparently supposed to be livestock oriented and I assumed that dairy farming would be part of this item. I was told by the person who I talked to that the loans to individuals didn't exceed \$10,000 and that the ag rep was the sort of the person with the brains, the resource person, who would tell this small farmer how to make his farm more profitable. In further investigation it was said that even though the newspapers advertised sort of a 20 percent incentive for the grant that on the other hand after he got the cow, there was no guarantee that he would make these streams of money because the federal subsidy apparently had been taken back at 25 percent and as he pointed out the government feed assistance fund dries up and so really when he buys the cow, the 20 percent incentive soon disappears. I had titled this "the empty barn" because upon investigating this first dairy co-op I find that the man has a large barn, possibly paid for by government funds in which it would house 60 cows which is empty.

Upon further investigation of this Stony Plains Co-op Farm which allegedly received the \$12,000, I talked to a Mr. Cecil Phillips who is president and farm manager

(MR. WILSON cont'd) . . . . and he informed me that the seven people involved - and he gave me their names and I spent all afternoon making the calls - apparently Mr. Al Walls who is an ag rep for you people helped put this package together at \$10 a share and from my municipal experience that would have constituted a conflict of interest. However, so be it, maybe he was the organizer or the resource person to put this thing together.

But the incredible thing is that the history of this first dairy co-op seems to be proof of my contention that this co-operative thing amongst citizens of Manitoba as I know them and the human being as they are today, we can't put seven people together to get along. The government - I stand to be corrected - is out this money as of this moment because these people didn't get along and one of the other fellows, John Harbor of Marquette, said he was going to tear up his party card; he is going to see the Premier. Then we have another fellow who lost money because he sold money to the co-op and - he sold the cows to the co-op I should say. Thanks for waking me up on that one. But I would just like to say that if you look at the seven people and you talk to them, a bus driver from Grosse Isle, they are all put together from all over parts of the province. This fellow Harbor is supposed to be an expert that your government brought over from England to put together dairy co-ops and in phoning Mr. Phillips, he claims that this fellow didn't know anything and only spent one afternoon at the Marquette school.

Maybe another question that I have to the Minister is: how many graduates does he have from the Marquette and Brandon co-op course? If we're graduating all of these people on how to run these co-ops and we haven't got one off the ground maybe we should discontinue the educational program. I just wanted to point out that looking at \$3 million - 12,000 doesn't seem much - but looking at all the suppliers in the district, the Vita Lumber people who have six thousand owing to them, and many other suppliers who possibly funded this co-op based on government security now find themselves out of money and I would greatly appreciate if the Minister would come back with some indication as to why there isn't one dairy co-op in the Province. If there is one let us hear about the positive side of this program; if not maybe we could just discontinue it.

MR. USKIW: Mr. Chairman, I appreciate the limited knowledge of my honourable friend in this field. Whether or not there is a co-operative or there isn't is not for me to decide. That is a private decision for people who are citizens of the province. How they set up their business affairs is strictly up to them and whether a co-operative or a corporation or a private citizen participates in a program is again their choice. It is not our choice. We are non-discriminatory in the policy that we have, the application of our policy with respect to the leasing of land, or with respect to the provision of credit. Some individuals are successful, some are not successful. Likewise for corporations or co-operatives. A co-operative structure is just another business mechanism or another means of doing business. It has nothing to do with whether we approve or disapprove or whatever. It is not our function here as a Department of Agriculture to decide whether it is good wisdom on the part of half a dozen farmers to get together or it is not good wisdom in terms of the corporate status of their company. strictly up to them. So if my honourable friend is suggesting that we have a policy of discrimination then I can tell him he's about a hundred years too late, because we probably got rid of that a long long time ago.

MR. WILSON: My problem is justifying to the public purse, the taxpayers, that this seems to be taxpayers' money that we are loaning out. We're encouraging seven people to get together with a pipe dream that may work. We are also leading the private sector to believe that the government is sharing some responsibility for the bills that are being run up and the voucher system is – well according to the people the red tape of this program is what's causing its failure.

MR. USKIW: Well I can assure my honourable friend, the Member for Wolseley that I don't intend to be part of an administration that would want to discriminate in its program as between co-operatives, corporations, or private individuals. The program is available universally and to that extent how people arrange their business affairs is their own private business and government should not be attempting to intrude on that right.

MR. WILSON: My last question is, I still am not satisfied when somebody loans

(MR. WILSON cont'd) . . . . out \$12,000 or I don't know what portion of this \$3 million to people and there is no protection for the taxpayer, you simply slough it off as saying, I can't be involved in seven individuals getting together then I say why loan them the money in the first place. I think there is a missing link here and I think that Minister has a duty to prove that one co-operative is working in this province.

MR. USKIW: Mr. Chairman, the Member for Wolseley would be well advised to look at the annual reports of the corporation because I am certain, I am certain that the net losses of the corporations are totally insignificant in light of the volume of business that is transacted by that corporation. I think the record stands our pretty good and as long as you are in the lending business you're going to have some failures and you're going to have successes. But the record of the corporation has not been a bad record. I would have to assume - and I don't know the particular case that he is referring to - but I would have to assume that the corporation has some security on moneys advanced in this particular case and may realize on that security. I'm not aware of any losses that have been written off or any debts that have been written off with respect at least to that particular transaction. If my honourable friend knows more about it than I do that's fine. It is something that doesn't normally flow on my desk as an individual situation. I get the aggregate position of the corporation and we have to be satisfied with the statistics on the overall knowing that there are going to be some individual circumstances which sometimes in fact are not even pleasant but nevertheless do occur.

. . . . continued next page

MR. CHAIRMAN: The Honourable Minister for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Thank you, Mr. Chairman. Just before we leave this subject, I have a question for the Minister. I wonder if he could tell us how many discussions he or his department people have had with mortgage companies or other lending institutions in connection with longer term mortgages related to the agricultural business?

MR. USKIW: Mr. Chairman, I have not been nor, I believe has the department been involved in any discussions with the private lending institutions in this regard.

MR. BLAKE: Would he not think then, Mr. Chairman, that it may be advisable to discuss some of the new programs undertaken by the government to discuss those with the lending institutions that have been in the business for many years before they embark on these unproven schemes to see if they might be interested in providing some funds along this avenue of funding for the agricultural business.

MR. USKIW: Well, Mr. Chairman, I think it is fair to say that the private lending institutions are there, they're existing, they're healthy, and if they want to commit certain sums of capital supply towards agriculture we would be pleased to see that. I'm sure they are doing it. I don't know what the total figure is for the lending institutions in the Province of Manitoba, but if my honourable friend is suggesting that he wants a bit of a plum for those institutions, then that's another question. I suspect what he is really saying is that we should underwrite all the bad loans for the private sector, and if that is what he is suggesting then I don't recall any brief or submission from them to me in that regard. I didn't know that it was necessary; if it is necessary, then of course we can always entertain it, but I'm not too keen on underwriting the bad loans for anybody.

MR. BLAKE: I was merely asking the Minister, Mr. Chairman, if he had any discussions, not whether he was about to underwrite any of the losses; if he had had any discussions to determine their views on long term mortgage undertakings something that hasn't been common in lending institutions in the past. But things have changed in the last twenty years, and I just wondered if he had had any discussions with them explaining his views and the route that he thought lending should take in the agricultural economy of the province; and what their answers and what their discussions with him might have revealed. But obviously he is prepared to go it alone without discussing this with any of the financial institutions.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. Well, all I can say, Mr. Chairman, at this time is that when we were holding committee hearings over the last two years throughout the province, one of the fundamental points that came through at almost every briefing was the need to retain agricultural land for agricultural use and the responsibility that we had to insure that good husbandry practices were carried out in the utilization of that land. Now if the Minister can tell me that the operation at the Birtle Indian School in Birtle is in the best interests of the agriculture of this country and in fact that good husbandry is being carried out that the land is being put to the best possible use; and furthermore that the facilities that existed there—and this was the main concern of the entire community—was that the facilities that existed there were utilized to their best advantage, then if he can assure me that that is being done, then I have no questions to ask him whatsoever.

MR. USKIW: You know, Mr. Chairman, I am a little amused by the comments of the Member for Birtle-Russell, because he wants me to assure him that everyone that practices agriculture in this province is doing an excellent job. You know, I don't even know if the Member for Birtle-Russell farms properly by the book, I can only assume and hope that he does; nor can I presume to know whether this co-operative is doing a good job - and if it isn't it will not serve financially, Mr. Chairman. It is as simple as that - that has been the true story of every individual entrepreneur in the field of agriculture from the beginning of time, you either succeed or you don't succeed. Now if the Member for Birtle-Russell is suggesting that we pass laws which would predetermine the level of success of any entrepreneur involved in agricultural activities, then I leave that up to him to do, I'm not quite ready to do that, Mr. Chairman. I'm not quite ready to pass laws that would dictate that unless you achieve a certain level of performance then

(MR. USKIW cont'd) . . . . . we must evict you from your land holding. That is what he is suggesting. We can only offer management courses, extension support to people who need to gain knowledge in this respect and hope that they do a good job for us.

Now with respect to the larger question at Birtle, you know that is a separate issue. I don't believe anyone has lead the community of Birtle to expect that the facilities that were used there for so many years would be continued to be used in such a manner that the school would function, that the other facilities would function, it was not bought for that purpose. It was only bought because it was offered at a fair price; the province did very well in terms of the value of that asset, at least we think we did, I think we bought it for about half of what some people thought it was worth. It was a good transaction in the province's favour, given the number of housing units that were in on the transaction and so forth. But there is certainly no intent on the part of the government that I'm aware of to date, unless other departments have something in mind that would use the facility that has been there for many many years. You know, there is a question of whether a ball and chain is what is going to happen to some of those buildings, that is really where it is at as far as I am aware. I'm not aware of anything broader in scope than just that, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. FERGUSON: Thank you, Mr. Chairman. I just have a couple of questions for the Minister. He brought up the fact of bad loans. I am quite aware of the fact that the farm improvement loans are federal, but this was something that was handled by the banks and I would like to ask him - I'm quite aware of the fact that he would know - what portion of these loans were not paid. And I would like to ask him again what he feels is a viable unit, the amount of acres? And he can use the assessed value of \$5,000 a quarter or \$6,000 a quarter, whatever the case may be, but I certainly would like to hear his opinion - and he's certainly got to have one because he's always talking about a viable farm unit. Now it's got to be connected with acreage, it's got to be connected with value, and I would like to hear the Minister say what it is.

MR. USKIW: Mr. Chairman, the member for Gladstone knows full well that I have dealt with that question on two or three statements here this evening - that's a matter of definition on the part of the individual. I don't know what he aspires to, is he satisfied with a \$10,000 net income position; if he is, perhaps a viable unit is one which will realize that under good management. There are some people that would not be satisfied with that level of net income. There are others that are earning much less in terms of net income. I think viability is a question of where do you want farm incomes to be, and I would hope that farm incomes in Manitoba would be in line with the rest of society, generally speaking, that they should not fall behind as they have been for so long. And that is the big problem in rural Manitoba and has been for a whole century. virtually. So we're trying to provide programs that deal with the question of income, not with the question of the numbers of acres or the numbers of beef cattle or the numbers of hogs. While we know that in our Economics Branch, if you want to go into any one of those areas of endeavour, that they recommend certain minimum numbers in order to have a cash flow that would retire debt, that would give certain levels of income given a reasonable market condition. You know that in terms of the cow-calf industry there isn't one viable cow-calf operator in the province at the present time. There hasn't been one now for two years because they're losing money on every head they produce. So I don't care whether you have a thousand head or 10,000 - as the Member for Lakeside would know, the more head you've got, and if you lose on a per capita basis you're losing more money. So he would prefer to be a small entrepreneur at a time when he's losing money and he'd prefer to be the reverse when he's making money. But right now there is no such thing as a viable cow-calf operator in this province.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. FERGUSON: Well, Mr. Chairman, we didn't start out to talk about the cow-calf, we've gone through that. What we're talking about is a viable unit connected with areas or with acres, connected with an assessment on those acres in grain production, and the Minister has beat around the bush, he hasn't answered the question at

(MR. FERGUSON cont'd) . . . . . all. Now he's always talking about a viable unit, and we on this side want to know what a viable unit is because we're going to have to go back and talk to our people. You're willing to loan money so it's sticking out your ears on the cow-calf field, which is quite all right, but by the same token we still want to know what's going on in this one. Now answer it.

MR. USKIW: Mr. Chairman, there is no rule of thumb that establishes that conclusively. My honourable friend knows that, and furthermore it all relates to income and the price for one's commodity. You know, if you had 5,000 acres of grain land four years ago you probably were worse off in net income terms than the guy that had 500 acres, when you were losing money on every bushel that you produced. It's not an acreage question; it's a market question plus an acreage question, plus a management question. So under what conditions are you suggesting that a viable unit exists? It exists at a certain level if the price of wheat is \$2.00 a bushel; it exists at a different level if the price of wheat is \$5.00 a bushel; and a different level if it's \$10.00 a bushel. So in the end you've got to come down to the position of what kind of net farm income are you looking for. It's the net position that you're looking for, and it isn't a question of whether I own a section or two; it's what is that section or two going to produce, and it's what is the marketplace going to allow it to provide in terms of a viable farm unit, and that varies from zero to a bonanza. And that's the nature of agriculture. So that a statement on a viable unit today is a statement that is wrong tomorrow or could have been wrong yesterday. And that's the position that my honourable friend wants to put me in, Mr. Chairman.

MR. FERGUSON: Well, thank you, Mr. Chairman, I'm starting to get the message, because on this side of the fence we realize --(Interjection)-- Yes, I certainly will, I was just starting out to thank you very much. But I'll tell you over on this side, we are not like the Member for Ste. Rose that says that he has a problem feeding his wife and himself on 1,000 acres. I guess this must be the difference between socialism and the freedom of the individual to make his way go, because I can tell you, Mr. Chairman, on this side of the fence there are a whole bunch of guys that maybe haven't got 1,000 acreas and maybe some that have got more but we can sure as hell feed ourselves; we can feed our wives and families and the rest of it and we are not crying about it. And if we can keep the government out of our business we still won't have any problem either, including the cow-calf business.

MR. CHAIRMAN: Resolution 10- the Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, the Minister is beginning to reveal something that he really did not want to reveal all during the course of the hearings on the Land Use Committee. During the course of those hearings we repeatedly heard from briefs that were presented by friends of his to the committee, that the government should be placing a limit on the size of farms, and if any person who appeared before that committee did not make that statement then the Minister tried to solicit it from whoever appeared before the committee. But he was very anxious all through the course of those hearings to find out how many people were insisting on the government placing a limitation on the size of a farm. Now we get from the Minister an entirely different attitude. Now he is beginning . . . maybe the Land Use hearings have had some impact, perhaps more impact than we thought they had. We are now beginning to get from him the impression that he is beginning to recognize - and if the Land Use hearings have done nothing else but making him realize that, then they've served a very useful purpose, that the size of a farm is really not all that important. The real important question is whether or not who owns the farm, whether it be a single person or a group of people, are capable of effecting their own management decisions and running the farm by themselves. And maybe today he is not quite as worried about the huge corporations farms that he talked so much about during the years when he was in opposition here and during the early stages of his tenure as the Minister of Agriculture. He tried to convince the people of this country that the great evil that existed in agriculture was the fact that some people owned acreages beyond what he thought they should own. I'm glad to see that he's mellowing.

The other thing that has intrigued me in the last week or so is the fact that Labatts-Ogilvie have sold that feed mill in Otterburne, that feed mill that the Minister used to such great effect to implement his compulsory Hog Marketing Board. He used

But the Minister is beginning to reveal himself, in not answering but in evading the questions that were posed to him by the Member for Gladstone, that he now has come to the conclusion that there is no great sin if one farmer owns a 1,000 acres and another farmer only owns 160. To him that's all right now. If his conversion has reached that point then we can honestly say that the Minister has come a long way from the days when he was sitting in opposition over here, and we're very grateful that he's beginning to learn a little bit. We appreciate his education being advanced and we will continue to help him as much as we can.

MR. SHERMAN: He's come a long way from last week.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, one thing that the Member for Morris overlooked - and I think I should point it out to him - and that is, that when we were on that side of the House we didn't have the programs that are now in effect when we're on this side of the House, and that has to change a whole score of attitudes. For example, now that we have the option to lease land, we are less concerned about the problem of large land holdings and the domination on the part of a handful of people of the total land area of the province. There is another opportunity for people that cannot compete in the marketplace. So that changes the rules of the game very significantly. Now had the government not changed in 1969, I would still have to make similar arguments as I did at that time, in the absence of these kinds of programs.

But let me point out to the Member for Morris that I have never said anything disparaging with respect to the feed mill at Otterburne. I don't recall ever saying that there was anything wrong with a feed mill in Otterburne. I think I argued that it was wrong that we didn't have the orderly marketing of feed grains; that had nothing to do with who owned the feed mill. You know what is wrong is with the system that allows the exploitation to take place, not with the fact that someone is there willing to buy at the lowest price. So we can't fault the feed mill, we can fault ourselves for not having organized ourselves in a way which protects the individual from the marketplace. That is two separate things.

Likewise with respect to compulsory marketing of hogs to the commission. It was obvious at that time that the purpose for which the commission was set up was not being carried forward; that indeed the industry was essentially scuttling the whole intent of the hog marketing system, which was devised by my friends opposite, and that the only way to bring some resolution to that was to make sure that all of the product had to flow through one agency in order to make free enterprise work. You know, if you're going to have free enterprise work, then you have to have the buyer competing for the product that's available. But if you can get half of the product through the back door and only have to compete for the other half, that's not free enterprise, Mr. Chairman. That's not free enterprise. Now on top of that, the farmers who chose not to market through that facility were being charged a marketing fee of 30 cents a hog, and that was an inequitable situation. So it had nothing to do with the fact that Ogilvie wanted to produce 5,000 hogs or 500,000, it had to do with the inequity that then existed.

But, Mr. Chairman, I beg of you that we are off the subject completely. MR. JORGENSON: I'm glad the Minister recognized it. I will say that the

(MR. JORGENSON cont't) . . . . . . Minister I thought had come a long way, but his latest intervention has convinced me that he has still a long way to go. The Minister says that you know, the circumstances have changed considerably since he took over as Minister, and because of the increase in the budget for the Department of Agriculture, the amount of money that the government is spending, some \$40 million this year, that has changed the entire picture, if I am to understand the Minister correctly. He's nodded his head in agreement and I want that nod put on the record, so I will voice it. What he has not learned, of course, is that in the United States where billions of dollars are poured into propping up agriculture income, literally billions of dollars each year, they discovered that it had an adverse effect on the prosperity of agriculture, that the more money that the government poured into agriculture, the worse off it became; that the amount of money or the amount of income of agriculture in the United States was inversely proportional to the amount of money that the government was putting in. Obviously this is a lesson that this government has not learned yet, that the amount of money that is poured into agriculture is not indicative of its prosperity or its well-being. The amount of money that the government pours into agriculture is indicative of the sickness of that industry, and I suggest to the Minister that some of the policies that he has pursued, some of the policies of the programs that he has introduced into agriculture have not been designed to lift agriculture up into the stage of where it's capable of looking after itself but rather to drag those people down who were the good farmers so that he has that mediocrity that honourable members opposite worship.

MR. ENNS: Strive to attain.

MR. JORGENSON: And they strive... yes as my honourable friend for Lakeside says, that they so desperately strive to attain. I can tell my honourable friends... MR. SHERMAN: That is an upward struggle.

MR. JORGENSON: . . . and the Minister that he's achieving that. If it's mediocrity in agriculture that is his goal, he's getting there. The Honourable Member for Ste. Rose complained bitterly in the past few times that he's spoken about the fact that we're not producing enough food in this country to feed ourselves, that we have to import. Who are we importing from? We're not importing from Russia who are going to have a trade deficit of some  $\$3\frac{1}{2}$  billion with the United States in 1975 alone. Most of that over food imports. You know, the kind of system that the Minister is attempting to impose in this country is really driving us in that direction, and the Member for Ste. Rose confirms it when he suggests that we are net importers of beef; we're net importers of pork; we're net importers of poultry; we're net importers of eggs; and pretty soon we're going to be net importers of milk.

The Minister can take a great deal of credit for that, for attempting to impose his philosophy of mediocrity on agriculture; and the \$40 million that he's placing into agriculture, he may want to brag about it, but I'm telling the Minister right now, notwithstanding the fact that in some respects that money is welcome in some areas of agriculture, the fact is that the more money he pours into agriculture the worse off it becomes and that will continue to go on.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Chairman, I rose believing as I do that the Honourable Minister didn't really want to respond to the last remarks made by the Member for Morris - he should just simply accept them as words of wisdom that they truly are. I really don't think that he wants to respond to that, he just may do well to let it soak in a little bit.

I want to furthermore just make some final comments with respect to the Manitoba Agricultural Credit Corporation's activities in the purchase of land as such, in a general way.

Mr. Chairman, much has been made by spokesmen on the part of the government to minimize the effect of this program. I believe just tonight the Minister indicated that when taken into its broad applications in terms of numbers of acres available, farm agriculture land available to the Credit Corporation to purchase, then the input of the numbers of dollars to date is not that large and I would have to agree with the Honourable Minister. This of course has been a position that has been fostered by various

Mr. Chairman, it serves a purpose though for us in Manitoba to take cognizance of what the actual situation is with respect to Manitoba lands. You know, not like some jurisdictions - and I refer to some of the provinces perhaps that have had a longer period of history and settlement and establishment, such as some of our eastern provinces where a large percentage, a very large majority of the land under the jurisdiction of that province is in private ownership hands now; very often a great deal of prime land that could and should be in fact available for public use and for the general public good is held in private hands. That, Mr. Chairman, is not the case in Manitoba, and that seems to underline some of the concerns we should underline, some of the concerns that we have in Manitoba. In Manitoba long before, in fact a hundred years before this government came to office, 85 percent of the land was held by the Crown. I mean that happened, not with the present Minister of Agriculture, the present ND party, it happened under coalition governments; it happened under Liberal governments, it happened under Conservative governments.

Mr. Chairman, in this province most of our prime recreational land is held by the Crown. I would serve notice to the Honourable Minister of Mines and Natural Resources, or perhaps more properly to the Minister of Tourism and Recreation, that I intend to put in an Order for Return during the course of this session to ask in precise terms the number of acres, land that has been set aside for recreational use, for wildlife use, for game preserves; for all of those kind of progressive forward looking things that one would ask your governments to do on behalf of yet unborn generations of Manitobans. Mr. Chairman, I would venture to say without knowing the facts but having some insight and having some knowledge of the extent of this activity having taken place partly during my administration of office when I had that opportunity, and simply knowing the course that this government has pursued and past governments have pursued, that, Sir, Manitoba stands very high on the list in terms of what we have done on a per capita basis in setting aside these kinds of reservations and these kinds of restrictions against the private use of lands so described that should, I think, and generally agreed by most people of all political affiliations, that should rightfully be held by the Crown for the public good and for the use of all. Whether it's provincial parks such as the Whiteshell, whether it's Bird's Hill, Spruce Woods, Hecla, the dedication to and the subsequent handing over of the authority to the sovereignty, to the Federal government, to the establishment of national parks, the many hundreds of game preserves, it's been a long long time, Mr. Chairman, that any Manitoban has had the right to purchase prime lake front acreage in this province. That land has been set aside, and it didn't take and ND government to come along and make that as a matter of policy, it was progressive thinking Conservatives and fellow Liberals that did that.

Mr. Chairman, what we are talking about — and this is what concerns us about this program — we have therefore about 15 percent of our land in private hands in this province, and this government is now making a concerted attack on taking away those remaining acres of land in the private hands of Manitobans. The First Minister likes to talk about in moderation — moderation that he often gets so much credit for — that he is for a kind of a mixed economy. He's kind of for mixed economy, whether it's in industry, whether it's in various sectors, he likes to auger up the picture of having a kind of a 50-50 split, I think I once solicited from him in one of these speeches of mine. A little bit for everybody. Every man's saviour, you might say, no matter what side of the fence you stand on this question philosophically. I just want to alert you,

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#### SUPPLY - AGRICULTURE

Mr. Chairman, the Honourable Minister of Mines and Natural Resource was of course a great help to us on the Land Committee. He had the privilege of being on that committee the year before, and I didn't, so I was at some disadvantage. I was at some disadvantage. But the Minister did this for us. For instance, in the south when we held these hearings in Virden, in Swan River even and places in the settled areas of the south, he was quite prepared to concede along with the new softer line of the government - and I predict Mr. Chairman, it'll get softer and softer as we approach election time - that the occupier resident, the individually family-owned farm unit was probably the best way that farming and agriculture should be carried on in Manitoba. There was little stress being put on the question of the advantages of public ownership of land in the south. However, Mr. Chairman, when we got to Thompson, when we got up north, where the Crown of course owns all the land - and Mr. Chairman, we owned it all too when we were government - but there were several briefs there, and probably the most significant briefs that we heard from the people up north is that they wanted some freehold rights to some land. I think it's a fair statement to say that a good portion wasn't - I don't claim to say it was a majority - but there was a good portion of the discussion that took place from some very biased people, some very ordinary and small people in a sense, that they just simply wanted some greater security in terms of where they placed their home, where they placed their place of residence.

But, Mr. Chairman, towards the close of that meeting in Thompson, we did have one additional brief which very strongly supported the general government position, I believe, that no Crown lands should be put up for sale at any time. They should be managed; they should be regulated; they should be developed maybe to some extent; but under no circumstances should any consideration for freehold land rights be considered in the north. And the Honourable Minister of Mines and Natural Resources responded in a very definite way. In fact, he was being chastized to some extent by this particular person for even considering or listening to the suggestions that some extension of freehold rights to land now held by the Crown should be considered. The Minister was quick to point out to her that no land had been sold, no Crown land had been sold and none was intended. Well, that's a statement that the Minister made very firmly and very fixedly up north. In Virden, he wasn't so fixed and firm about no Crown lands being sold. Because of course, I'm referring to this specific program; this specific program that you have now invested \$12 million in acquiring land that now belongs to the Crown, you would still lead us to believe that at some date farmers can buy it. --(Interjection)--You still led us to believe that, but your opinion up north was that no Crown land should be sold. So the Honourable Minister has two positions; in the north it's impossible for a person to place his home on land that he owns, and in the south it is. Well I think that is a position that I can paint for the Honourable Minister and he can unpaint it at another occasion.

But, Mr. Chairman, what I really wanted to rise and underline was the fact that it is not as insignificant as the Minister would like us to believe. We are now in a wilful way with public tax dollars - \$12 million to be exact at this point - are making inroads in acquiring the remaining 15 percent of the land held in private hands in this province. The government owns 85 percent of it now, and if the government says that under the MACC program to date they have only acquired roughly one percent of land, well they've moved it up to 86 percent. They've moved it up to 86 percent. And that's the way, Mr. Chairman, that I will continue to look at it. I say that the government has little regard for this kind of happy balance that they would like us to believe they as moderates are prepared to live with, a mixed economy, a mixed this, a bit of socialism and a bit of free enterprising.

Mr. Chairman, they're moving in on one of the last reserves of the entrepreneurial system, a system that I'm dedicated to support and will continue to support.

(MR. ENNS cont'd) . . . . . . I just, Mr. Chairman, want to make it aware to you and to the members of this House that it isn't the 147,000 acres that are the first and only acres that this government now owns, that 147,000 acres has to be added on to the millions and millions that the people of Manitoba have always owned through the agency of various departments.

In this province it is not a question of retrieving valuable recreational land for public use, we have it and always have had it. In this province it is not a question of setting aside valuable land for wildlife habitat for retaining the kind of wildlife heritage that we would like our children and our grandchildren to have, to a large extent we have carried out those kind of programs and I'm sure we'll continue to carry out those kind of programs. As I say, I believe that if the figures were presented - and I will be asking for them in this House - that we have nothing to be ashamed of in this province to the extent that we have been able to carry that out.

I doubt very much, Mr. Chairman, whether you can put together another million people in any jurisdiction in Canada that have set aside more dollars, set aside more acres and expressed a greater concern for these kinds of programs that we sometimes think stand in so much jeopardy at the hands of the private developer or at the hands of big governments when they enter into major development schemes, whether they're Hydro or road-building construction or what-have-you. The amount of acreages, the effort that this government and other governments have done in this regard are in my judgement laudatory and I think will stand up well under kind of scrutiny. But, Sir, that only makes me all that much more concerned when the government now chooses to move in with tax dollars in a wilful assault on that 15 percent of land currently held in the private hands of Manitobans.

Now, Mr. Chairman, I am not as worried as I should be, because I realize that the life of this program at best has only another 14 or 18 months. --(Interjection)-- Give him fifteen? Fifteen months, and then there will be very major changes made. Then there will be very major changes made.

But, Sir, what worries me more is the possibility that this program unchecked, unchecked, would of course lead to one final conclusion, Which is the government owning the entire 15 percent, the remaining 15 percent, and then the Honourable Minister of Agriculture would not only become the biggest rancher and not only become the biggest hog man or poultry man, but he indeed would become the first true land baron that we've had in Manitoba since the event of Lord Selkirk purchasing this part of Manitoba from the Hudson's Bay Company.

MR. SPEAKER: Resolution 10. Resolved that there be granted to Her Majesty a sum not exceeding \$3,070,500. The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Chairman, you know, I listened very attentively to the Member for Lakeside, and particularly because he indicated that there was some contradiction in my position and I'm naturally sensitive to hearing that being stated. But I was much relieved when he indicated what this supposed contradiction was that it, I hope, results from either a misunderstanding on his part or perhaps, as he more adeptly put it, that he wished to paint the picture; and the picture he wished to paint he wished to paint with him being the artist rather than myself being the artist, and of course that makes it much more convenient to say what the picture will be. The honourable member can do that. I don't think that it will leave much credibility in the position.

You know, it was interesting when the Throne Speech was debated, that the honourable member really didn't deal with the position of the New Democratic Party. He dealt with the resolutions that were put to a New Democratic Party convention because it was much more easy, Mr. Chairman, much easier to attack those positions than to attack the position of the government or the position of the party. I guess if the honourable member wants to take the easy way out and attack something that doesn't exist because it is easier to kill than to attack the real thing, so be it, but let us at least understand that it is not attacking the position.

What I said, Mr. Speaker, in southern Manitoba, was that a farmer should have an option of leasing land from the public, and I repeat to the Member for Rock Lake, and I can have it confirmed, that there was virtually nobody who appeared before committee

(MR. GREEN cont'd) . . . . . who did not agree that that option should be available, including the farm bureau. And if there is a recognition of a different tone in the government's position this year. Mr. Chairman, it is really a recognition that the tone of the opposition has changed, not the tone of the government. The government never ever introduced in the Land Use hearings a program for public ownership of land. It introduced a program which dealt with the problems resulting from absentee ownership as a result of the Member for Portage la Prairie having raised the question of foreign ownership in the House. The opposition felt -- (Interjection) -- Well, it was a red herring. The opposition felt, and this is the right of any opposition to do, that here is a chance to try to create the impression that the Government of Manitoba wants to nationalize all the land and to take public ownership, and commenced to encourage - and I see nothing wrong with this - they commenced to encourage those people who were sensible to such encouragement or who were easily encouraged, sensitive to such encouragement --(Interjection) -- well, Mr. Chairman, I've been a week away talking French and that happens to be the French word - who were sensitive to such encouragement to go ahead and make that position before committee; and everybody who came to committee at that time was talked to, they had questions posed to them, and they found themselves being humiliated because that wasn't what the government program was at all. They found that they were coming to committee expressing wild fears aspired by members of the opposition and that these fears were being exploded at committee and they were walking out with their tails between their legs, and that was the description that was used by others with respect to that committee, and they intended to somehow make me feel uncomfortable about the fact that these people were walking away from that committee with their tails between their legs. But that's exactly the way they should have walked away. Because they came to that committee with the notion that they were going to try to sell the position that the Manitoba government was attempting to take public ownership of all the land in the Province of Manitoba and that this was some sinister attempt on the part of this government to do away with the private ownership of farm property in the Province of Manitoba. The Member for Lakeside is nodding his head, he still wants to sell that position; he still wants people to believe that it is true but he's lost. Mr. Speaker, his position was lost when the most Conservative farm organization in Manitoba, the Manitoba Farm Bureau, came to the committee - and it wasn't our attitude that changed. I asked the same questions. But I didn't get the same answers and I didn't get the same approach from the people, that the government was engaged in a sinister conspiracy to dispossess people in the Province of Manitoba.

When the approach to the committee was different Mr. Chairman, the approach of the committee members was different. So if you have recognized the difference let me suggest to you that that difference results from a failure of the politics of the Conservative Party - and I use it in the good sense of the word - I use the word "politics" as attempt to create support for their position which they have a right to do. But it was a complete failure because the position they sought to attack was a portrait painted by the Member for Lakeside, the Member for Morris, not the position that was taken by the government but the position that they wanted to paint a portrait of so that it would be easy to attack.

Now, Mr. Chairman, the Member for Lakeside in discussing the fact - and you know in his enthusiasm he used the wrong statistic, at least I think it was wrong, and I'll state it for him to see if he now finds it correct. He said that we were going from 85 to 86 percent with one percent. What we have is not one percent but a portion of one percent. Is it .7 of one percent? --(Interjection)-- I know, I know. We have one percent, if we will use that figure and that's the high figure, of 15 percent. We have one percent of all the agricultural farm land of the Province of Manitoba and if you say that the Crown owns 85 percent or 75 percent, then we cannot increase it to 86 percent by taking one percent of the balance of the fifteen. Now do you agree that at least there, in your enthusiasm you have probably tripled the one percent increase that you have added to the 85. Now, Mr. Chairman, I'm not really proud of that. I mean I would be happy if it was more than one percent.

MR. ENNS: Mr. Chairman, just on a point of personal privilege.

MR. DEPUTY SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: I don't believe that my arithmetic was at all out, it was merely an acceptable coloration of the truth in underlining a point.

MR. GREEN: I believe the honourable member's arithmetic was out because I wouldn't think that he would deliberately take one-third of one percent and make it one percent. The honourable member doesn't do that. The fact is that he immediately added one percent to 85 and got 86. But he was taking one percent of a different figure than the 85 percent. Nevertheless you know, I don't want to appear to be holding back on this. I mean I wish it were one percent. I'm not upset with the fact that of the land that is now leased to farmers in the Province of Manitoba that one percent is leased by the farmer from the public and a much higher percentage is leased by the farmer from private people.

The Member from Gladstone was talking about this lease as being some type of a terrible document. Is that our lease that he was referring to? Has the Honourable Member for Gladstone ever seen a lease? He he ever seen a lease that is prepared? Have you ever seen a lease of one private farmer to another private farmer? Will you tell me that the private farmer would prefer the private lease that he gets, even from the very big-hearted member for Pembina, than the lease that he is now getting from the public of the Province of Manitoba? I would say that the leases that the farmer will get from the public will always be better than private leases. --(Interjection)-- Of course it is my opinion. You're telling me that that lease - I'm going to give you now as a farmer the choice of our lease or the Member from Pembina's lease. You say that you will take his lease over our lease? If you will then you're much less astute a businessman than I think you are and I will give that same choice to 99 farmers or 100 farmers and 99 of them - don't tell them who the owner is - they will take the public lease, because that lease is a much more generous lease, and of course it has got to be.

Well, Mr. Chairman, it is so obvious that it would be you know that I think it really begs argument. The public is in much better position to provide a lease on better terms and it has a social and economic objective. It wants to retain that farm unit on the land and it has to offer better terms than a private farmer would offer. However if you think that it should be otherwise well then you can rest with that opinion, Mr. Chairman. I am certain that the terms of the public lease are far more favourable than the terms of the private lease. It is a lease for life; it provides for payment for improvements; it provides for an opportunity to purchase at market value at any time after a certain number of years. The public as far as I know has not evicted anyone from any of these leases, they would be much more lenient

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. FERGUSON: Does the lease also provide that - there are many clauses in here whereby the lease may be cancelled, that don't apply under a private lease.

MR. GREEN: Mr. Chairman, I have read the private leases to committee and the private leases when you read them to committee, the private landlord has the right if he feels that you are not properly cultivating that land to cancel the lease. The terms of them are much stronger. Now what protects the farmer under both leases is that you cannot cancel a lease without going to court and proving your position. But if you ask me whether the terms which enable you to cancel under a private lease are more beneficial than under the public lease, then I suggest go to Willson's Stationery and get a lease and look at it. If you're still of that opinion then I won't argue with you anymore. But look at it and see what you are entitled to under a private lease. I've dealt with virtually hundreds of them as a lawyer. I have dealt with it and I have dealt with itfrom the point of view of the tenant and the landlord and I try to convince my honourable friend merely by asking him to look at them. I try to convince him that the private lease is much more stringent than the public lease.

Now Mr. Chairman, I'm asking the honourable member to look at it. I want to deal with these remarks relating to the public ownership of land. The amount that is owned, I tell my honourable friend that the amount is less than he thought, but I'm not trying to be sensitive on that point, I would think that if through the natural course of options chosen, people wishing to sell plus not paying too much, because certainly I'm

(MR. GREEN cont'd) . . . . happy when I hear that - and to me it's not so unusual, I don't know why it would be so shocking to members of the Conservative Party on the other side of the House that if they feel it would be a sort of handicap to their argument if many many farmers were offering to sell their land to the government. I consider farmers to be astute people - if the government is the buyer that is going to pay a lot of money for the land, I expect not 900 applications, I expect 9,000 applications. Well, what's so unusual about that then? That would not to me be an acknowledgement that the farmer wants the government to own land, it would be an acknowledgement that the farmer like anybody else would like to take a good price for his land.

So what's new? That doesn't prove anything one way or the other. Mr. Chairman, what proves something, and this is the only feature - what proves something, and this is the only feature, is that some people who wish to be engaged in agricultural production would prefer to do it on the basis that they will take their earnings rather than bet on a capital gain. And that's all it proves. Because with regard to the notion and this I concede whatever the Honourable Member for Rock Lake wants me to concedethat it is best that the person who is the occupier of the land also has some feeling that he has tenure in it so he will produce on it and improve it, I am one hundred percent in accordance. I do not argue with that at all, and I've never argued that point. Before the Land hearings I said that there has to be some system whereby the man who is on the property knows that his efforts will be rewarded, that he will cultivate, that he will not mind it; that he will cultivate it in such a way that it will be as good or better a property in its tenth year of cultivation than in its first, and the only way that that is provided by is by him having some feeling that he will be a beneficiary of the work that he has put in. I do not argue with that. And we provide that in Torrens title, and that's what I said; when the honourable member says that I contradict myself, that's all I said.

I said to the people in southern Manitoba that you should have a right to have an option. I said to the people in the north when the young lady said that we shouldn't be selling Crown land, I said that it is the policy of the government of Manitoba, has been since 1970, that we will not reduce our stock of public land; and we have not sold public land, we will not reduce our stock. Then I said that there were exceptions, if we bought some land from a farmer or made an exchange who would make the exchange. Secondly, I said that when people are buying homes in northern Manitoba - and it was we who started it - that we would provide the same kind of Torrens title in the north and in the communities such as South Indian Lake, Wabowden and in Thompson as are provided in the south where they weren't able to do it because of being behind in surveys and other things of this kind. But in the last analysis, all it is a Torrens title, and everybody knows that a Torrens title is still in the last analysis public ownership in land because the public at any time can say, yes, we let you have permanent possession of this property but we are now taking it back - and that being there, there is really no ultimate, private ownership of plots of land in the Province of Manitoba. There is public ownership with a delivery of tenure of a higher or a lower grade to the person who happens to have a title.

Now Mr. Chairman, --(Interjection)-- Pardon me? Well Mr. Chairman, you know, there are two possibilities; one is that it is a poor argument, that is always a possibility; the other is that there is a very poor capacity to comprehend the argument on the part of certain members of the House. That is also a possibility, Mr. Chairman, and I think that the Honourable Member should at least recognize that there are two possibilities, and one of them could be correct and one of them could be false.

The Honourable Member for Lakeside - and this is where the contradiction occurred - first of all, those southern farmers who came to the hearings, people at Virden - even last year, when I said, no you - in many cases I said, you and I together, we the public - the Honourable Member for Lakeside just hates to hear that, he hates to hear me referring to the government as the public. I mean, it sounds so good, he has to make it sound bad and therefore he has to paint it in such a way that it is easier to argue against it so he won't accept the fact that the public is the owner of that 85 percent. And when I said to these farmers who believe in private ownership of land -

(MR. GREEN cont'd) . . . . . . I said, you know, we now own, you and I, we the public, 75 percent of the land in the Province of Manitoba, do you want me to sell it? And all of those great private owner farmers said no, don't you dare sell that 75 percent, that's where we want to fish, that's where we want to hunt, that's where we want to have complete access to the land, and if you sell it to some private person he is going to say as the Conservative representative to the meetings at Thompson said - I can't even have a lake of my own that you will give me title to so that I will tell other people not to fish in it. That's what he said; said he wants to have his lake, he wants to stock it with fish, and then he wants to sell people the right - now your farmers don't agree with that Conservative representative in Thompson, Manitoba, they told me not to sell any of that 75 percent, and that is where the contradiction occurred, because in the north all we said was that titles to homes should be provided by Torrens title and that recreational land should be completely available to everybody and that we were not reducing our stock of public land.

Now the honourable member, if he wishes to paint into that argument a contradiction, I can't stop him from being the painter. I mean he can be Michelangelo rather than the Member for Lakeside, but at least let him know that he is painting his picture, and that that is not the argument that was put. Mr. Chairman, the great contradiction in the member's speech - and this he won't even recognize for himself - he spoke with great pride; he says that this province can be proud of what was done by previous governments and our government and this government about the 85 percent of land that we have kept for the public and the other works that we have done to preserve wildlife grounds, to preserve recreational land; he was greatly proud of that public land, and I say rightly so, but that's the contradiction, Mr. Speaker. Well, the honourable member says it's not a contradiction. If he can paint, then I can paint too. Mr. Chairman, that was what he said. You go through that Hansard and you'll see - and it's unfortunate that we don't have, not only recordings but the movies, because the honourable member spoke with great pride, and you know it's one of the things that gives me a bit of - every time I have some type of worry about my position, something like that happens. I remember when I was on the opposite side of the House and there were great arguments about public ownership and socialism and where it's leading to and then there occurred a debate with Gurney Evans, the then Minister of Finance, the former Premier of the Province of Manitoba, the former Member for Lakeside, and they started to talk with great pride, how it was they not the socialists who decided there would be no private utilities in the Province of Manitoba. And that they created this great Manitoba Hydro belonging to the public, run for the public and run by the public and they spoke of it, Mr. Chairman, they spoke of it -- (Interjection)-Pardon me? Mr. Chairman, you know, even I, even I who has to tolerate losses in many many corporations, if it was Manitoba Hydro even I merely by adjusting figures would make a profit with the Manitoba Hydro if I wanted to, if I wanted to .-- (Interjection) --Pardon me? Well, the honourable member says that we have done it with Autopac just by adjusting the figures. One could argue I suppose that the previous figures were adjusted to show bigger losses. You know the accountants did a very interesting job on some of the other statements that are put forward and I will deal with them only after they have been commented on by members of the opposition because I rather expect their comments - and then I intend to deal with some of the audited statements and how they have been prepared.

The Honourable Member for Wolseley thinks that the Hydro cannot make a profit. I can assure him that the Hydro can make a profit. All that the public of Manitoba has to do is to decide that they want to pay more for hydro and show a profit on the investment rather than provide the utility at cost. You know we are selling energy at the average cost that it has cost us to produce that energy from the day that the utility was born. On oil you are paying the price for the most expensive barrel that they have to produce, the last barrel. They charge you \$11.00 for the last barrel which costs them \$11.00; they charge you \$11.00 for the first barrel which costs them \$1.00. That's the difference between the public doing something and the private guys doing something and that's why the Member for Lakeside spoke with great pride about what we, the public, have done to retain our land for the people of the Province of Manitoba.

MR. DEPUTY CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: I do not want to prolong the debate too much longer and I accept to some extent the colorations of the Honourable Member for Inkster, the Minister of Mines and Natural Resources. What was missing, of course, was him speaking with any pride at all of the rights of private ownership to land. What was missing, of course, was any great concern between what he has done now on several occasions, attempted to suggest to us that the difference between the Torrens title system of freehold rights to land or the lessee system that they are introducing and bringing forth that that represents any great difference. I close, Mr. Chairman, only on this one remark. Surely he could not be that insensitive to that lady's testimony before the Land Committee, who came from Wabowden to us at the Thompson hearings, who had the privilege of having one of these yearly leases for her residence; who had the problems of having a highway crew come and take the front lawn away from her home and giving her 30 days to move her home; of having that happen three times within the short five-year period that she owned her residence. All she wanted - I won't even argue with the Minister. If he tells me that Torrens title or a yearly permit makes no difference, makes no difference --(Interjection)--Well, all right. But, Sir, then there is no argument. Just give us the rights to freehold a tenure on certain lands for those people that request it, for those people that request it.

Well, Mr. Chairman, I sense that the Honourable Minister while speaking eloquently about those aspects of the argument that I'm prepared to accept about a mixed economy - to use the First Minister's phrase - chooses to ignore the fact that the other portion of that economy, the non-public portion of that economy, is just as important to us, perhaps more so because of our political ideology on the question, than the other one. I was merely saying and pointing out that there are virtues to be had on both sides of the argument. Virtues that I see not being expressed too often on the other side; virtues that I see disappearing when you have willful government policy directed at making sure that they will disappear; where you have unlimited public funds at your disposal to ensure that that will happen and that no expression of concern is being expressed over the fact of whether there are 937 farmers applying or asking that their land be sold or as the Minister says, he hopes it would be 9,000. To use his kind of argument then surely you would say there surely should be 99,000; then surely 999,000 as he tried to lead somebody to believe.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: On a point of privilege. I did not say I hoped it would be 9,000; I said I wondered that it wasn't. I did not say that I hoped it would be 9,000 but I said I certainly wasn't excited about the fact that it hadn't gone over one percent.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Okay. I'll accept that correction. But that's the precise point that worries us. He is not worried and yet he has his hands on the purse strings. He is a member of the treasury bench. He is dedicating public funds to a purpose. Now he is telling us that he doesn't mind whether it's 900, 9,000 and I won't pursue that argument whether it's 99,000 or 999,000. And so in other words there is no feeling on that side for the retention of private ownership of land. They will tolerate it. I'm not suggesting that you're going to do that. They'll tolerate it but there's no strong feeling. We've just heard it from an important Minister on the other side. Thank you, Mr. Chairman.

MR. CHAIRMAN: Resolution 10. Resolved that there be granted . . . The Honourable Member for Birtle-Russell. The Mines Minister.

MR. GREEN: Mr. Chairman, I think perhaps as it's early in the year, the session, we'll adjourn for the evening.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, your committee has considered certain resolutions, reports progress and asks leave to sit again.

# IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for St. Vital.

MR. WALDING: Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that the report of the committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The hour of adjournment having arrived, the House is adjourned and will stand adjourned until 2:30 tomorrow afternoon. (Tuesday)