



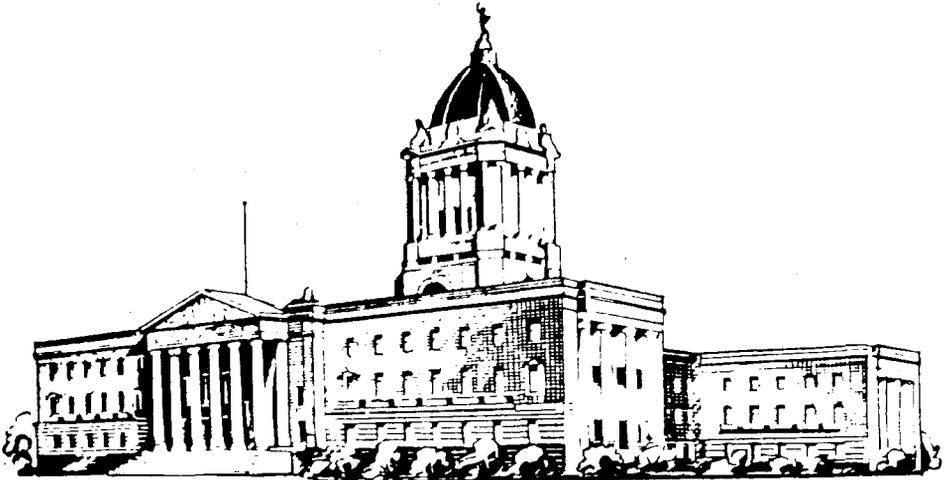
Legislative Assembly of Manitoba

HEARINGS OF THE SPECIAL COMMITTEE

ON

LAND OWNERSHIP AND USE

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



Virden — 10:30 a.m., Tuesday, February 3, 1976.

THE SPECIAL COMMITTEE ON LAND OWNERSHIP AND USE

10:30 a.m., TUESDAY, FEBRUARY 3, 1976

VIRDEN, MANITOBA

Chairman: Mr. Harry Shafransky

Clerk: Mr. Jack Reeves

MR. CHAIRMAN: We shall call the committee to order. Before we proceed I'd like to introduce the members of the committee. On my left, Sid Green, Minister of Mines and Resources; Wally Johansson, Member for St. Matthews; Tom Barrow, Member for Flin Flon; Pete Adam, Member for Ste. Rose; on my right, Harry Enns, Member for Lakeside; Warner Jorgenson, Member for Morris; George Minaker, Member for St. James; Gordon Johnston, Member for Portage la Prairie; the Minister of Agriculture, Sam Uskiw. I'm Harry Shafransky, Member for Radisson.

This meeting has been called to continue the hearings which were started last year dealing with the question of land use and land ownership. I'd like to read the resolution which was re-introduced and approved at the last session of the Legislature and I'll just read: "And be it further resolved that this special committee be authorized to hold such public hearings as the committee deems advisable, to report its findings and recommendations to the House at the next session of the Legislature."

I have a number of people who have already indicated to me the desire to make a presentation. We have a list of some 13 presentations. The first one I have is the NFU Local 525, Shoal Lake, to present a presentation by Mr. Doug Gamey; (2) Miniota United Church Women's Group, presented by Maude Lelond, Miniota; (3) NFU Local 511; (4) Lawrence Bell, Rapid City, farmer; (5) Peter Galawan, Oak Lake, farmer; (6) Larry Mychasiw or Art Nicholson, land bank from Vista, Manitoba; (7) Mr. Archibald from Lenore; (8) Sylvia Hanlin, Miniota; (9) NFU Local 531; (10) Bob Smith from Souris; (11) Arthur New Democratic Party Constituency Association; (12) Mente Coal Local, Souris; (13) Clarke Robson, Deleau, Manitoba, a personal brief.

I call upon Mr. Doug Gamey. Is he present? Come forward, you can take the stand there. NFU Local 525, Shoal Lake. You may proceed, Mr. Gamey. Would you identify yourself, please.

MR. DOUG GAMEY: To the Special Committee of the Manitoba Legislature on Land Use, by Local 525, National Farmers Union presented at Virden, February 3, 1976.

We welcome this opportunity to present our views regarding land use and forms of tenure. We see land used and classified as follows: agricultural use, urban use, industrial use, recreational use.

Land is our most valuable resource, and food our most valuable asset. They have traditionally been played down into a lowly role. This is well proven by the fact that land with an apparent alternate use is valued much higher than similar farm land used only for food production. An example of this strange value system is the golf course and cemetery on good productive farm land as we drive into Winnipeg. We are amazed at the fine preservation of nature in Riding Mountain National Park when No. 10 highway was being improved, while good land elsewhere was disregarded and put into the public road system. We feel that even though highways may appear to be in the public good destruction of farm land is contrary to the long term public interest.

In reviewing the present problems of land tenure and ownership, we see the pattern of land capitalization increasing to the benefit of speculators and financial institutions, but to the detriment of farmers and consumers. The owner-operator form of farming is the ideal. The record of performance of the past generation prove their care of this resource.

However, the retirement annuity psychology, coupled with perpetual operating losses year after year, make even the most dedicated farmer very conscious of the problems of starting new farmers. Increases in farm prices have been capitalized into higher land prices. An example is the rise in farm incomes in 1964-67 and again 1973-75. Competition from non-resident investors for this land has accelerated the rise in land prices. We therefore feel that the problem of land use and tenure should be considered as an

(MR. GAMEY cont'd) important part of income stabilization. This upward pressure on land prices makes it increasingly difficult for individuals to establish and maintain viable units.

We recognize the MACC plan of land lease as an alternative to private ownership and a way of reducing capital requirements for beginning farmers. The absence of future guarantee of rights for tenants leaves farmers unsure of their choice.

Recommendations:

I. It is our proposal that legislation be passed insuring leaseholders equal or greater security of tenure than is now attained at present by private ownership, and at a price they can both afford and enjoy.

II. Foreign owners of land have never adequately explained their motives and objectives to farmers. We feel that foreign ownership of land is not conducive to improving rural life or food production. The rights of non-Canadians wishing to buy and live on farms in Canada should be reviewed by the Immigration Department and the rural community. We recommend the Federal Government amend the Canadian Citizenship Act to restrict land ownership to Canadian citizens and landed immigrants.

Corporate ownership and control of land we feel to be equally destructive as foreign ownership. We know much about the problems urban and rural people have in dealing with many large and multi-national corporations. We cannot accept the treatment of people as pawns with profits as the Almighty. It is our desire to maintain and improve the quality of life in rural Canada and not subject farm operators to abuse from absentee landlords.

III. In regard to land use and zoning, it is our opinion that all land that has been classified suitable for agricultural purposes be maintained for food production. It is our observation that the largest part of Canada is unsuitable for agricultural production. Future growth of industrial, rural and recreational areas should be limited to non-agricultural land. Rail transportation can be used to facilitate new areas of growth.

IV. Having referred to large land holdings by corporations, we wish to make some observations on farm size. Knowing the farm run by the owner-operator is ideal, we also realize that farmers cannot be on call 24 hours a day, seven days a week. We accept the need for farmers to work together to keep continuous cycle operations functioning. Due to the present competitive nature of land pricing, the trend to large holdings will require regulating farm size. It appears that large farms presently are less intensive, less efficient, use only seasonal help, and are detrimental to community life. The problems of high capitalization are increased with large holdings and the transfer to the next generation becomes increasingly difficult.

V. While we have recognized the desirability of the owner-operator type of land tenure, we also recognize the need to improve other forms of land tenure to facilitate the transfer of the land base to future generations. We see the usefulness of the MACC lease program for some people, providing it guarantees security of tenure. We view with concern the shift of financing of farms from the public to the private sectors. The Rothschilds, who own the large English financial institution have said, "So long as I have power to make the money, I care not who makes the laws." We refer to Bill C60, the new Bankruptcy Act which does not give any consideration to the cyclical nature of agriculture as a cause of concern to farmers. We feel the government has a duty to offer 100 percent financing to beginning farmers.

Functioning in our present environment and value system, farmers are increasingly aware of programs designed for the good of someone else. It is now both obvious and urgent that farmers move to establish a land board in co-operation with government.

The functions of this board would be to administer: landlord and tenant relations; appraisal and zoning of agricultural land; monitor and record all land transactions.

We feel that with every rule there tends to be the creation of an exception. We propose the establishment of an appeal board.

With the preservation of agricultural land established as of paramount importance, much local improvement would originate with the people as they progressed from suppressed passive to progressive active individuals. This increased local awareness and education would provide the basis for increased local autonomy and self-government and ensure the success of our proposed land board..

In reality, the stewardship of land is the basic issue we all want to resolve. As

(MR. GAMEY cont'd) individuals and government, we want a productive land base to pass on to the next generation in the greatest quantity possible, and in a way that they too may realize its value. Thank you.

MR. CHAIRMAN: Thank you. Before we find out if you want any questions, I would also like to introduce Morris McGregor, the Member for this area of Virden, and Harry Graham, the Member for Birtle-Russell. I realize that it's possible there's a lot of people having difficulty in getting down here this morning - there was quite a storm apparently, at least it was when you were coming in, so possibly we might find that some people are not here who have indicated to me that they wished to present a brief, but we'll take them in order as they are, those who are present and come back to those who are not here at this time.

Is there anyone else present who wishes to present a brief?

Are there any questions of Mr. Gamey? Mr. Enns.

MR. HARRY ENNS: Mr. Gamey, on page 2 of the brief you indicate general approval of the MACC plan of land lease. The suggestion of . . .

MR. CHAIRMAN: Would you speak into the microphone, please?

MR. ENNS: . . . somehow putting in greater security of tenure than is now attained at present by the private ownership. You have a specific recommendation to the committee how you would spell out that greater security of tenureship under the land leasing program other than private ownership?

MR. GAMEY: I think basically what we were looking at is that we were somewhat unsatisfied with the security of private ownership now, and we have to as farmers look at increased security, and I think this works both ways. If we're not satisfied with the security under private ownership, then you would have to say that we want increased security in both forms of ownership.

MR. ENNS: You would feel that there was greater security in tenureship of the ownership of that land in placing that in the hands of politicians like us?

MR. MacDONALD: This is the problem --(Interjection)- Well I can speak louder.

MR. CHAIRMAN: We are recording the answers and they're making copies, so we want it for the records.

MR. MacDONALD: Let's identify the problem first off.

MR. CHAIRMAN: Your name, sir.

MR. BRAD MacDONALD: Brad MacDonald, member. In discussion of this whole issue of private ownership versus government issue, it became quite clear to us that the thing that bothered farmers the most was they were unsure about their security of tenure under a different form than what they were now accustomed to. And if you will look in our brief we have proposed you establish this confidence with farmers, with alternative forms of tenure, should have been enshrined in law. Tenant rights, such as they have in Great Britain; and procedures so that tenants will be guaranteed rights similar to the ones they now enjoy through the type of ownership. This would exclude the right to sell the land of course.

MR. ENNS: One further question . . . Mr. Gamey, . . . your brief in your reference to restriction of land ownership. You form that ownership, you have a sentence here which says, "restricted to Canadian citizens and landed immigrants." . . . I read into that as indicating that your position vis-a-vis the whole foreign ownership question on the land as being . . . somewhat that . . . If you separate the two, the immigrant that purchases land, a foreigner that purchases land and indicates or has indicated as being reasonable, moves towards becoming a citizen in time, a resident of the country as compared to the foreign person or corporation which is simply buying land for speculative reasons, whatever, or are you saying that by recommending the right to have landed immigrants purchasing land are you indicating that you are not in favour of an outright ban on foreign purchasers of land or a foreigner buying land.

MR. GAMEY: We are taking the position that if he's a landed immigrant he's, as you're saying, applying for Canadian citizenship, and we want this to be a person who is going to have an interest in our country and who will wish to stay and build in our country, not someone who, as you say, is possibly here to take the profits or take his share and transfer the money elsewhere. We want him to be a Canadian citizen and essentially live on the land is what we would hope. We are looking for the development of a rural community.

MR. ENNS: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Uskiw.

MR. SAMUEL USKIW: Yes, just on that point you make to the need for amendment to be made to the Act in order to achieve those objectives, that is the objectives to restrict foreign ownership. My question to you is, what is the gain by restricting the foreign owner, absentee per se, as compared to the Canadian citizen also, the absentee owner who chooses to reside in Nova Scotia. What difference do you see between those two types of owners?

MR. GAMEY: Basically there is no difference between the two on the effect on our community. We should also like to throw out at this time that as farmers we're probably better mechanics than we are philosophers, and this proposal was made as a first attempt to try to deal with this problem.

MR. USKIW: Would you not agree though that it would be much more equitable in terms of formulation than any other method, that if we wanted to discourage absentee ownership because of the effects of . . . , it should apply generally against all absentee owners other than - and that could be exempted by regulation - a widow who happened to want to retain her land for purposes of income supplement, and children. Other than those groups wouldn't it be better to legislate in a way which would prevent absentee owners, regardless of where they're from. If they're only there for speculative reasons, other than being owners in . . .

MR. GAMEY: Yes, if we can assume that all absentee landlords are there for only speculative reasons, this we would discourage; but I don't think we can make the assumption that that is the case in all instances. And what we are saying is that farmers essentially have been told that it's a competitive industry, we must compete. What we're saying is we are not able, say, to compete with West German money or European money or other forms. Now they are under a different economic system and they can have a different change at any time, and what we're saying is a Canadian citizen may have certain instances where he's only going to be off the land for a short time. So this is why we suggest that there are differences.

MR. USKIW: I . . . to refine this thing. You would place the investor, who happens to be a land company located in Winnipeg, very much the same as the investor who happens to be located in Berlin. Is that what you're saying?

A MEMBER: Much the same, much the same.

MR. USKIW: Okay. On the other point, you suggest that there should be legislation governing the relationships between landlords and tenants, and which would cover also the MACC land lease program, and I have no objection to that in particular, but I'm wondering whether there is some misunderstanding as to the security provisions under the MACC program in that, as I recall it, the contract provides for a lifetime lease, the option of the lessee, and a provision to pass on to the next generation. So that in essence the security of tenure is provided more so in the MACC program than in private contract; that would be the guarantee. Although I'm not opposed to having a sort of landlord-tenant act covering the MACC. Were you making a distinction as between that program and the private leases, or what are you suggesting?

MR. MacDONALD: No this would cover all forms with leases.

MR. USKIW: Yes. But your concern is mainly with sort of the unregulated private arrangements. Is that what you're saying?

MR. MacDONALD: Well, we really didn't distinguish because governments can change.

MR. USKIW: No, but you have a contract, that's my point.

MR. MacDONALD: That's true, but . . .

MR. USKIW: A contract entered into as between . . .

MR. MacDONALD: . . . what if a different type of government comes in that wants to kibosh this and brings in a new contract?

MR. USKIW: All right. Then obviously it requires some clarification. A contract between the Government of Manitoba and you the lessee is binding regardless of any change in Government; it's a legal document. Therein lies your security regardless of who the government is from time to time.

MR. MacDONALD: I'd just like to make this observation, that my ancestors got,

(MR. MacDONALD cont'd) you know, booted out of Scotland a couple of generations ago and you can understand that we may be just a little bit uneasy at the absence of, within law, you know, tenant rights for farmers. We see people live in apartment blocks being given tenant rights; we don't see why farmers should be treated as a different class of citizen.

MR. USKIW: I have no objection to your point, it's just that I thought that you didn't quite understand the contractual obligations under the land-lease program.

MR. GAMEY: In addition to that what we are also wanting to explain was that we feel that it should be recognized that farmers live in an economic environment over which they have no control and we would very much like to see farmers having security of tenure for possibly enough time to carry them through these periods of economic depression. This is the other area that we want to have security of tenure on.

MR. CHAIRMAN: Mr. Jorgenson.

MR. WARNER H. JORGENSON: Mr. Chairman, there's one point in your brief that interests me where you suggest that the trend to large holdings will require regulation, the farm size. I wonder if you could give us some idea of what you had in mind in regulating farm size; what kind of a Solon is going to make the decisions as to how large a farm should be for a particular type of operation. You know, there are various types of farms and the size of that farm generally is determined by the farmer himself. You said you were better mechanics than philosophers, and I agree that you're good mechanics and you're also very good at making decisions as to the amount of land that you want to own or hold or farm in relation to two or three factors. First of all your capability to raise the capital that is necessary to operate; secondly, your labour potential; and thirdly, the size of the equipment and the amount of the equipment that you have. All three have to be related in one way or another and if you get one out of balance with the other you're going to have an uneconomic operation one way or another. Do you not think that that kind of a decision is best left in the hands of the people who are doing the farming rather than somebody, some bureaucrats sitting in an office some place?

MR. GAMEY: I think probably you are getting close to our feeling, yes, and this is where we've suggested that local improvement would originate with the people, and I think that as farmers come to a place where they are allowed to make decisions for themselves instead of receiving pressure - and I wouldn't just limit it to bureaucrats but we get pressure from machine companies and bankers the same way - and I think as the rural community educates themselves into a position where they realize what pressures and functions their community is being faced with, they will then regulate themselves and realize what size of farms are required. This we hope would progress on a local basis; the community should be able to do this. And there are examples of communities who essentially have changed or set their own destiny in the past, communities that don't have large farms. And what you're saying is partially correct in that farming is a regional thing too, a mixed farming area is different from the special crops area, as is a livestock area, and when farmers can then make these decisions themselves we think the regulations will occur then.

MR. JORGENSON: Well is it not a fact that in many instances many of the farmers that are in difficulty today are in difficulty as a result of - I hate to use the word pressures - but recommendations on the part of government lending agencies, farm credit corporation, etc. A farmer like most people knows how much debt he can handle. When he approaches the farm credit corporation asking for a loan of a specific amount, he is often encouraged to take three times that amount, which in itself gets him into more difficulty than anything else he might do because he is not capable of handling that kind of a debt load. I think every individual has to determine what kind of a debt load he chooses to handle. It is my feeling in many instances farm failures and bankruptcies is caused more by government agencies attempting to place a debt load on the farmer that he does not want and does not know how to handle.

MR. MacDONALD: It wasn't our intent to get into an ideological argument over private and public money. What I'd like to do is get back to the problem. If you'll look in our brief we've made the observation that we would like farmlands to be kept in the hands of the owner-operator. We have recognized that under the competitive land pricing system that we're under right now that larger farmers have an advantage over

(MR. MacDONALD cont'd) . . . beginning farmers. This is why if we want to keep land farms from becoming bigger and bigger and bigger, as the trend has been since this country has been settled, we see that ultimately there will be a need to regulate the upper limit of farm size. We do not have the automatic answer at this time how to do this, but we just would like to point out at this time that we see there will be a need to regulate farm size in the future unless we want this . . . We do not see the market as regulating itself.

MR. JORGENSEN: Well surely that's a self-regulating process. It's been my experience that the moment a farm gets beyond the size of the owner-operator to manage it properly it begins to disintegrate - and I've seen many instances of farmers who got in farm sizes far beyond their capacity to manage it. The minute you have to turn over part of that management to somebody else your farm begins to go downhill. That in itself is a self-regulating process, and I've seen it operate in so many instances that's the reason I wondered why it was in the brief. Surely that's self-evident and it's been proven over the years.

MR. MacDONALD: We don't particularly see it as a self-regulating process. In Saskatchewan the farm size has doubled over the last 20 years. As farmers adapt to the situation they learn how to deal with this problem of bigger farm size.

MR. JORGENSEN: But then of course the larger the farm size becomes the more dependent you are upon farm labour, and surely that is becoming a problem in itself in agriculture.

MR. MacDONALD: With the advent of new technology you should be aware that now we have 300 h.p. tractors and we are not as dependent on labour for these large farms.

MR. JORGENSEN: Well that's largely the reason most people are going into that kind of machinery so that they will not be dependent upon labour that is very difficult to get, that is good farm labour, and the kind of conditions that labour today are expecting to work on the farms. There is just no way that a farm can operate effectively on a 9 to 5 basis and if that's the trend in farm labour then farmers are going to do the things that are necessary to avoid having to hire that kind of labour.

MR. GAMEY: Okay, I think probably what we could get at is that there is an exception to the development of large farms and this can be through special privilege, and there can be special privilege in two areas that we're very conscious of, and that is buying at wholesale and selling for premiums. And I think this is what we want to explain here. What you're saying may be fine. Maybe farmers can regulate themselves for management but there will be special exceptions for farmers who have friends in various organizations or organizations that take a friend as a farmer, and he will be able to buy it wholesale and sell at premiums. And this gives him a very great competitive advantage to anyone else so that he would then be able to use his increased profit and his decreased expenses to make up for his lack of management and still be able to carry on. So I think we have to recognize this field too.

MR. JORGENSEN: Well surely ultimately that will come to an end. You know, you can't mismanage farmland too long before it begins to show on the profit ledger. Surely it's a well understood thing in farming that - and that's the reason they call it farming instead of mining - you cannot continue to take out of soil and replace nothing, because if you continue to do that then you're going to lose your farm; it will not be productive.

MR. MacDONALD: Well as farmers one thing we understand is performance, and when I see the present market system of land transfer regulating itself then I will believe it.

MR. CHAIRMAN: Thank you very much, Mr. Gamey and Mr. MacDonald.

The Miniota United Church Women's Group. Mrs. Lelond. Is Mrs. Lelond present? Would you come forward please? I believe the briefs had been sent in to the Clerk's office. Have you people got a copy? I have a copy here; they'll be distributed to the members.

MRS. MAUDE LELOND: Mr. Chairman, Honourable Members of this Commission and Ladies and Gentlemen.

My brief is very short but I hope that you will endeavour to find some basis of discussion in it because it is a rather vague one because it's a new thought, the Church coming into land controls.

(MRS. LELOND cont'd)

This brief has been prepared to call the attention of this Commission to the expressed will of the United Church of Canada regarding land use in Canada. Headlines in the December and January issues of the United Church Observer read "Land Now A Resource" and "Action on Land Use Urgent."

The United Church Committee on Agriculture and food drafted a policy statement saying, "Land must be viewed as a resource, not a possession." The above committee then asked the United Church to take action immediately to have food production recognized as the top priority land use in Canada.

The United Church committee on agriculture and food production also stated that, "Suburban growth, energy resource exploitation, recreation development and other land uses must always come after the primary use of land for food production." The committee went even further, they suggested that the church must work within itself and other agencies to make sure that Canadians realize that land for food production is limited, and that the issue should concern everyone, not just the farmer. Further, the above committee says: "The church should work for planned political designation of land for food production. This means appealing to governments at all levels." And I interpret that as municipal, provincial and federal. "And the church should try to prevent the idling of prime agricultural land through land speculation." This could be done by urging government at all levels to provide positive incentives for land designated for agriculture, particularly in areas affected by urban growth.

Legislation to protect Canada's fast disappearing farm land is being urged by the United Church. Only 10 percent of all Canada's land is of prime agricultural quality, and most of that 10 percent is close to the large centres of urban growth. Inflated land values entice farmers to sell their land for non farm use. On the basis of all these facts, the Executive of the General Council of the United Church of Canada authorized that both the federal and provincial governments provide a program of positive incentives to encourage the use of non-arable land for industrial, urban and other non-agricultural uses. It also recommended that farmers be compensated for retaining their land for agricultural purposes in the face of other economic pressures. The issue was urgent, they said, for every day acres of prime farm land in Canada are going under cement, and industrial and urban sprawl. These recommendations were adopted by the United Church of Canada, General Council in November 1975.

One minister said, "If congregations can read the signs of the times, they can determine their own future. If they wait too long, someone else will determine it for them." I think this brief says a great deal, especially to those who have so far refused to listen to all the warnings of diminishing agricultural acres, urban sprawl, etc.

Now that - I had to be very careful - this is all quoted from the Church Observer, there are none of my own thoughts in it. But it struck me very forcibly. I might say too that this was accepted by the United Church women of UCW and then re-endorsed at the annual meeting of men and women in Miniota. Now that does not mean that everyone in the church in Miniota agrees with everything that brief says: it means that they endorse the presentation of it here today for perusal and thought by the various political parties and their responsible members.

Now why it meant so much to me to present this brief today is that I have been active in church work and in politics. I have openly been called a Communist because of my attitude toward the land lease and land bank, and believe me I've had to change a lot of my opinions on account of my age, in the ownership of land, and it meant so much to me to have a body which represents Christian principles say action on land use is urgent and that land use is a resource. Now I brought up the wrong paper so you'll excuse me if I go back for my paper that has a few notes on it and then I'll answer questions.

MR. CHAIRMAN: Certainly. You are through with your presentation, Mrs. Lelond?

MRS. LELOND: Yes.

MR. CHAIRMAN: Are there any questions? Mr. Enns.

MR. HARRY E. ENNS: Mr. Chairman, through you to Mrs. Lelond. I read into the brief, Mrs. Lelond - and perhaps you can correct me if I read wrongly - an overall concern that's being expressed by your group re the importance, in fact the moral responsibility that we have in terms of safeguarding food production above anything else

(MR. ENNS cont'd)perhaps, and as farmers we have a special responsibility in this area. Several times in the brief the phrase "food production" was mentioned.

MRS. LELOND: Not only farmers though, everyone should be concerned about it.

MR. ENNS: Then the other phrase that I took notice of was the "idling of prime agricultural land through land speculation." I think most of us can agree that we know of individual situations or plots of land that in fact have so been idled. Has the church or yourself taken any attitude towards when the idling of farm land is undertaken in a very massive way by governments, with government tax dollars - I refer, for instance, to the kind of management programs that we undertake from time to time when we think we have over-production. Just a few years ago, if you recall, the Federal Government was paying \$5.00 to every grain farmer in Canada if he didn't grow anything. Would you consider that idling of prime agricultural land?

MRS. LELOND: Yes, very much so, because in my mind both the United States and Canada did that, did they not? The United States did it on a very large scale; in fact the money went right out of the country to foreign owners that were idling land in the States and I am very opposed to the idea of that.

MR. ENNS: I'm not referring to that. I am saying that when the governments of the day, of whatever description, decide for supply management purposes to take out of production millions of acres of land, as it is in the American land program, this isn't land that is being sold, it's the farmers being paid not to grow crops.

MRS. LELOND: Yes.

MR. ENNS: That you agree would also suit the . . .

MRS. LELOND: I'm opposed to it but I am saying that by and large often when they do pay for the idling of land it is not farmers' pockets it goes into, it's corporations, because they own vast areas of land, and that happens.

MR. ENNS: The figures would tend to indicate though that in recent years by far the greatest amount of idling of prime agricultural land has been done by wilful design on the part of governments.

MRS. LELOND: Oh yes.

MR. ENNS: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Uskiw.

MR. SAMUEL USKIW: Just on that point. We have witnessed in the last five years an effort on the part of the Government of Canada, and certainly other governments throughout the world, of an effort to reduce agricultural production, especially where they found themselves in the so-called surplus position and therefore did not want to encourage the building up of greater surpluses which had such a depressing effect on the price of those commodities, while at the same time we recognize that in reality there was no surplus in that there was really maladministration of distribution of the product worldwide, that many people were still hungry at a time that we were saying that we had too much production. So that I would think that it would make sense that if we were not to restrict production because of the market economy, then we would have to, in its place, guarantee the value of that production so that we don't find ourselves in bankruptcy for having produced too much along with a better distributive process so that people in the world would not be hungry. The two would have to work together, otherwise neither can work.

MRS. LELOND: Well I would go a little further although it's not in this brief. I think that you will see that the church will come forward - and as I said before, this is General Council level - I would like to add though before I answer you, Mr. Uskiw, that I did try to find out to what extent this brief had been discussed at the lower levels, General Council is top level, and it was discussed at Provincial Council level as well and they decided that they would wait and see what General Council arrived at. Now I feel, and it is being discussed in some countries, that we need to store food. I don't think we need to bank land, I think we need to store food in the world as it is today.

MR. USKIW: Yes, but having said that, there is an implication that follows. Storing of food - and if you store two or three percent more than what the market requires for a given period you have virtually destroyed the market; that is you have destroyed the value, the cost of production value and therefore you are then facing bankruptcy with a very small surplus. So that really your concept is right if there was a mechanism to make sure that you had stability of farm income at the same time. Piling up food in storages

(MR. USKIW cont'd) would have a very detrimental effect on farmers right across the world if there wasn't that kind of guarantee. My point is you have to do both otherwise you're going to get us all into trouble.

MRS. LELOND: I don't see how - and the brief brings it out - that we are moving - and I have to agree with Mr. Trudeau on this issue - that we are moving into great changes of time and I feel that we are moving into an era where there has to be government interference, and especially in the marketplace which is a nasty word. But as your meaning or I presume your meaning, is someone going to take this three percent or extra that we store and dump it in the marketplace and upset the stableness of our market, well that would not be.

MR. USKIW: No, what I meant was, as long as there is the knowledge that there is a two or three or five percent surplus of a commodity it automatically depresses the market right across the world and therefore has a very detrimental effect on the farm community or the producers of that product. So that there has to be income stability along with a food bank because that's what you're suggesting. Otherwise it just can't work.

MRS. LELOND: Yes. I did have income stability in the margin here.

MR. CHAIRMAN: Mr. Green.

MR. SIDNEY GREEN Q.C.: Mrs. Lelond, I am not certain whether you mentioned it in your brief, but has the United Church Women's Organization taken any position as to whether they object or concur with the fact that the public could own some land and that it could make available an option to farmers who wish to rent land from the public and thereby not make a capital investment on which they could get a gain if they kept it, but that they would merely operate as leaseholders from the public at large? Do you know if they would have any position on that?

MRS. LELOND: No. I know that our next meeting, which is this Thursday, that is going to be our topic, just the one word "ownership"; and we're going to take what we would call the Christian attitude towards ownership and we're going to take the farmer's attitude. I don't know why we put those two headings in there, but we did.

MR. GREEN: I would suggest Mrs. Lelond that there is also a Judaic attitude towards ownership, probably very close to the Christian one. As a matter of fact it may have preceded the Christian one.

MRS. LELOND: Yes. I have studied a little bit on religion and I had to use the United Church, but I didn't mean to make it the outstanding one.

MR. GREEN: It's certainly "an" outstanding one, one of the outstanding ones.

MRS. LELOND: Well I think any church today is outstanding which dares to take a stand on land resource, because we are well aware that many of the people in churches are ultra-conservative with a small "c" on their outlook towards these things. -- (Interjection)-- Well if you want to argue about big "c"s and small "c"s that's okay with me.

MR. GREEN: I didn't want to go that far asea. That's right. Let me just ask you one more question, maybe it can't be answered briefly. It says "land must be viewed as a resource, not a possession." Now can you amplify on the phrase what the United Church Women, not the Communist Party, means by "not a possession?"

MRS. LELOND: Well I really feel that a great deal of what General Council says stems from the land use in Ontario at the present time and it has been said that in five years because of the urban sprawl, industrial sprawl and everything else in Ontario, in five years Ontario will be importing food. I really think that --(Interjection)-- Pardon?

MR. JORGENSON: What about Manitoba?

MRS. LELOND: Well I don't think we could feed them. I think that a great deal of anything that happens in the United Church - it doesn't matter what the west says for a little while but when it really becomes apparent in the east it becomes the necessity of the church to take action. I really feel that they feel that the land in Ontario is not being used for food and that that is the first thing that the Niagara Peninsula area should be used for - I'm familiar with it because I've been there - and that when it begins to be covered by cement and so on that we must take action. It's no longer something to be peddled on the marketplace, it's primarily a place to produce food. Does that answer your question?

MR. GREEN: Yes, that's fine. That gives me what you mean by the phrase. You

(MR. GREEN cont'd) have indicated that the main use of land should be food and I think that when we think of it in terms of our perspective that that probably comes out quite naturally. Wouldn't you consider that every single other human need is also provided for by land? For instance, our clothing all comes as a result of the utilization of the land; our shelters whether of wood or of mineral products all come out of the use of the land, and is it possible to divorce the fact that every other human need is provided for by the land as well and that really indicating that food is, doesn't preclude the others, and that what you are really saying is that agricultural land as such should be retained as agricultural land and that we still have to utilize the land for the purposes of forestry to provide the wood that we need for our shelters and for our other needs and that we have to utilize the land for the obtaining of mineral resources as well, that I can't think of a single thing that human beings utilize or have that isn't provided for by the land.

MRS. LELOND: In other words, you are saying that the church has taken a stand on food and that they maybe should take a look at other resources?

MR. GREEN: I am really indicating that the church's stand on food applies to - I cannot think, if someone will help me I don't mind being helped - but I cannot think of a single thing that human beings utilize that is not a product of the land if we include in the definition "land" the waters that flow through the terrain. If somebody can help me - I can't think of anything.

MRS. LELOND: I have been working in mission work for over 30 years and it's always a bale of clothes or food that they call for. I think that is why the church itself and our missionaries - although I must say our missionaries call for medical equipment and a lot of stuff like that, too, and more so now than they used to because we send them in more as doctors than preachers. So I think that that is the reason that the church chooses the topic "food" because that is what we are most involved in and we don't get too involved any other way.

MR. CHAIRMAN: Thank you very much. I want to indicate that you've certainly made me feel a little better today if a nice Christian lady such as yourself can be called a communist, since I have also had it done to me, I feel at least I'm in good company . . .

MRS. LELOND: Just in closing, there's one thing that I would like to mention that isn't mentioned in urban sprawl and we just came from Winnipeg. It hurts me that cemeteries are extending and I wonder when we'll ever get a politician that will dare to say, "Lift all those stones and farm over the graves." It wouldn't hurt my feelings one bit but I'll just dare the politicians of the next generation.

MR. CHAIRMAN: Just a minute, Mrs. Lelond, we still have . . . Mr. Jorgenson.

MR. ENNS: You try it in South Indian Lake first, Sid.

MRS. LELOND: Yes, Mr. Jorgenson.

MR. JORGENSEN: Mrs. Lelond, the main point of your brief, as I see it, is that you are concerned about land use.

MRS. LELOND: Yes.

MR. JORGENSEN: Now, if there is a proper policy of land use, if the politicians have the courage to establish a policy that's going to ensure agricultural land for agricultural production, then what difference does it make who owns the land as long as the end use of that land is a proper one?

MRS. LELOND: Well I think that is what the church is saying; that it's the use of the land, and I am sure if there hadn't been abuse to a terrific extent the church would never have prepared this brief.

MR. JORGENSEN: I cannot do anything but agree with you that there has been a tremendous abuse; fortunately it has not extended to that extent in this province. I agree with the contents of your brief in which you suggest that there should be a proper land use policy, hopefully we can move in that direction; but my main point in asking questions at this time is to determine whether or not you felt that there was any great need to determine, or to regulate, who owns the land as long as the end use of that land is a proper one.

MRS. LELOND: Yes, I have very strong opinions on that but they're not in this brief, so I would be expressing a personal opinion.

MR. JORGENSEN: Well then let's have your personal opinion.

MRS. LELOND: Okay. But don't connect it with my United Church friends because I haven't confirmed . . .

MR. JORGENSEN: You're going to have to deal with them, not me.

MRS. LELOND: Yes, I'll deal with them. --(Interjection)-- Yes, I'm a politician now, I'm not a Christian eh? No I didn't mean that. I apologize for that.

MR. JORGENSEN: Maybe you've made your point well enough, you don't have to answer the rest of the question.

MRS. LELOND: Well no, I'll open up a little bit on foreign ownership. Now I differ with all political parties I think on foreign ownership because I have definite reservations. I'm a student of the world, not of Manitoba, and I have definite reservations and I'm sure Mr. Green, I think, knows what I'm talking about. When the Jews went into Israel they bought a piece of land and they extended themselves and they extended themselves. When the big copper corporations went into Chile they extended their power. And I can go all over the world doing this as far as foreign ownership goes, and when foreign ownership becomes internationally controlled then God help us if they owned all the land in Manitoba. So that I say I differ with my agricultural minister and I know I differ with Mr. Green. He asked everybody last year this question, what's your opinion on foreign ownership, so I said some day I was going to answer him and I've answered him. And, sir, that is my fear of foreign ownership because I've studied international controls, and I don't want to enlarge on that further because we aren't talking about that. But I also feel that absentee ownership is detrimental to the rural communities which we - I'm a rural farmer's wife - which we are trying hard to sustain.

And also you asked a question a little while ago about the size of farms. There's nothing more detrimental, Mr. Jorgenson, than about 35 sections owned by one man. Where in the world do you get a school to educate those children. I mean you could just talk all day on that kind of a thing.

MR. JORGENSEN: You realize, Mrs. Lelond, that at one time all of western Canada was owned by one person and he lost all that, and to a large extent shortly after the settlement of - well maybe not this part of the province but certainly in my area - it is practically all American owned and they lost their shirts. It's now pretty much privately owned land and you make some mention of foreign ownership in this country. Of the 17,885,000 acres, 92 percent of that is locally owned, 16,537,000 acres. So there isn't a great deal of foreign ownership and there doesn't appear to be a great trend in that direction.

MRS. LELOND: Well yes I have a quote here . . .

MR. JORGENSEN: To a large extent the trend has been because of the possibility of some speculation in buying that land for purposes and transforming it into purposes other than agricultural use. Now if there was some assurance that land was going to remain as agricultural use, would you not think that that would in itself reduce the kind of speculation you speak of.

MRS. LELOND: Yes, I'm very much in favour of - I have some notes written here. One of the things which I would suggest as a church woman was that land be definitely zoned and be held for agriculture. If that's what it's zoned for that's what it must be held for, and that in itself would eliminate some speculation. I did quote here, Mr. Jorgenson, that West German interests account for 57,000 acres and that's double to 1974, so . . .

MR. JORGENSEN: Yes, but it still represents . . .

MRS. LELOND: A small portion.

MR. JORGENSEN: . . . point 32 percent of the total area of arable land in this province.

MRS. LELOND: Yes. But it is escalating.

MR. JORGENSEN: To a large extent because of economic conditions; I think to a large extent because of inflation.

MRS. LELOND: But you see you were mentioning too, I was listening to you, about sort of a natural system of control. Human nature being such as it is, a natural system of control doesn't work when you have land that's only worth \$75 an acre and somebody gives you \$200. Your humanness rises to the surface and you sell and so there is no way of . . .

MR. JORGENSEN: That is done to a large extent because of the possibility of speculation. Now supposing those land values dropped and these people lose money as a result of the purchase of that land, you wouldn't have any objection to that?

MRS. LELOND: Well no, they're speculators, that's fine with me. Beat the pants off them if you want, I don't care.

MR. JORGENSON: That's right. So speculation works both ways doesn't it; you can lose and you can win?

MRS. LELOND: Right, yes, but I have no objection to government ownership either.

MR. JORGENSON: Fine. Thank you.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: I really didn't want you to think that you were being left out when I didn't put the question to you, but sometimes other members think the hearings are going too long and I try to limit my questions, but I think that you are probably a person who I should put this question to and you sort of asked for it, so I will. I expect you'll be able to handle it very well.

Given the fact that there is a farmer in Noyes, Minnesota who owns a piece of land in Manitoba and a non-resident in Cape Breton, Nova Scotia who owns a piece of land in Manitoba, neither of them intending to come here, live here and farm it, what is the difference economically to Manitoba as far as those two holdings are concerned?

MRS. LELOND: None.

MR. GREEN: None. That's fine. Thank you.

MR. CHAIRMAN: Mr. Uskiw.

MR. SAMUEL USKIW: I think he's got the point that I wanted.

MR. CHAIRMAN: Thank you, Mrs. Lelond.

The NFU Local 511. I've just had the indication NFU local. Your name, sir.

MR. GLEN LELOND: Glen Lelond and Dallas Rowan.

MR. CHAIRMAN: You may proceed.

MR. LELOND: Mr. Chairman, members of this commission, ladies and gentlemen. It is my privilege to present a brief on behalf of the members of Local 511 of the National Farmers Union. This local comprises all of Miniota and Birtle municipalities and half of Ellice. Our views do not necessarily represent those of the National Farmers Union as we are in the process of expanding our land use and land tenure policies. You might be interested to know that the NFU is holding hearings this year across Canada on this subject. We are an organization that continues to move with the changing times. We have confined the contents of our brief to land use and land tenure as we understand other briefs are enlarging on such topics as foreign ownership.

Land tenure cannot be considered in isolation of total land use as we believe there is an urgency for the Federal Government to gather with the provinces to develop land use policies.

Land in Canada should be inventoried, classified and zoned. Land that is classed as agriculture should be protected for the purpose of growing food, while land less suitable for agriculture should be classed and zoned for industrial and urban development and recreational use.

In our brief we appeal to our provincial government to take immediate action to preserve good farm land wherever it may be by placing a freeze on development of such land for urban and industrial purposes and direct such development toward areas of poorer soil. We all know that industrial development and urban sprawl has already gobbled up much of the best agricultural land in Canada, as in other countries. If this trend is not controlled by freezing, millions more acres of the most productive farm land in this country will be covered with concrete and lost as a food resource base for future generations.

There is a need also for a more rational policy for the construction of new highways, power lines and other public utilities which cut large swaths out of farm land. We believe that a better planned approach to the construction of such utilities could result in more rational land use. We consider land as a resource to be used but preserved.

It has been said, "the members of the generation which are in power must not treat the earth as something given by their parents, but rather as something borrowed from their children." The concept of almost all the rural people is to maintain rural communities. As the number of farmers decrease rural communities also decrease in numbers or disappear. While much can be said for the pride of ownership of our land we farmers can see what is actually happening. If the trend of fewer and larger farms,

(MR. LELOND cont'd) foreign and absentee ownership continues we will be right back to something similar to the feudal system of serfs and landlords. Our ancestors left that system. Young people today cannot visualize themselves as landlords or serfs. That doesn't sound right.

Intelligent people today are searching for a system which will revitalize rural areas and yet give us a sense of freedom and security. As we are searching we will not pretend to put forth a perfect solution. We feel that those wishing to farm should have this opportunity to prove their capabilities. At present only sons of well-established farmers or those with outside capital can hope to start. Also, when land is transferred in the marketplace competition for that land drives prices up. In times when prices of farm commodities rise buyers of farm land tend to capitalize gains made in the price of farm products into the value of the land. This has the effect of automatically increasing the cost of production. As land value rises it becomes more difficult for new and young farmers to enter the profession.

If you would allow me to get personal for a few moments I would like to give you arguments to supplement our arguments. My uncle in Saskatchewan recently told me that he had sold his poorer land to a neighbour for \$225 an acre. He said that to make that kind of money he would have to produce 25 bushels of wheat to the acre, which he said was impossible. I then asked him how he expected his neighbour to pay for it. He commented, "He can't, so I'll have it back with the down payment." Is this the way to help a person get started? I honestly think that most of us still like the pride of ownership but as good businessmen I think we should take a dollar and cents look at owning versus leasing. A neighbour of mine is in the process of leasing a quarter through land lease. Knowing him as I do I was quite surprised that he would lease and not buy. He then showed me that by buying at present day interest, which was $11\frac{1}{2}$ percent at the bank, it would end up costing him \$45,000 over 20 years by buying, and \$1,000 a year for leasing. Of course there are debatable issues such as inflated land prices at the end of the 20 years, but he is looking at his present ability to finance.

Continuing with the personal angle of land ownership, I bought six quarters of land five or six years ago. My land payment is one of my biggest expenses. Roughly I farm a half section extra to make that land payment. How many farmers are doing the same thing, farming extra land to make land and interest payment? This acreage could very well support more farmers in rural communities if it were under a satisfactory long term tenure land-lease system.

Now I come to that trend that has been developing over the years toward lease or rental arrangements as an alternative form of land tenure. Most of these are leases from private individuals, absentee owners and corporations who are land owners. Some provinces hold a limited amount of Crown land which is also leased to individual farmers and ranchers.

We as members of the NFU, traditionally the pioneer in new farm policy development, should take the lead in introducing new concepts of land tenure including a revaluation of the principle of private land ownership compared to public ownership with tenure secured by leasing arrangements that would provide long term security of tenure and transfer of tenure from one generation to the next within the family. How many here realize that corporations don't sell their businesses every generation?

I stated previously that we are searching and don't pretend to have any perfect solutions. However, at this stage of the game I'm quite prepared to debate any statements I have made. The personal challenging question that we all must answer is, is pride of ownership the priority, or is the production of food, revitalizing of communities and the establishing of farmers the priority.

MR. CHAIRMAN: Thank you, Mr. Lelond. Are there any questions? Mr. Blake.

MR. DAVID BLAKE: Mr. Chairman, Mr. Lelond. On land to remain in the use of food production in the best possible use, would you put any limit on the amount or would you go right down to small plots, one, two acres; do you feel that small parcels of land like this should also remain in the best possible use as far as food production goes?

MR. LELOND: Yes, I feel any land that is capable of growing food should be left for that purpose.

MR. BLAKE: You would oppose any move to expropriate good farm land for uses such as satellite cities or . . .

MR. LELOND: Yes, because there's lots of land in the Carberry sands.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes. You didn't touch on the question of ownership. Have you any views on whether there should be any legislation on that question?

MR. LELOND: On foreign ownership?

MR. USKIW: Well absentee ownership, and then if you want to make a distinction between Manitoba absentee owners and foreign ownership that's your privilege.

MR. LELOND: I definitely think there should be legislation right away to prevent foreign ownership and absentee land owners.

MR. USKIW: You would include then the absentee owner that might be a Manitoba citizen but has no interest in farming the land?

MR. LELOND: Definitely.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, again. Since you have asked for legislation against foreign ownership I want to put my question to you.

MR. USKIW: He qualified that. He said against "absentee".

MR. GREEN: Absentee. You don't see any difference between an absentee owner from Cape Breton or the United States.

MR. LELOND: No.

MR. CHAIRMAN: Thank you Mr. Lelond.

Mr. Lawrence Bell, Rapid City, farmer. Is he present?

MR. GREEN: Stuck in a snowbank.

MR. CHAIRMAN: Mr. Peter Galawan, Oak Lake, farmer.

MR. : Mr. Galawan would like to give his brief about 1:00 o'clock, if that's possible.

MR. JORGENSEN: Except that he may not be here at 1:00 o'clock.

MR. CHAIRMAN: This afternoon? Fine.

MR. MYCHASIW: I have one if you don't mind accepting a brief.

MR. CHAIRMAN: Larry Mychasiw, Land Bank from Vista. I believe Art Nicholson will be with him. Do you have the briefs for us? Fine.

MR. LARRY MYCHASIW: Mr. Chairman, members of the commission, ladies and gentlemen:

I am Larry Mychasiw and I would like to present my personal opinion about the situation I am in today trying to get myself into the farming industry.

I have been working on the farm all the years of my life, and now I wish to start farming on my own. The first thing I would need is land. I have tried to obtain land without success because I must compete with the big established farmers, corporations who are buying land, non-resident speculators, and foreign buyers. Due to this competition it is not only impossible for me to raise this type of capital, it is also impossible for me to repay at the present net agricultural returns plus the high interest rates..

At the present time the only way I would be able to start farming would be to have the necessary capital available immediately. Since this is not available because I do not have the borrowing powers, and since there is no way I could rent land privately, the best and only alternative for me is to have the Manitoba Government buy the land so I can rent from them. This way if I decided some day to buy the land I would be able to do so since I have first option to purchase.

It seems to me that under the present circumstances in order for my generation to get into and stay in the farming industry, the land lease program is a must. Otherwise all the land will be in the hands of large corporations and wealthy non-resident speculators. As well, if ownership goes into the hands of a few, our present communities will disappear and rural social life will be non-existent if there will be no young families living on the land.

Looking more closely into the land lease program I have discovered that I have absolute security of tenure as long as I wish to keep it. This is often not true when I would buy land otherwise because if I default on my payments, no matter what the reason, I know I would lose it and everything else with it.

I have also come to believe that under the land lease program I would not have to live the best years of my life on a low standard of living because I would not have to put everything I make into land payments.

(MR. MYCHASIW cont'd)

I know how the generation before me sacrificed their standard of living because they did not have the opportunity I have today because of the land lease program. I talked to a man who has been a farmer all his life and he tells me that he has spent all his life paying for his land. He knows what it is like having to sacrifice any luxuries for his family because he had to put everything into his land payments.

I have Art Nicholson here with me today who will back up the remarks I have just made about the past generation.

In conclusion, I would like to say that I personally believe that the land lease program of the Manitoba Government is a very good thing and the only opportunity for young men like myself who wish to start farming.

MR. CHAIRMAN: Mr. Nicholson.

MR. ART NICHOLSON: Mr. Chairman, I would like to add to this, I would like to say that everything Larry has said is true and also that the time is long past when we can allow land to be used as a commodity to truck and trade. It is government responsibility to see that land is made available to the young people in our communities who want to farm. It is also government responsibility to make it available in such a way that their families do not have to sacrifice a standard of living equal to other segments of society in order to pay for this land. Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you Mr. Mychasiw and Mr. Nicholson. Are there any questions? Mr. Enns.

MR. ENNS: Mr. Mychasiw you indicate - I think for our overall information, at the bottom of the first page of your brief, "Otherwise all the land will be in the hands of the large corporations and wealthy non-resident speculators." I think our information that has been gathered for us by our Minister of Agriculture indicates that at least in the past 100 years that simply hasn't happened. I think he can also indicate to us that we have had periods where we have had more foreign ownership and less foreign ownership. Right now we're talking about 92 percent of the arable farm lands in private hands. Do you feel that the present situation is escalating so sharply that what took place the last 100 years is going to be that dramatically different in the next ten years?

MR. MYCHASIW: It seems to me, personally, right now the big farmers are getting more and the low income farmers are losing what they have and the low income farmers are decreasing in numbers, and if this goes on for a few years it will increase sharply as time goes on. That's the way I feel about it.

MR. ENNS: Yes, but as a person involved in the farming industry you've seen these periods of, you know, high activity in land purchasing come and go very often as the Minister correctly pointed out with the commodity prices. As we have good prices for our grain we tend to see more action generated in land buying and if we see a slump in those prices then very often that backs off and much of that land comes back into smaller holdings again. Has that not been the pattern over the past number of years?

MR. NICHOLSON: If I could answer here, Mr. Chairman.

MR. CHAIRMAN: Mr. Nicholson.

MR. NICHOLSON: I can say in our own municipality where I've been active in farm organizations for the last 30 years, today, since the '50s our rural population right where I live is one-third of what it was in 1956. And this is escalating all the time. Now I can well remember a few years ago people worrying in this country that we would give away all our oil reserves and oh no, that couldn't happen, we had too much. Well it happened and it happened sooner than we thought. The same thing is happening in land today.

MR. ENNS: This reduction that you speak of, 30 percent, do you attribute that primarily to foreign ownership or non-resident speculative buying or perhaps to the fact that our boys and girls are going to universities, choosing other careers, finding other vocations, deciding on their own that they want to do something else than farming?

MR. NICHOLSON: It makes no difference who owns it, we're depopulating our rural areas. We have destroyed many of our rural communities. And never in the history of this province has anything been done to try and stop this till now. We have the stay option, we have the land lease. There is a way for a young man to start. Why should you sacrifice your standard of living? And this is why there are no young people on the

(MR. NICHOLSON cont'd) farm and I don't blame them, I wouldn't. Why should you work as my generation worked, sixteen hours a day, seven days a week to pay for this land when you can go into the city and have some recreation and some of the luxuries of life.

MR. ENNS: One further question. The subject matter of farm size, ideal farm size has been raised by other briefs before us. Would you care to indicate - it's not in your brief but you talk about the ownership going into the hands of a few very large holdings - would you care to give just your observation about what you consider to be an undesirable large size. Is six or seven sections or eight sections too much for a . . .

MR. NICHOLSON: It really doesn't matter setting any definite size. Once you depopulate an area, which has happened, and I think our immediate area is one of the worst in this province, that you kill everything, there is no community life. The small towns are all dying. We can't hold our elevators; we can't have anything once people are gone. Unless this is stopped - if it goes on for the next twenty years as it did in the past, a township will be small to one operation.

MR. ENNS: Are you suggesting to the committee that we should consider, by legislation, regulating farm size?

MR. NICHOLSON: No, not at all. I'm just saying give the young people the opportunity and they will solve the problem if their tenure is secure and a reasonable standard of living..

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, I was going to put the question to - well, Mr. Enns alluded to it. What is, in your opinion, the sort of optimum or maximum shall we say, farm size that would be desirable, apart from whether or not you legislative it, what is an adequate farm unit in your mind?

MR. NICHOLSON: It is what a man and his family can work comfortably and get a decent living off. Economics are the most important.

MR. USKIW: Yes. If you're talking about grain acreage what would that be?

MR. NICHOLSON: It would be hard to say in our area because we're lucky to have a hundred acres a quarter cultivated. It's a mixed farming area and I think it always will be.

MR. USKIW: I'm talking about land that is cultivatable, that is producing; I'm not talking about gross acreage, I'm talking about productive acreage. What productive acreage would you require, in your mind, to maintain a viable grain farm?

MR. NICHOLSON: Well in our area I would say a section to a section and a half of land. Some is more cultivated than others. You should be able to make a very very good living out of that, if we had any reasonable stability of prices..

MR. USKIW: So that you wouldn't then want to see various government policies that would sort of dictate in the direction of much larger units than that; your suggestion is that there should be options for people to achieve up to that point at least and from there on that it should look after itself?

MR. NICHOLSON: I think it would. If young people had a reasonable chance it would regulate itself.

MR. CHAIRMAN: Thank you Mr. Mychasiw and Mr. Nicholson. Mr. Archibald, Lenore. Is Mr. Archibald present? Sylvia Hanlin, Miniota.

MR. : Those folks will be here after dinner. Don't you think it's about time to go and eat?

MR. CHAIRMAN: Well we normally go to about 12:30. That has been the practice. We started a little late this morning. Well let's go on. NFU Local 531, are they present? Bob Smith, Souris.

Mr. Smith.

MR. BOB SMITH: Mr. Chairman, honourable members and ladies and gentlemen. This is a rather short brief, I was asked to do it because I do have some concern in this area.

My name is Bob Smith and I farm at Carroll and I drive a school bus for Souris Valley School Division. I'm also president of the Souris-Killarney NDP but at this point I am not representing that organization today.

For some time I have watched with growing concern the corporate and foreign takeover

(MR. SMITH cont'd) of our agricultural land in my own and neighbouring municipalities. To give the committee some indication of what is happening I will list some of these holdings. In the R.M. of Oakland we have a company that goes under the name of R.G.M. Holdings and they have 2, 125 acres. This company's address is Brandon.

The H and S Cattle Company, address Brandon, 965 acres.

Seruche Farms Ltd., 922 acres. Their address is Winnipeg and to the best of my knowledge it is Arab oil money that has bought this land.

J.W. Dyck, Denver, Colorado, 550 acres.

R.M. of Whitewater, Valleyview Enterprises Ltd., Brandon, Manitoba, 1, 360 acres.

William Campbell, Los Angeles, California, 800 acres..

N.E. Blintz, Bottineau, North Dakota, 800 acres.

Gary Syverston, Souris, North Dakota, 480 acres.

Then in the R.M. of Glenwood: R.G.M. Holdings again, 2, 880 acres; Valleyview Enterprises again, 960 acres.

In the R.M. of Cameron, R.G.M. Holdings, 640 acres; Valleyview Enterprises another 640 acres.

So this comes out to a total in just three municipalities of R.G.M. Holdings, they've got 5, 645 acres; Valleyview they have 2, 960 acres in three municipalities, and the foreign ownership, non-resident, 3, 552.

To get this information I went to the municipalities involved and talked to the local secretaries. The municipal people have a real concern about this takeover in our area. The whole thing has come to light in a very short period of time, foreign ownership have purchased this land within the last two years. The corporate takeover has happened within the last ten years, and as you can see we, in Manitoba, are producing the same problem that forced our ancestors to leave Europe and we're very rapidly returning to a feudal system of land ownership.

I have some personal ideas about how to slow this takeover of land. First, I would stop all sales of land to any foreign company or individual and give foreign owners a set limit of time to divest themselves of all Manitoba holdings.

Secondly, I would institute a sliding land tax scheme that would increase taxes in proportion to the amount of land owned; and as a rough example, a farmer owning one section of land or less would be taxed at a very low mill rate and on a second section the mill rate would double, on a third would triple, and so on. A tax schedule such as this would make it uneconomic to own large acreages.

It has already been shown, the consolidation of our farm land has destroyed our rural communities and the rural way of life. We can no longer go on with this rapid depopulation of our rural areas and we must halt this corporate and foreign land speculation immediately and enact legislation that will halt and may even reverse the rapid destruction of our rural and small community way of life in the Province of Manitoba.

I would like to thank the committee for allowing me this time to speak and for their gracious attention. Thank you.

MR. CHAIRMAN: Thank you very much, Mr. Smith. You have another gentleman with you who will be . . .

MR. SMITH: Mr. Williams just came to help me with any questions that I might have to answer.

MR. CHAIRMAN: Mr. Williams?

MR. SMITH: Williams, yes, Ross Williams.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: I'm very interested. You know, I believe that every member of the committee, without exception, although I can't speak for all of them, is concerned with the fact that the land in Manitoba - agricultural land - should be used for agriculture and should be used in such a way as to make it most productive; and I think that they would also like to see Manitoba people occupying the lands in at least reasonable proportion.

We are continually getting people who are concerned with the nature of the ownership, and I think that your brief has also dealt with that issue.

What bothers me is, I am equally concerned with, let us say, fifty sections of land being owned by one Manitoban as by one West German, and I've tried to find out whether there is a real difference. So I'll put the question to you: Can you tell me what difference

(MR. GREEN cont'd) there is between a section of land owned by a person in Noyes, Minnesota - which you would legislate against in accordance with your remarks - and a section of land being owned by a man in Glace Bay, Nova Scotia?

MR. SMITH: I would find no difference whatsoever. I think, and maybe my remarks were not clear enough, but it was intended that this first part of the legislation would be in some way similar to the Saskatchewan legislation which has allowed all non-resident owners so long to divest themselves of their property.

MR. GREEN: So you are then dealing with non-resident owners, not foreign owners.

MR. SMITH: No, but in my personal case, it's the foreign ownership that has concerned me at this point in our municipalities because we do not have a lot of non-resident or a very minor amount of Canadian non-resident ownership in the area.

MR. GREEN: All right, but do you see any difference between non-resident owners

MR. SMITH: No, none whatsoever, none whatsoever.

MR. GREEN: I mean if I owned that land instead of these companies and I was in Winnipeg and being a politician not doing anything but hoping that some day it will be worth more money, in the meantime leasing it out to honest farm people in the Province of Manitoba to try to produce - it wouldn't make any difference if that was being done by somebody in West Germany.

MR. SMITH: No, no.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes. You had given us statistics on the various groupings who hold land in three municipalities, and I think two or three of those were headquartered in Brandon. Are they local Manitoba citizens who have formed a company, or are they fronting for something else?

MR. SMITH: This is a problem. I have no way of knowing because I got my information off the tax rolls of the municipalities involved, and this is the way it is listed. Now their addresses are Brandon; who the major shareholders of the corporations are, I have no way of knowing.

MR. USKIW: From your brief I got the impression that you did want to legislate against these groups as well as the foreign ownership groups.

MR. SMITH: Oh, yes, definitely.

MR. USKIW: Am I correct?

MR. SMITH: Yes. Yes, I have very definite ideas on farm size.

MR. USKIW: So absentee ownership is really your concern?

MR. SMITH: Yes.

MR. USKIW: Non-operator absentee ownership.

MR. SMITH: No, not really, but as I said I would like to see farm size limited to a certain size.

MR. USKIW: Maybe you're not reading me. In your brief you expressed concern about foreign ownership and about conglomerates headquartered in Brandon, so to speak, who own land, which you do not like.

If you were to deal by way of legislation, then you would prefer legislation to apply against anyone who is holding land for non-agricultural use, or that is, for speculative use, whether they be Manitoba citizens or citizens of another country.

MR. SMITH: Oh, definitely.

MR. USKIW: I see.

MR. CHAIRMAN: Mr. Minaker.

MR. MINAKER: Mr. Chairman, through you to Mr. Smith. For clarification, Mr. Smith, when you were introducing the statistics, etc., how many municipalities were you talking about this . . . list being involved?

MR. SMITH: I have a list of four, I believe - Oakland, Glenwood, Whitewater and Cameron which are in my local area. Now, there are two more municipalities just north of me that I didn't check on.

MR. MINAKER: The ones that you did check involve four municipalities?

MR. SMITH: Yes, and each one of these outfits did not have land in one municipality, they had land in three out of the four, not necessarily the same three out of the four, but they had land out of three of the four.

MR. MINAKER: The other question, Mr. Chairman, is, I totalled up approximately 18 sections of land, I believe, when you were giving the acreages.

MR. SMITH: Yes.

MR. MINAKER: How many sections of land would there be in the four municipalities, in total?

MR. SMITH: Well, I'm not that good in arithmetic, but the municipalities are, let's see --(Interjection)-- it's 144, yes, they are two townships wide and three townships long.

MR. MINAKER: The other question, Mr. Chairman, is - maybe I missed it in your presentation - did you say these are all Class 1 and Class 2 agricultural land, or was this checked out to see that all of this non-resident ownership was actually of agricultural land?

MR. SMITH: Yes, in our area this is all agricultural land. Now classification, I've never really got into the classification of agricultural land because some agricultural land can be used for the use of raising livestock, maybe it's not good . . .

MR. USKIW: It's lower than Class 1 or 2.

MR. SMITH: Oh, I see. Yes, well there are a few companies that have bought some of the lower, below Class 2.

MR. MINAKER: But you didn't differentiate in your analysis whether it was Class 1, Class 2.

MR. SMITH: No.

MR. MINAKER: I presume you went to the municipalities and checked the ownership titles and then totalled them up.

MR. SMITH: Yes, but on this R.G.M. Holdings that had the fifty - whatever, I gave you the figure five thousand, somewhat - the 5,600 acres, this is all Class 1 and Class 2 land. This outfit has not bought any marginal land. They have all bought Class 1 and Class 2 land.

The same thing is true with the Valleyview Holdings with the 2,900. This is all Class 1 and Class 2 land.

MR. MINAKER: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Blake.

MR. DAVID BLAKE: Thank you, Mr. Chairman. The question was partially answered. I was concerned with the type of land that it was, and I realize Mr. Smith may not be aware of the land.

Are you familiar with the land that the R.G.M. Holdings have purchased?

MR. SMITH: Yes.

MR. BLAKE: Are they farming this land in a good management type of farming operation or is the land lying idle or deteriorating?

MR. SMITH: The land with R.G.M. Holdings is all being farmed, well, what I would consider reasonably well. I have seen samples of the grain per year as it comes off and compared it with the grain of the neighbouring land that is done by the smaller owner-operator, and quite frequently it is a better quality and a higher bushel per acreage on the smaller holdings.

MR. BLAKE: This is a pretty well proved statistic that large farms aren't necessarily the most efficient. That's fine. Are you aware of the length of time that this land was for sale? Was this land just grabbed up or had it been for sale for some length of time? Were the local people given an opportunity to buy it?

MR. SMITH: Well, Mr. Williams could answer this question maybe.

MR. CHAIRMAN: Mr. Williams.

MR. WILLIAMS: On that last question, sir. Some of these lands change hands in about two weeks, that we were in our district were trying to obtain. There was no way that we could work with the Manitoba Government for financial aid or otherwise.

MR. BLAKE: Have you any idea of the per acre price on the land?

MR. WILLIAMS: I can give you a list of one farm right by me - well, it changed hands this fall - it was dickered on a year ago for \$65,000. The man held it for two weeks and sold it for, I would presume, a 130. We were trying to raise more than that but we didn't have time to do it.

MR. BLAKE: He made a pretty good deal.

MR. WILLIAMS: Certainly did.

MR. BLAKE: What would cause that land to jump that much, or did he get it at a depressed price?

MR. WILLIAMS: The man that sold was sick. It was held up in the courts for awhile and he sold at a weak moment. I'd like to go on.

Another farm that sold in our district last year was sold within two or three weeks, there was no chance of any of these young fellows raising money to purchase those farms.

MR. BLAKE: That answers the question, Mr. Chairman.

MR. CHAIRMAN: Mr. Enns.

MR. ENNS: Thank you, Mr. Chairman. Mr. Smith, I believe you indicated earlier in response to a question by Mr. Green that in your eyes or your view there was, in fact, no difference in foreign as compared to non-resident or indeed, any off-farm owner; your suggestion to the committee is to consider legislation restricting this kind of activity, this kind of ownership of land, is that correct?

MR. SMITH: There's a problem with your question, sir. I would restrict non-resident, non-operator owners.

MR. ENNS: Yes, and in response to Mr. Green's question you indicated that you didn't differentiate whether he be Arab, West German, a Brandonite or Mr. Green farming out of Winnipeg.

MR. SMITH: Well if Mr. Green was farming the land out of Winnipeg, but if . . .

MR. ENNS: No, no, Mr. Green owning the land and anybody else farming it.

MR. SMITH: Oh, definitely, definitely.

MR. ENNS: So the legislation that you're asking for would treat - in other words, a person living in Brandon or in Winnipeg or in Portage la Prairie would regard him as a foreigner.

MR. SMITH: If he was not farming the land.

MR. ENNS: Yes, that's right.

MR. USKIW: Non-resident, not a foreigner.

MR. ENNS: But in actual fact he would be regarded in the context of the legislation that is being asked for, a foreigner.

MR. USKIW: No, no, not necessarily . . .

MR. ENNS: Then let me put it this way. You would not treat a foreigner any differently than you would treat a person living in Brandon?

MR. USKIW: Correct.

MR. SMITH: No.

MR. ENNS: Right. So I think the original assumption is still correct, that a Brandonite would become a foreigner. I just wanted Mr. Stothert to get that . . . We have, of course, always assumed that Brandonites were foreigners, but . . . The other question, and I'm serious about this. Let's extend it to your neighbour who's been farming, you know, alongside of you, and he for some reason or other finds himself in a position where he, for reasons of health, or otherwise, maybe in Phoenix, Arizona, and having leased out his property to you - you're his neighbour - should he be legislated against in the same way?

MR. SMITH: Yes. To maybe make myself clear. I have feelings that people who no longer need the land, who are no longer using the land, should no longer have the land. And that's what it amounts to.

If this man has, for reasons of retirement or whatever, decided to move to Arizona, he should not have the land, but then I would have to qualify this by saying that we must take the retirement income or money away from the sale of land, that a farmer should be able to make enough money in his lifetime that he should not have to rely on the sale of his land for his retirement income.

MR. ENNS: But essentially you would extend that same general principle to your neighbour?

MR. SMITH: Definitely.

MR. ENNS: You would also extend it to yourself in the event that you have two sons, one of them perhaps finding himself living in Toronto at the time that you pass on unexpectedly and wish to leave the farm in his name, legislation should be in place that would prohibit you from doing that?

MR. SMITH: What I would like to see would be that at the end of my tenure on

(MR. SMITH cont'd) that farm, that the land be turned back to the people of Manitoba for disposal to another farmer, be it my son or be it another young man who wishes to go on farming.

MR. ENNS: Then, really what we're talking about, of course, Mr. Smith is, that while for political reasons it might sound more acceptable to talk about the desirability of, you know, operator-owner control of land or particularly small farms as we talk about, we are in essence - reading through the briefs that are being presented this morning - a call for outright public ownership of land, with security of tenure in terms of the lifetime of the lessee working that land.

MR. SMITH: I have no quarrel with that statement.

MR. ENNS: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Uskiw. Are there any other questions? Thank you, Mr. Smith and Mr. Williams.

I think we can cover another one. Arthur constituency. Mr. Peter Fehr from Arthur, is he the one presenting the brief? Peter Fehr, Arthur - I just don't know if that is the same Arthur constituency, NDP, Mr. Peter Fehr. That's right. Okay. You may proceed.

MR. PETER FEHR: This paper is presented on behalf of the Arthur Constituency NDP Association.

This presentation is not going to deal with all the ramifications of land use, such as urbanization, industrial land use, road building etc. . . . what we are particularly concerned about for the present is policies affecting the use and ownership of farm land and the effects it has on rural Manitoba.

We all know that if we are to retain our rural communities we will have to change some of our policies or else for the lack of them we shall have to implement some policies that are needed to achieve these objectives.

1. Easier access to farm land for young farmers
2. Moderate prices for farm land
3. More equal distribution of farm land among farmers
4. Tenure system that would minimize rent payments
5. Tenure system that would assume continuity of farm operators

These objectives cannot be achieved with today's trend in land ownership. This trend becomes truly alarming when you see non-farmers purchased about 250 thousand acres in the last year alone. Whereas, the Land Lease Program of MACC purchased only 127,000 since its inception in 1973.

Land now owned by non-farmers amounts to about one and a half million acres. There is no doubt but that these outside forces have a tendency to raise land prices, sometimes to beyond their commercial value and usually to beyond the reach of younger farmers. These outside forces are also not conducive to the security of tenure by a farmer. For instance, buildings for livestock production, fencing etc. cannot be constructed on a short and uncertain contract of tenure. Besides usurious interest rates are not conducive to a reasonable rate of rent.

All this plus modern technology has the tendency to create larger and larger corporate operations that have no use for our already established rural communities.

As our school population declines, so does the quality of our education, because the financial support of education rests on the number of students per classroom. This has raised the amount of land tax considerably in recent years. The quality of rural education is reduced to the stage where Manitobans have to move to the cities for equal educational opportunities or for that matter equal standard of living.

Therefore, we recommend the following:

That the Provincial Government introduce legislation that future land transfers can only be made to owner operator farmers and the Land Lease program operated by MACC.

Further we recommend that the Provincial Government extend and liberalize the present Land Lease Program. This would automatically eliminate the sale of land to speculators and investors.

MR. CHAIRMAN: Thank you, Mr. Fehr. Are there any questions? Mr. Enns.

MR. ENNS: Your first recommendation at the bottom of the page says "that the provincial government introduce legislation that future land transfers can only be made to

(MR. ENNS cont'd) owner-operator farmers." If that owner-operator farmer is a West German or an Italian or an Arab would you consider that he would be the person that that land transfer should be made to?

MR. FEHR: Oh, yes, definitely.

MR. ENNS: So there is no reservation or concern expressed in this brief about foreigners buying land if they intend to become owner-operator farmers?

MR. FEHR: No, not at all.

MR. ENNS: Thank you.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, I'm interested to learn from you, sir, what you have in mind on your last recommendation that we liberalize the land lease program. What kind of changes would you propose that we make?

MR. FEHR: Mr. Chairman, when you study the programs that have been implemented by other governments, and the one that is going on in the United States right now through Senator McGovern, there are a few points in there that I think we could take a good look at. For one thing, the proposal proposed by Senator McGovern, it is a seven-year tenure and when they sell it back to the farmer they're going to sell it back at 75 percent of the appraised value, which automatically gives the farmer a 25 percent credit on his land to put up as chattel for his machinery, etc. What they do figure is that land prices are going to go up that steeply in seven years that they wouldn't lose any money on a 25 percent rebate.

MR. USKIW: Yes, to pursue that one. The seven-year tenure is the point that we have looked at - we have a copy of the legislation proposed - that is bothersome from this point of view. What if the lessee is not in a position to purchase on the seventh year; would you suggest that he be removed off the land because he is unable to raise his capital or what would you do with a situation like that?

MR. FEHR: No, in that case maybe I think we're ahead a little bit. The tenant could just continue renting the land.

MR. USKIW: You wouldn't want to change that aspect of it?

MR. FEHR: No, I wouldn't.

MR. USKIW: I see. The other aspect of it is - as I understand the legislation - there's no requirement that the American government sell that particular piece of land to that lessee. All the requirement is that they cannot hold it for more than seven years, they must sell it. So it doesn't really give substance to the question of security of tenure if the lessee does not really know that he is the one that is going to have the opportunity to purchase.

MR. FEHR: Let us put it this way. Maybe we have some points that they haven't got and we should look at something that they've got that we haven't got.

MR. USKIW: Okay. My last question is how do you justify the idea of the public purse being used in order to give a windfall benefit or capital gain to any individual, whether it's a farmer or anybody else, how can you justify that unless we say that we're prepared to do that for all the citizens of Manitoba? I mean if you owned that land as a private owner, would you give such terms on the option to purchase to your lessee or would you want to recapture the value of the land the day that that option is exercised?

MR. FEHR: Well, Mr. Chairman, you're asking a personal question, I have to give you a personal answer. If it was my son I'd let off 25 percent just like that if the income tax didn't get after me right away.

MR. USKIW: But there's a gift tax problem now, that's the point you see. Should the lessee be subject to the gift tax if the Province of Manitoba did say, yes, we will allow that person a 25 percent capital gain; should that person be subject to the gift tax provisions? I don't know if it can be avoided but I would like an opinion.

MR. FEHR: I'm afraid you'd have to talk that over with Mr. MacDonald.

MR. USKIW: All right. Then tell me, if we are prepared to go this far is this in effect not unfair competition with the farmer that we have rejected from the land-lease program because we have said, "People have to meet certain criteria to qualify for entry into the program." That is if they have assets beyond a certain level they're considered to be self-sufficient, able to look after themselves and their applications are bounced, wouldn't it be unfair to those that have to go to the mortgage market to end up competing

(MR. USKIW cont'd) with a farmer neighbour who happens to get a 25 percent capital gain because he happened to enter agriculture via land-lease?

MR. FEHR: Mr. Chairman, this is what I'm recommending, that we change our policies, otherwise we will not have young farmers on the land.

MR. USKIW: No, I know, but you're saying that we should give a gift of 25 percent to the lessee. Why shouldn't we give a gift of an equivalent amount to the person that happens to be in the position to raise mortgage funds to buy the adjoining farm; what is the difference between those two citizens?

MR. FEHR: I don't know, he probably doesn't need the money that bad.

MR. USKIW: Well I'm afraid you boggle my mind, sir. I don't know that I could give Sid Green \$25,000 and not give you \$25,000.

MR. FEHR: That is the two people we're not talking about. We're talking about those guys that cannot afford to go into farming but that would like to.

MR. USKIW: You see, what you would really be doing is bringing about pressure on the government to open land-lease to everybody, that we eliminate all the criteria so that everyone gets into agriculture in the first five years via land-lease so that they can then capture 25 percent capital gain. And if that was so, that seems to me, that would be a rape of the taxpayers in the Province of Manitoba; that is the dilemma that you're bringing us into.

MR. FEHR: Well anybody that could stand it for five years would deserve the 25 percent capital gain.

MR. USKIW: You know, I don't know whether our city cousins would want to be that generous with public assets.

MR. GREEN: You know now that your city cousins do not want to be that generous, don't you.

MR. FEHR: Mr. Chairman, could I make one other reply to Mr. Uskiw. He was referring to, Can we afford the public purse for land purchase, etc. What about cow-calf operators, where are you getting that money from?

MR. USKIW: Well I think there you have a trade-off, sir. It's not really analogous in that we have a guaranteed floor to Harry and his compatriots in the industry, and we also have a ceiling so that if the market goes above the ceiling the province recaptures that difference. So it's a two-way thing, it's a contract. It's good for the consumer and it's good for the producer.

MR. ENNS: If you make calves as good as you make buses you're going to be in trouble, Sam.

MR. USKIW: Harry, it depends on who we contract with, doesn't it?

MR. CHAIRMAN: Mr. Green.

MR. GREEN: No, I have no questions.

MR. CHAIRMAN: Thank you Mr. Fehr. I believe we should adjourn. What is the will and pleasure, to what time? (Adjourned)