



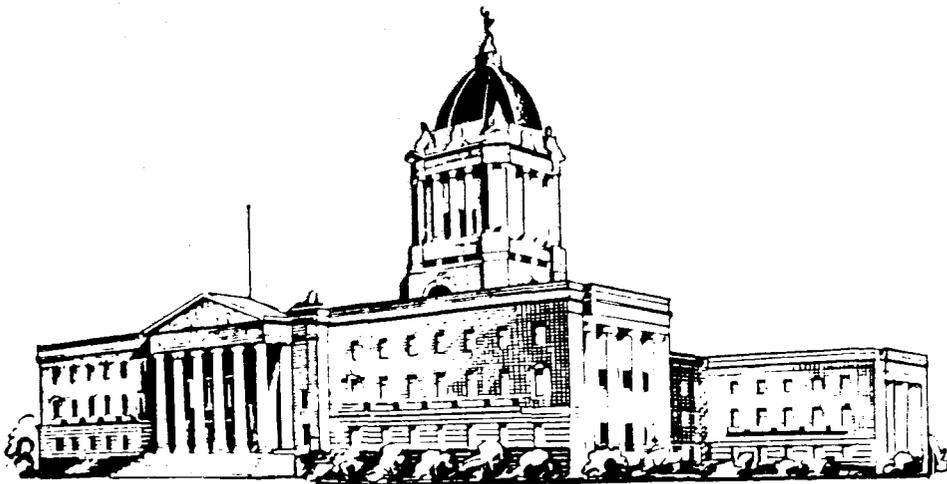
Legislative Assembly of Manitoba

HEARINGS OF THE SPECIAL COMMITTEE

ON

LAND OWNERSHIP

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



Winnipeg — Wednesday, February 12, 1975.

THE LEGISLATIVE ASSEMBLY OF MANITOBA
SIXTH MEETING OF SPECIAL COMMITTEE ON LAND OWNERSHIP
WINNIPEG, MANITOBA, FEBRUARY 12, 1975

CHAIRMAN: Mr. H. Shafransky.

MR. CHAIRMAN: Order please. We have a quorum. Proceed with the meeting under the question of land-use and matters relating to land.

Before I begin and call on people, I have a number of individuals who have indicated a desire to present briefs. We have Mr. Eyjolfson from the Cow-Calf Producers; Mr. Charlie Hunt, retired farmer, Swan River; Dr. Jack Hare, Winnipeg Chamber of Commerce; Donald Gibb, Manitoba Institute of Agrolologists; Mr. Lane, President, Manitoba Real Estate Association, Abe Anhang, Agriculture Department, Bank of Montreal.

Is there anyone else present who wishes to present a brief to the Committee? Would you please come forward and give us your name at this time so that we can put you on the list.

MR. LANE: Mr. Chairman, Manitoba Real Estate Association, in conjunction with my brief we have a second brief that will be presented by Counsel, Mr. Graeme Haig.

MR. CHAIRMAN: Fine. That will be at the same time, fine. Well we can proceed. Mr. Eyjolfson, Cow-Calf Producers.

MR. SAUNDERS: Mr. Chairman, I would just like to enter my name as to present a brief - I don't have a copy of the brief for distribution, but I could obtain it after.

MR. CHAIRMAN: Your name, sir.

MR. SAUNDERS: Roger Saunders, and I represent myself as a farmer.

MR. CHAIRMAN: From where?

MR. SAUNDERS: East Selkirk.

MR. CHAIRMAN: We will proceed. Mr. Eyjolfson.

MR. EYJOLFSON: Mr. Chairman, gentlemen, one of my colleagues had to go, has a doctor's appointment this morning. He is unable to be here now, he thought he could, so I could ask for a postponement for my brief until after lunch?

MR. CHAIRMAN: Fine. Mr. Hunt.

MR. HUNT: Mr. Chairman, and members of the Committee, I am very happy to have the opportunity to be here this morning to present a very brief written Brief, and with your permission, Mr. Chairman, I would like to make a comment or two that isn't in my written brief. To start with, I had no intention of asking to appear before this Committee until I - well I do read the newspapers and I have been reading what's been going on and I did read a brief that the Manitoba Farm Bureau presented, and I understand the Winnipeg Chamber of Commerce is going to present a brief, and, Mr. Chairman, as a farmer that scares the tar out of me. I think that when you have the Winnipeg Chamber of Commerce in particular, and the Manitoba Farm Bureau to some extent presenting briefs to the government, and the government might possibly act on them, I think from the standpoint of an ordinary farmer like me, that's just like dragging a sheet anchor with you having those people helping you, and if anybody wants to know a little later on why I feel this way, I would be glad to make some explanation or further elucidation of the points that I raised that I don't want these two organizations trying to get the government to make policy for me. I don't like their policies, and never did. My written brief:

For more than a decade people in all walks of life in Canada have been expressing concern about absentee or foreign ownership of our economy, manufacturing, mining, oil production, refining and distribution, even sugar, have brought into question the risks related to this question. Land speculation and land ownership has come into this scene in the last few years, and not before it was time, for public discussion of this important question.

Nova Scotia and New Brunswick are suddenly waking up to the fact that American investors and speculators, in particular, are buying up all of their waterfront properties. The good old free enterprise system was working perfectly for those outsiders who have money.

I understand that your Committee will be reporting back to the Legislature at some future date and possibly making recommendations in regard to ways of preventing farmlands in Manitoba from falling into the control of those who will not use the land for agricultural productive purposes.

Having been a farmer almost all my life I would like to make a few observations from a

(MR. HUNT cont'd) farmer's point of view. I will not take the time to elaborate on them.

You have a working paper prepared by the Department of Agriculture with a great deal of basic information. It disturbs me somewhat that some people appear to be trying to make a political football out of every comprehensive document - and out of a very comprehensive document and a very serious question. The document does not spell out government policy but it does make some very incisive observations and should be treated for what it is, a background paper, a white paper.

Mr. Chairman, I did read in the press that there's quite a bit of comment made about a red paper. I didn't suppose this Committee had time or inclination to deal with nonsense of that kind, but if you do I would go into that too, but I didn't think that that was our purpose here today.

From my point of view there are two major purposes in land protection, in a land protection proposal: one, make it possible for farmers who want to retire to receive a fair market price for their land, and to keep the ownership in Manitoba; make it possible for people, probably sons or relatives, to lease or purchase such land for farming purposes on a basis that would make the venture economically viable.

Number one raises several questions: what is a fair market value, and which buyer do you choose if one happens to be an American for example? I do not think that you can prevent a foreigner from making an offer contingent on him occupying the land and living at least most of the year in the province. That would still leave him the option of living in the Caribbean, or Hawaii, or whatever he wanted to.

Another condition could be that his main occupation be farming. In other words, it could not be the XYZ Fertilizer Co., or the ABC Grain & Milling Co., or the John Doe Packing Co. These conditions would, of course, apply only to above a certain maximum of a section or two of land - the exact amount isn't important. I am well aware that there would be very serious problems of administration but I think these could be overcome by regulations once the broad principles were established by legislation.

The second major purpose is fundamental to the future of agriculture as a way of life for thousands of farm families in the province. Your Committee will have to face the question of whether or not you are going to allow farmland to drift into the hands of a few large absentee owners with tenant farmers working the land, or smaller landowners working their own land. One of the curses of today's thinking is that the bigger an operation becomes, the more efficient it must be. Today's standard of efficiency is -- (Interjection) -- I am sorry. Were you speaking to me, sir?

MR. BLAKE: No.

MR. CHAIRMAN: Proceed.

MR. HUNT: Well let those who are not interested - they don't have to listen. One of the curses of today's thinking . . .

MR. BLAKE: Mr. Chairman, on a point of order. The member of the committee was merely trying to get the Chairman's attention to get on the list so that he might ask a question later on, he wasn't trying to interrupt you. The Chairman just wasn't paying attention to the members of the Committee.

MR. HUNT: Well that's not my problem, sir. You can always get that with a camera later . . .

One of the curses of today's thinking is that the bigger an operation becomes the more efficient it must be. Today's standard of efficiency is simply the ability to put the smaller competitor out of business so you do not have to compete with him. A farm policy must offset this tendency and make farming possible and profitable for the family unit. This means providing some protection against the inroads of absentee ownership.

Some of the weird briefs presented to this Committee - if you can believe the emphasis given to them by the media - make me wonder why I am appearing before the right party; the submissions I am referring to damn and condemn any action by the Provincial Legislature to allow the province to own farmland. What is all the screaming about? Has anyone suggested that farmers will be forced to sell their land to the government? Has anyone suggested that farmers be compelled to lease their land from the government? Has anyone said that farmers who had land from the government ever be compelled to buy that land? Has anyone suggested government confiscation of the land? I haven't heard of it; I don't think that's the case. Just as an aside for a moment it is interesting to reflect on who owned all the prairie land just over

(MR. HUNT cont'd) a hundred years ago. After the Indians had been ousted, and I use that word because I think it is a gentle term for what happened, Mr. Chairman, but after the Indians had been ousted it belonged to the Government of Canada, which generously gave a great deal of it away with all of its resources, making a number of instant millionaires happy. The rest of it was turned over homesteaders for \$10.00 per quarter section - I believe that was what the homestead fee was, I am not sure, about \$10.00 anyway.

Getting back to the question at hand I would suggest that the only way the farmland in this province can be kept in control of the citizens of Manitoba is for the Provincial Government to be a potential buyer. After the way previous governments in this province, and in Canada, have dealt with our land and other resources in previous decades, I do not blame some of you for not wanting the government involved. On the other hand, however, there has to be government involvement if an equitable transfer of ownership is to be assured between the farmer who wants to sell out and the new farmer who wants to take over. The only safeguards that need to be established are those that require the government having purchased certain farmland to give the new farmer the right to purchase, or on a lease purchase basis.

Preserving farming as a business venture for farmers in the future is a worthwhile objective. If government has to be involved in order to make such a program effective, then so be it; but do not let political emotionalism that opposes all or any government involvement overrule your good judgment.

Mr. Chairman, that is my brief and if anybody wanted to ask me any questions, I would try to deal with them.

MR. CHAIRMAN: Thank you Mr. Hunt. Mr. Blake. Mr. Ferguson.

MR. FERGUSON: Yes. Mr. Hunt, you're a farmer, sir?

MR. HUNT: I'm retired. I was farming most of my life but I haven't farmed actively since 1968.

MR. FERGUSON: Are you still a land owner?

MR. HUNT: Yes.

MR. FERGUSON: And you're also a Civil Servant?

MR. HUNT: No - never was.

MR. FERGUSON: Would you class yourself as a non-resident land owner?

MR. HUNT: No. I live in Swan River, and that is where my land is.

MR. FERGUSON: Okay. Thank you.

MR. CHAIRMAN: Now are there any - Mr. Jorgenson. You know the terms of reference of this committee, do you Mr. Hunt?

MR. HUNT: I think I have a good enough idea that I was able to present a brief anyway. I agree with Mr. Chairman. I know what the question is; the question is that I didn't deal with land-use. Now I didn't intend . . .

MR. JORGENSEN: No. You're anticipating, Mr. Hunt. I wonder if you would wait until I ask the question before you even undertake to answer it.

MR. HUNT: Well, your questions are so obvious - well go ahead.

MR. JORGENSEN: Well, Mr. Chairman, I don't know if there is any point in asking this witness any questions. He obviously feels as though he knows all the answers and even anticipates the questions.

MR. HUNT: Sorry. Go ahead.

MR. JORGENSEN: My question was simply to ask you if you knew what the terms of reference of this committee was . . .

MR. HUNT: Yes.

MR. JORGENSEN: . . . and if you do, and I will read them to you so you make sure that you do know.

MR. HUNT: You know them too, then?

MR. JORGENSEN: It says that whereas the Government of Manitoba wishes to hear the views of the citizens with respect to the regulation of property rights and lands within the province. Now it doesn't make any clear definition as to what citizens are to appear before this committee, whether they are the Chamber of Commerce, the Farm Bureau, or anybody else. This committee is set up to hear the views of everyone, not just the people who agree with you, Mr. Hunt, but the people who have opinions to express, and they have been expressing them as farmers, as leaders of organizations, and as other groups. This committee is going to be hearing all of those submissions with or without your consent.

MR. GREEN: Mr. Chairman, Mr. Chairman, on a point of order I would ask that Mr. Jorgenson stop badgering the person who has come to talk before the Committee.

MR. HUNT: Mr. Chairman, Mr. Jorgenson's badgering won't bother me a bit, and I didn't suggest, Mr. Chairman, that the Chamber of Commerce didn't have the right to make a submission. I said in my opening remarks that the fact that the Chamber of Commerce would make a submission that might influence the government with respect to agriculture policy frightens me; and that's my privilege. I didn't say they shouldn't make a submission. Mr. Jorgenson has some difficulty . . .

MR. JORGENSEN: . . .

MR. HUNT: That's quite all right with me if your views frighten me, in fact I am pleased.

MR. CHAIRMAN: Are there any further questions, Mr. Green?

MR. GREEN: Mr. Hunt, you are a farmer? You say you are retired so some of your land would be out on lease now.

MR. HUNT: I am one of these landlords.

MR. GREEN: You're one of these landlords. I have before me a lease which is printed in accordance with the short form indentures which is the way which we lawyers have of making everything not understandable to ordinary people, but all it means is that there is a statute which more fully sets out what the terms are, and I want to read certain clauses of this lease which is engaged in between private landowners, of which you are one, and their tenants.

"The lessee will repair according to notice. The lessee will not carry on on said premises any business or occupation which may be offensive or annoying to the lessor. He will in each year of the said term either put into crop or summer fallow, in good and husbandman-like and proper manner every portion of the demised premises which has been or shall hereafter be brought under cultivation; the summer fallow to be ploughed and worked in the proper season so as to keep it black until frozen up, and that he will properly summer fallow a certain number of acres in each year; that he will leave straw on the land unless requested by the lessor to burn it; that he will use his best and earnest endeavours to rid the demised premises of Canada thistle, Frenchweed, Russian thistle, Bumbleweed, wild mustard, and other noxious weeds. If the lessee makes default in cutting or in doing any other work which may be necessary in connection with properly farming said land, the lessor may have it done and retain an additional quantity of grain over and above the share hereinbefore reserved to cover the said cost of work. This remedy shall not prejudice any of the rights available to the lessor. The lessor or his agent may enter on the said land at any time . . ."

MR. HUNT: Excuse me, Mr. Chairman. You've lost me.

MR. GREEN: I'm just reading this lease to you, Mr. Landlord.

MR. HUNT: Okay.

MR. GREEN: ". . . the lessor or his agent may enter on the said land at any time for inspection" - and I would ask you to note that it doesn't say and "reasonable" time which is something that we have been told is a terrible thing for the government to do. And then it says, "Proviso for re-entry, re-entry by the lessor on non-payment of rent or non-performance of covenant." Now again that merely means if the lessee does not obey any of these things the lessor has the right to cancel the lease and re-enter the land. Now I am not criticizing this, I think that this is a protection that a landlord is entitled to and needs. Is this lease any more beneficial or humanitarian or protective of the rights of the lessee than the lease that is now being offered by the Manitoba Agricultural Credit Society, in your opinion, or do you know?

MR. HUNT: Well it seems to me that that one had covered every contingency that could possibly arise.

MR. GREEN: I didn't read them all.

MR. HUNT: You didn't read them all, but if I could just say so for Mr. Green's benefit and while he termed me as a landlord, and I guess I am, well I know I am, I don't know anything about that kind of paraphernalia; I never had a lease with my tenants, he just agreed to rent my land, and I agreed he could rent it, and he'd give me 1/3 of the crop, and I'd pay for 1/3 of the fertilizer, and nothing was ever written down, to this day.

MR. GREEN: So he had no tenure on your lease; in other words, next year you could say the arrangement is off.

MR. HUNT: That's right, or he could quit and I don't have any renter.

MR. GREEN: Right.

MR. HUNT: But that didn't happen.

MR. GREEN: No, I rather expect it wouldn't happen with you as the landlord, Mr. Hunt; and your views do not frighten me, I want you to know that, because apparently it has become the custom for Committee Members to tell people that their views frighten them or otherwise.

MR. CHAIRMAN: Mr. Spivak.

MR. SPIVAK: Just on one point, Mr. Hunt. Have you ever examined the lease put out by the Manitoba Agricultural Credit Corporation?

MR. HUNT: No I haven't, but I know something about it. I haven't had a copy of the lease made available to me but I do know something of how . . .

MR. SPIVAK: In principle, Mr. Hunt, do you believe that there should be family continuity of the farm?

MR. HUNT: You know in the farming business, Mr. Chairman, nothing is all black and all white. Now I do believe in the concept of - I believe, yes. The answer to your question is yes, Mr. Spivak, but there are limits to everything. I don't believe that you can have family farms quite in the same way as we had them 50 years ago maybe, but in a general way I think the concept of the family farm is the right concept, not only for the welfare of the farmers but for other parts of the community.

MR. SPIVAK: Do you believe the leasing arrangement should provide protection for the family continuity of the farm that the Government offers?

MR. HUNT: Well it would seem to me while I'm not in a position to determine in detail the points in the government lease, and I haven't read it, but I would think that would be desirable if there could be some protection for the person who was leasing the land to have some continuity.

MR. SPIVAK: Do you think that in terms of the recommendations this Committee should make with respect to an option that would be open for a farmer to lease land, or to be able to come to a financing organization, or a financing arm of government, to be able to buy land in his own right and in turn have a mortgage presented, do you believe that the provision should have protection for the farmer, protection for the widow in the case of death, to be able to have family continuity?

MR. HUNT: Well not being in the life insurance business I couldn't go that far. I wouldn't know that. But if I could just add a comment. I do not believe that it's beneficial to the farmer, to the man who buys the land, to do as you suggested, to go to a mortgage company and borrow the money and pay the mortgage company interest on it, which he has to naturally, and buy the land and try to pay that mortgage off. I tried that. I don't think that's the way to do it. I think under the circumstances that prevail today when land is so high priced, and equipment's so high priced, the young men that want to start farming I think there's no way they can start farming unless they are able to lease some land from somebody to see if they can make a go of it, see how successful they can be, and to see if they can accumulate a little capital. It seems to me that would be the proper way to start. In fact I did that most of my life. I thought it beneficial to lease some land.

MR. SPIVAK: Do you not believe that the farmer should have a freedom of choice to make that decision though?

MR. HUNT: Oh yes. Oh yes.

MR. SPIVAK: Do you believe that the government should offer both options to him or just one?

MR. HUNT: Offer both options of what, a leasing and buying?

MR. SPIVAK: A leasing and buying or financing . . .

MR. HUNT: I see nothing wrong with that.

MR. SPIVAK: No, no, but I'm saying, should the farmer be in a position through the government financial agency to have both options open to him, if he wants to make the choice of whether he wants to in fact buy the land and mortgage rather than have the only option of just being able to lease the land from the government who will buy it?

MR. HUNT: I think that would be a good idea. I see nothing wrong with that. In fact, Mr. . . .

MR. SPIVAK: No. But you see nothing wrong with having the alternative options open to him?

MR. HUNT: Yes. I see nothing wrong with that. And it's a fact, Mr. Chairman, I am amazed at all the hullabaloo about the government in the newspapers and everywhere else, about the government taking over all the land. I don't . . .

MR. SPIVAK: Do you realize that option doesn't exist?

MR. HUNT: . . . just a minute.

MR. SPIVAK: Do you realize that option does not exist . . .

MR. HUNT: Mr. Chairman, do I have the floor?

MR. GREEN: . . . of course, that's not so. It exists from two governments.

MR. SPIVAK: Yes but my point is . . .

MR. GREEN: Well then don't tell him it doesn't exist.

MR. SPIVAK: Mr. Chairman, my point in just making that comment at this time is because your answer was given on the assumption, I think, . . .

MR. CHAIRMAN: Mr. Spivak, would you allow Mr. Hunt to answer the question.

MR. HUNT: I was speaking when Mr. Spivak interrupted me. Now if you - I wouldn't interrupt you when you were speaking.

MR. SPIVAK: No, I'm sorry. No I'm sorry, I thought that you were possibly misinformed, but go ahead.

MR. HUNT: I was going to say that I don't see what all the hullabaloo is about, whether the government owns the land or leases the land, because I know of no situation, or no condition, that could arise, no situation that could arise where any farmer has to sell the land to the government. If he doesn't want to sell it to the government, he'll sell it to somebody else. We have so many farmers and according to the press, and I think the press does - well excuse me, press gentlemen, but I think that you do exaggerate things sometimes - but I think it's been, probably that point's been exaggerated because what are the farmers frightened of? Those that want to buy their own land, I say God speed to you that's fine, but those that can't buy their own land then make it available to them, the way the government's talking about. So far as the government taking over all the land, if the farmers in this province don't want the government to own the land then they shouldn't sell the government any land and the Governments won't have any land, any more than they have now.

MR. SPIVAK: Mr. Hunt, would you think the farmers should be frightened of this particular clause which is contained in the leases that have up to this point been signed by the Manitoba Agricultural Credit Corporation with those farmers who have had to lease it from the government?

MR. HUNT: Excuse me. Had to lease it? Nobody had to lease it.

MR. SPIVAK: Well their option was only if they dealt - the only option they had if they dealt with the Provincial Government was that the government would buy it and they would have to lease it.

MR. HUNT: I understand one man who was opposed to the government being involved already had 17,000 and some acres leased from the government, 1,700 it doesn't make any difference.

MR. SPIVAK: Would you believe the lease should provide only a provision that 30 days after the death of the lessee if the death occurs during the months of January, February or December, the wife and the children must vacate the land.

MR. HUNT: I wouldn't want to get into that, I'm not a lawyer, you're a lawyer.

MR. SPIVAK: No I'm asking you on principle; it has nothing to do with any legal drafting, I'm asking in principle whether you believe that the lease arrangement which the government has with those farmers who, in your opinion, should take that option, which is the option of only having the government buy it so they would be free for all the other things, that there should be a provision which would provide that if death occurs during the term of the lease on January, February or December, that within 30 days the widow and the children must vacate the premises.

MR. HUNT: Must! Does it say must vacate?

MR. SPIVAK: Yes. Must vacate.

MR. HUNT: Well that seems rather harsh to me but not being a lawyer I haven't read that.

MR. CHAIRMAN: Mr. Adam.

MR. GREEN: Mr. Chairman, just before Mr. Adam takes the floor I want on a point . . .

MR. CHAIRMAN: Mr. Green.

MR. GREEN: . . . point of information so that I don't mislead the Committee. I read from provisions of a blank lease, and I want to make it clear that there are different forms of leases and different types of leases are entered into by farmers with their landlords with their tenants, all I was dealing with was one form of lease which is entered into. There could be innumerable different types of arrangements, and I didn't want to leave the impression with the Committee that that's the only lease that is entered into between landlords and their tenant, some may be worse, some may be better.

MR. CHAIRMAN: Mr. Adam.

MR. ADAM: Thank you, Mr. Chairman. Mr. Hunt, you are leasing your land out to another farmer, or what?

MR. HUNT: That's right.

MR. ADAM: Yes. Mr. Jorgenson has raised the question regarding the contract, the leasing contract that is now provided by MACC. He expressed quite a bit of concern about the lessor, that is MACC, would have the prerogative of cancelling the lease if there was poor husbandry practices made by the lessee. My question is, if your tenant was a poor farmer and as a result of this you were not getting a full return on your land, would you allow him to continue or would you look for another lessee?

MR. HUNT: No, I certainly would not allow him to continue if he was a poor farmer and didn't cultivate the land properly. I know I wouldn't so . . .

MR. ADAM: Therefore do you think that this particular clause in the MACC contract, which suggests that if the tenant does not practice good farming methods that the MACC may cancel the contract. . . .

MR. HUNT: Well I think it would be nonsense if it didn't have some kind of a condition like that.

MR. ADAM: Thank you. I have another question, and I know that you must know that the Province of Nova Scotia has the good Liberal Government there . . .

MR. HUNT: I heard that.

MR. ADAM: . . . and that's a free enterprise government I presume.

MR. HUNT: At its best. I travelled through that country once.

MR. ADAM: They have signed a new leasing, land leasing agreement there with the Churchill Brothers on January 24th, 1975. I wanted just to read one paragraph of the information here. Mr. Hawkins the Minister of Agriculture for Nova Scotia said the policy was designed to meet the requests of farmers, farm organizations and citizens' groups interested in land-use planning to protect and preserve good farmland that is going out of agricultural production. That is one of the reasons for their land-lease program, but they have gone in full scale ahead with the land-lease program in Nova Scotia.

MR. HUNT: Well, what's your question?

MR. ADAM: Do you think that the present land-lease that we have here is a good thing, and I think you do?

MR. HUNT: Yes, I think it's a good thing. I see no reason why the government should not buy land from those farmers who wish to sell to the government. I wouldn't compel anybody to do this, I'm a great advocate of freedom of choice. I wouldn't advocate that anybody compel them but if a farmer - if I wanted to sell my land to the government that would be my business, that would be my deal, it's up to me; I don't have to sell to the government if I don't want to, and I think that's a good idea.

MR. ADAM: We've had two briefs presented to us, and very strong briefs I would think, regarding the licensing of farmers to close some of the loopholes of non-farmers getting into, the speculators getting in. Do you think that that would - have you any opinions on that?

MR. HUNT: Yes I do have an opinion on that. Mr. Chairman, just bear with me a moment. I have a strong opinion on that. Everybody else, the lawyers are all licensed, I believe you can't practice law without a license, you can't be a doctor without a license, and you can't hardly do anything without a license. One time I was coming in from the airport, was on the limousine, and there's a whole bunch of fellows from Vancouver coming to - I didn't know who they were but they were medical doctors coming to a convention in Winnipeg - and one of these medical doctors asked me what did I do, and I said, "I'm a farmer", and he said, "Oh, I'm a farmer too". I said, "How come you're a farmer? What business have you got farming? I thought you were a doctor." I said, "You won't let me practice medicine, you fixed it, but there's no reason why you can't be a farmer and compete with me." He says,

(MR. HUNT cont'd) "Well of course you can't practice medicine. Do you know anything about that?" I said, "I expect I know as much about it as you do about farming." I know why some of these fellows are farmers, and I don't need to go into that here now because you know too.

MR. ADAM: So then, Mr. Hunt, you would be in favour of licensing the farmer.

MR. HUNT: I see nothing wrong with it.

MR. ADAM: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Henderson.

MR. HENDERSON: Thanks. Mr. Adam's asked one of my questions. The other thing is you speak about your landlord, yourself, and your. . . .

MR. HUNT: Don't hold that against me now, I can't hardly help that.

MR. HENDERSON: No I don't hold it against you, in fact I'm glad to hear that you are. I'm left foot as you know.

MR. HUNT: I know, George.

MR. HENDERSON: Yes. But you're referred to in this book as an absentee owner and . . .

MR. HUNT: Who referred to me as an absentee owner?

MR. HENDERSON: I think this book does. Anybody that doesn't live on the land that they're working has been referred to as an absentee farmer, landlord.

MR. HUNT: Okay. I live in the town, maybe I'm absentee, I didn't feel like I was, but go ahead.

MR. HENDERSON: I'm glad also to hear that. One of the people that presented briefs stated that even this should be stopped, that everybody that was a farmer should actually be out there on the farm. I don't suppose you'd agree with a principle like that.

MR. HUNT: Well I think there comes a time in a man's life, and that's the way I made my living all my life, and when I got so old from hard work that I couldn't stoop over any more and I couldn't stand up straight, either one, then I thought it was time to hire somebody to run my farm and I would still own it, and I hired people, you know, to help me. I don't see anything wrong with that.

MR. HENDERSON: Yes. Well that's in the hiring, but even if you were to own it and rent it to somebody, you know. One of the briefs we heard the other day at Arborg said that nobody should farm unless . . .

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

MR. USKIW: I think Mr. Henderson wouldn't want to carry on with the kind of statement that he gave Mr. Hunt, which is in fact a misunderstanding of the statistics that he has. The statistics reflect the fact that people living in a rural municipality are resident farmers or owners, even if they live in a town within a municipality. It's only the City of Winnipeg and the City of Brandon that are excluded from that definition. So that you are incorrect in implying to Mr. Hunt that he would be considered a non-resident landlord.

MR. HUNT: Well, then, Mr. Chairman, I'm back a resident again.

MR. USKIW: That's right.

MR. HUNT: Very nice.

MR. CHAIRMAN: Mr. Henderson, proceed.

MR. HENDERSON: But you don't really see much difference in whether you lived right there or whether you lived in Brandon or whether you did live in Winnipeg?

MR. HUNT: Difference to who?

MR. HENDERSON: Like in your opinion on these leases on ownership. Whether you're a landlord that lives just right in that municipality or whether you live in another municipality or whether you do live in Winnipeg, I don't suppose you see much difference in it.

MR. HUNT: Now don't imply that I live in Winnipeg because I don't.

MR. HENDERSON: No, I know, but I'm just trying to put the question that way.

MR. HUNT: Well if you leave the Winnipeg part of it out I don't see any difference whether you live actually on the farm, whether you slept there at night, or whether you went out there in the daytime to work from town.

MR. HENDERSON: No. I'm referring to a person that maybe he just rented his land and moved to Winnipeg rather than move to his local town. There's nothing wrong with him moving to Winnipeg when he's through farming, if that's his choice, and I mean he should be in no different position to a person that just moves to his local town.

MR. HUNT: I wouldn't quarrel with you about that. You know I don't care, I don't care who owns the land; I don't care whether some people say we shouldn't sell the land to the

(MR. HUNT cont'd) Americans, the Czechoslovakians, the Polish . . . Some of the best farmers I know are Polish and Czechoslovakian and German, and what have you, and I have no objection to selling them land provided that they buy the land as farmers and they come here and they farm the land. Now if the man who bought the land happened to be 65 years old when he bought it and he wanted to hire a man to help him do the work, I think he's still a farmer.

MR. HENDERSON: You are opposed to him buying that land though if he isn't in this country, are you, or do you think it's all right as long as there's people living on that land and working that land?

MR. HUNT: That is absentee ownership in my opinion and I'd be against that. I'd be against people from all over the world buying land in Manitoba and renting it out to some poor devil trying to make a living out here. I wouldn't like that, or whatever kind of a deal they'd have with him.

MR. HENDERSON: Well I think I'll let Mr. Green put the questions to you on that one because he usually puts them to any other person that says that. So I think maybe Mr. Green will question you on that because he differs with that one.

MR. GREEN: I can hardly resist the invitation.

MR. CHAIRMAN: Order please.

MR. HUNT: Mr. Chairman, Mr. Henderson says that Mr. Green differs with him. Well that's quite all right with me I don't care if they differ, but I'm not sure that I know what Mr. Henderson's question is?

MR. HENDERSON: Well, my question is this: what is the difference between an absentee landlord whether he lives in your local town or whether he lives in Winnipeg or whether he lives in, shall we say United States . . .

MR. HUNT: Or . . . Oh, I see quite a difference. I don't think we should have -- I think I answered that question. I don't believe it's good policy although, you know, I don't know everything like some -- well anyway, I don't know everything, and I would think just off the top of my head that I would not favor people coming over here from the United States or Europe or Asia or someplace and buying land just with the idea of renting it out. You know, that isn't why they buy it, they buy it because they think they are going to get a capital gain on it, that's the trouble, otherwise it wouldn't be too bad, but I'm not in agreement with that.

MR. HENDERSON: If you are not in agreement with that, what do you think of people then that buy other things in Canada, or in Manitoba, and do it with the idea of capital gain?

MR. HUNT: Well, Mr. Chairman, are we dealing with other things or are we dealing with land this morning?

MR. HENDERSON: Well I mean if you are going to put it on one product though you would probably . . .

MR. HUNT: I didn't suggest, George, that it should be illegal. I didn't suggest that in my view that I'd make a law against it but if there was some legislation preventing these people from doing that, I would be in favour of that legislation.

MR. HENDERSON: Right across the board then?

MR. HUNT: Yes. I wouldn't want people to come in here from -- capitalists from far away and buy land with the idea of holding the land and hoping to get a capital gain on it. I don't want to get into -- and the City of Winnipeg has had some little trouble with respect to -- I don't want to get into that because that's outside my field, but I'm opposed to that too even in the city.

MR. HENDERSON: Okay, thanks.

MR. CHAIRMAN: Mr. Bostrom.

MR. BOSTROM: Mr. Hunt, you mention in the first part of your brief that, I believe the term you used was that if the Manitoba Chamber of Commerce was taking the side of farmers that this was like a sheet anchor.

MR. HUNT: Do you know what a sheet anchor is?

MR. BOSTROM: Yes, I know what a sheet anchor is. Could you elaborate on that a bit? What exactly do you mean?

MR. HUNT: Yes, I could, I'd be happy to. I was invited, I thought as a guest, a couple or three years or so ago, to speak at the Winnipeg Chamber of Commerce, and I was never treated so rudely in my life. Now, of course, that was their privilege. But in any event there was some cattlemen there - they claimed they were the spokesmen for the cattlemen -

(MR. HUNT cont'd) and this debate really got rough, it got tough, and this spokesman for the cattlemen, he said, "Mr. Hunt, all we want is for this government to leave us alone." That's exactly the words he used. "All we want this government to do is leave us alone." And now I hear that very recently these cattlemen have been running to the government, they not only want, and I believe didn't get from the government, was some interest-free loans, maybe a maximum of \$20 million, but I understand they're down there trying to get some grants.

Now this seems to be why I have no faith in the Winnipeg Chamber of Commerce. These people no doubt were spokesmen, members of the Winnipeg Chamber of Commerce, and if they are so inconsistent that just recently all they wanted the government to do was leave them alone, cattle were rising you know, you remember that, cattle were a good price, barley was cheap, make lots of money feeding . . . cattle, and all they wanted the government to do was leave them alone, don't touch anything, and now the inconsistency of this is appalling. They go to the government and they not only want to borrow money from the government, they don't want to pay any interest on it; and furthermore, now I understand and I'm quite sure it's true, that some of these same cattlemen have been wanting the government to give them a grant - I don't know how much but quite a bit anyway. You can't have it both ways. I wish they would make up their mind, and that's why I have no confidence at all in the Winnipeg Chamber of Commerce.

Now the Winnipeg Chamber of Commerce has been here, I think, for nearly a hundred years, and I may be wrong about that but they've been here a long time anyway, and no doubt they've been presenting briefs to governments all the time, if they didn't, they should have been if they claim they're working in the interests of the farmers, but God forbid, I don't want them helping me. But anyway, they were presenting briefs in the interests of the farmers and we had a hundred years, and if their brief did any good and if the government acted on their brief, what are we doing here today? Are there still problems? You would think that the problems would have been solved, at least some of them.

And I want to speak just a minute . . .

MR. CHAIRMAN: Mr. Hunt, if I may draw you back to the . . .

MR. HUNT: I was just answering the question, Mr. Chairman.

MR. CHAIRMAN: Well I . . .

MR. HUNT: Mr. Chairman, could I just say one more word. I was critical of the Farm Bureau too.

Now I would just like with your permission, Mr. Chairman, to say that I am not suggesting that everything the Farm Bureau does is wrong, and I think in their brief there were a great many very good points, but this same Farm Bureau in my view has been a dead weight on the backs of the farmers for a long time. During the Diefenbaker regime, Mr. Diefenbaker brought in some of the best legislation that was ever brought in for the farmers in this province, and that was the cash advances on farm stored grain and I'm quite sure the Farm Bureau even voted against that. Now can you imagine that. And why should I support them?

Now they say in their brief - they don't even tell the truth in my opinion - they say in their brief that they represent most of the farmers in Manitoba. They don't represent all the farmers in Manitoba excepting from those organizations that belong to the Farm Bureau, and the line elevator companies, they don't represent -- are there no farmers hauling grain to the line elevator companies now? I think some people do. They don't represent them. And I want to go on record, Mr. Chairman, they do represent me but I'm under duress, they do it under duress. I don't want to be represented by them but it's impossible for me to be a Member of Manitoba Pool Elevators or one of the Federated Co-operatives without being their member. But I have done all I could down through the years to get the pool elevators to take the grant away from them, but I wasn't successful.

MR. CHAIRMAN: Mr. Watt.

MR. WATT: Mr. Chairman, I'd just like to ask Mr. Hunt if in his opinion the government as a lessor, leasing land to the lessee, if this government or any other government as far as that is concerned, are in the position to decide at the end of a period of time whether a farmer is making a proper job running his business or not? In your opinion, can a government make that decision? Are they in a position to make that decision, not only on farming but any other business?

MR. HUNT: I would say in answer to your question, if the government owns the land they should have a right to make the decision whether the person who was farming the land

(MR. HUNT con't) was actually farming it satisfactorily. I reserve that right to myself as a landlord; I own the land and if my renter doesn't farm the way I think he should farm, I'll get another renter. I think . . .

MR. WATT: I'll ask a further question then, Mr. Hunt. You have experience in farming?

MR. HUNT: A little bit. It wasn't altogether unsuccessful either.

MR. WATT: But you didn't lease your land, as a lessor you didn't lease to somebody that you weren't damn sure that was going to farm properly. Is the government in the position . . .

MR. HUNT: Well in this uncertain world you can't be sure of anything but I did the best I could in that respect.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, I wasn't going to proceed but I would be conspicuous by my absence to Mr. Henderson, I can't resist the invitation. I, first of all, tell Mr. Hunt that I have been asking this question throughout my life, not merely through these Sessions of the Legislature, because people have been making statements about foreign ownership which I cannot understand, so I will ask the question. Do you see any difference between a man in North Dakota buying four sections of land in the Swan River Valley, which he never intended to farm and which he was going to rent or do otherwise with, and a man in Cape Breton buying four sections of land in the Swan River Valley which he never intended to farm and he intended to stay in Cape Breton?

MR. HUNT: No, I don't see any difference.

MR. GREEN: Well then if that's your answer then I have nothing further because I don't see any difference either and have never been able to.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: . . . follow a question, Mr. Hunt, and that is, since there's no difference between those two individuals let me add a third dimension. What about the individual that happens to live in Winnipeg but bought the same four sections of land in Swan River with never any intention of farming it but mainly to either speculate on its value or to lease it to farmers in the Swan. What is the difference between a resident of Winnipeg doing that and a resident of North Dakota, or the resident from Cape Breton?

MR. HUNT: Well you could carry this almost to any extent. You could get up as far as Dauphin if you wanted to and let a man buy land in Swan River, and what I am going to say isn't based on any reasoned position with respect to this question, but if I had to make a decision someplace, you could make a line some way, or who you're going to lease it to or sell it to, I would prefer that we would do business with the man who lived in Winnipeg rather than the fellow in North Dakota. You have to make some decision with respect to how far you're going to carry this question. For instance, Mr. Uskiw, suppose I carry it further, what if the man in Dauphin wanted to buy?

MR. USKIW: Or Swan River?

MR. HUNT: Yes.

A MEMBER: But no intention of farming.

MR. USKIW: But no intention of farming.

MR. HUNT: Well I would personally, if I had to make a decision, if I had to decide for one of the three, which I wouldn't, but if I had to I would decide for the fellow in Winnipeg, but I think he has no more right than the man from North Dakota.

MR. USKIW: Let me put another proposition to you then. Assuming those individuals had the capacity to buy up a million acres of Manitoba farmland, one living in Winnipeg, one living in Cape Breton, and one living in North Dakota, all who intended to lease this land back to the farmers of the respective communities where they bought the land, do you see that as a good trend or a bad trend, or are you indifferent on that question?

MR. HUNT: No, I think that's a dreadful proposition.

MR. USKIW: Including the owner in Winnipeg.

MR. HUNT: That's right. I wouldn't lease -- what did you say, a million acres?

MR. USKIW: Yes. Well any amount.

MR. HUNT: No, I wouldn't do that, I would be opposed to that.

MR. USKIW: So then would you agree with me that if we were thinking in terms of legislation on absentee ownership that, with some provision to allow for the retiring farmer to continue to own the land and lease it back until he is no longer here or the widow of that farmer,

(MR. USKIW cont'd) that circumstances of that nature, that apart from that consideration, that legislation should be really uniform to apply equally against the man in Winnipeg, Cape Breton or North Dakota, if their intent was to gobble up the land in Manitoba for purposes of speculation or lease back to farmers in Manitoba ?

MR. HUNT: Well I think I just said that I think it should be the same for all three of those people.

MR. USKIW: Now the Leader of the Opposition questioned you on whether you had some insight into the present lease or the contract of the MACC and the lessees of Manitoba under the new program, and you indicated you were not familiar, and he tried to dramatize to you the problem of one of our lessees passing on before the expiry of his lease, and when it happens within a certain period of time in the year that within so many days that person, or the people who are living there, would have to give up that holding. The intent of that of course is to find a lessee early enough so that we don't lose one production year, and the intent is that if another member of the family wants to apply for the lease that is probably I'm sure, and in almost all cases will be, the person that would be considered first, but don't you think it's reasonable that we have a termination date so that, (a) there is production on that farm without interruption, and that the province doesn't lose one year of revenue on that lease.

MR. HUNT: Oh, yes, certainly, Mr. Uskiw, I agree with that. And Mr. Spivak's question that you say was put dramatically, I understood the situation exactly. I think that you have to have a termination of the lease because the fellow who had the land leased died.

MR. USKIW: That's right.

MR. HUNT: He terminated, not you, he died. And then, do you take it from there ? If you want to re-lease it to somebody, I would hope that preference would be given to some member of the family of the deceased lessee. Does that answer your question ?

MR. USKIW: That's the point.

MR. CHAIRMAN: Mr. Spivak.

MR. SPIVAK: Then I take it, Mr. Hunt, what you're saying is that insofar as protection is concerned, the rights of the state are more important than the rights of the individual farmer and his family.

MR. HUNT: The rights of the state have nothing to do with it, that's a fact of life no matter whether it's the state or whether it's an individual.

MR. SPIVAK: No, but I'm talking now about the state. I don't care about another individual leasing. I'm saying that insofar as you're concerned at this particular time you're prepared to say the protection should be for the right of the state as opposed to the individual farmer and his family ?

MR. HUNT: You can't get me to say that, Mr. Spivak.

MR. SPIVAK: Well that's in effect what you've said.

MR. HUNT: No, that isn't what I said.

MR. SPIVAK: Oh, yes, Mr. Hunt, that's exactly what you've said.

MR. GREEN: Don't tell him what he said.

MR. HUNT: That's all right, I don't care who badgers.

MR. GREEN: I don't want Mr. Spivak telling the person what he said. I mean that's badgering the person who is before the committee.

MR. SPIVAK: Well, Mr. Chairman, I realize that Mr. Green is suffering from some kind of paranoia but I don't think we have to be inflicted with that.

MR. GREEN: Mr. Chairman. On a point of privilege, Mr. Chairman. Various members of the Conservative caucus have referred to my questions, which I would be quite happy to have Hansard show what they were, as badgering the person before the committee and I see that they cannot take it, and that they may not have paranoia but they are schizophrenic.

MR. CHAIRMAN: Mr. Spivak, proceed with your questions.

MR. SPIVAK: Mr. Chairman, on the point of order, I think that the members of the committee can take it, it's a shame that we have to inflict it on the public though, and I think that again . . .

MR. GREEN: Mr. Chairman, where does this paranoia . . .

MR. CHAIRMAN: Mr. Spivak is on a point of order.

MR. GREEN: Then don't inflict it on the public.

MR. SPIVAK: Mr. Chairman, I think that the question that was put to Mr. Hunt, and Mr. Hunt can then deny that that's his position, but I again want to put the question and we'll

(MR. SPIVAK cont'd) leave it, and then the records will show the answer given to Mr. Uskiw initially, and his answer given to my question. In the case of the state, who are acting as a lessor, do you believe that the rights of the state are more important than protecting the rights of the individual farmer and his family?

MR. HUNT: I will not answer they are or they are not because the question isn't pertinent to what we're discussing. And don't worry . . .

MR. SPIVAK: Do you think it's fair that a widow and their family will have the lease arrangement which will provide that the lease is terminated within 30 days if death occurs in the months of January, February and December, regardless of whether a crop year may be lost?

MR. HUNT: Ask the question again?

MR. SPIVAK: Do you think that the lease that the government provides for the farmer should have a clause which says within 30 days it shall be terminated if a farmer dies during the months of January, February or December even if a crop year was to be lost?

MR. HUNT: Well certainly because the lease was with the person and the person died, so the lease died with him, I would suppose.

MR. SPIVAK: Well then I ask you again, Mr. Hunt, do you believe in family continuity of the farm?

MR. HUNT: I think it's a good thing.

MR. SPIVAK: Well there is no protection other than the goodwill of the government and nothing stated in the legal document that was provided. Do you think that's fair?

MR. HUNT: I think it's all right the way it is because certainly the government or nobody else - now you don't want to talk about anybody except the government - but the government would have no motive to kick this widow and her children off, provided some member of the family were competent to farm the land.

MR. SPIVAK: Well do you think that the farmer should have his widow and family left to the goodwill of the government, or should he have his rights for succession of family continuity protected?

MR. HUNT: No, you can't protect it because the man who leased the land died - and that wasn't the government's fault either.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, I'd like to ask, Mr. Hunt, you indicate you're a retired farmer?

MR. HUNT: That's right.

MR. GREEN: And you still have land which is being farmed?

MR. HUNT: Yes, that's right.

MR. GREEN: Would you consider yourself by profession a farmer?

MR. HUNT: Well that's what I've always -- not all my life. I used to teach school and a few things like that, but I am a farmer for about 40 years now. If that makes me a farmer well then I should be one.

MR. GREEN: Mr. Spivak has been quoted as saying that the farmers of Manitoba fear public ownership of land much more than they fear foreign ownership of land. Was he speaking for you when he said that?

MR. HUNT: No, he was not speaking for me because I don't have to sell my land to anybody, a foreigner, the government or anybody else if I don't want to. So there's no problem. I don't know what all this hullabaloo's about.

MR. CHAIRMAN: Mr. Adam.

MR. ADAM: Thank you, Mr. Chairman. I wanted to ask you a question arising out of the comments that Mr. Spivak made. You are leasing your land to a tenant as you mentioned a while ago. If that tenant died on your land, if he died, passed away, and there was danger that the family could not continue the operation, would you consider the contract to be void then?

MR. HUNT: The contract would be void because I only have a contract - I don't have a contract but I have an understanding with the farmer. Now if the farmer in my particular case should be so unfortunate as to die - it would be unfortunate for me too because he's a good farmer - but if he died then they don't have the land-lease anymore, and his widow wouldn't want to lease the land in my particular case because she wouldn't be able to farm it.

MR. ADAM: So in other words there is no protection insofar as your contract is with your tenant, to the family?

MR. HUNT: There's no protection and unfortunately . . .

MR. ADAM: But if there was a possibility that the son or the family could continue, you would probably . . .

MR. HUNT: I would be happy to consider them.

MR. ADAM: Thank you very much.

MR. CHAIRMAN: Thank you, Mr. Hunt. That will be all.

MR. HUNT: Is that all?

MR. CHAIRMAN: That is all, thank you.

Dr. Jack Hare, Winnipeg Chamber of Commerce.

DR. HARE: Mr. Chairman, and members of a Special Committee on Land Use of the Manitoba Legislature. The Winnipeg Chamber of Commerce welcomes this decision of the Legislature to establish a committee on land use and understood that the committee would have a White Paper for general discussion.

The Working Paper prepared by the Department of Agriculture is perhaps a starting point for discussion but it falls far short of what is normally contained in a White Paper. We are disturbed that the committee would, on very short notice, hold hearings on this Working Paper and by reports that this might lead to legislation or at least recommendations at the next Session of the Legislature.

We submitted that statement in a letter to the Chairman of this Committee about two weeks ago before we were aware that there would be any further hearings in Winnipeg, and since that time of course this present hearing has been arranged. However that statement still holds and I'll continue with the brief which has been presented subsequently by the Agricultural Committee of the Winnipeg Chamber of Commerce:

The Winnipeg Chamber of Commerce, in reviewing the working paper on land policy, notes that the basic theme emerging from the paper may perhaps be summarized in the following manner:

1. Competition for land, sparked by purchases on behalf of non-residents and foreign investors, is forcing up the price of land;
2. As the price of land increases, a number of secondary problems emerge:
 - (a) Beginning farmers have great difficulty in becoming established, thus encouraging a growing trend to rental arrangements as a basic tenure system;
 - (b) Under the Landlord-Tenant relationship, the landlord receives disproportionately greater returns, thus leading to still more inequitable distribution of income;
 - (c) The increasing degree of land held by non-residents will mean that greater quantities of income will be siphoned out of a local area and hence the local economy will suffer;
 - (d) Higher prices for land coupled with current credit restraints means that the larger farmer can compete more effectively for land coming on the market thereby creating a continually greater imbalance as between farm sizes;
 - (e) As farms become larger, there is a tendency towards a more extensive type production which is not only less efficient, but also contributes a smaller total value of production to the community and to the province;
 - (f) Larger farms mean fewer farm numbers with the result that the economic well-being of rural areas will decline at a progressively faster rate; and
 - (g) Rising land values increase the costs of production for all farmers, thus decreasing potential net income to the industry.

Having stated this cause and effect argument, the paper then strongly implies that if Manitoba is to encounter a growing proportion of land in the hands of non-residents (the landlord-tenant syndrome) then a more appropriate alternative would be for the state to assume ownership of farm land. This would presumably offer several advantages:

- (a) Size of farms could be more equitably distributed, thus leading to a better distribution of income;
- (b) By reducing farm size, the combination of greater farm numbers, increased efficiency of operation and more intensive production would substantially increase the economic viability of both the rural areas and the province as a whole;
- (c) Farmers leasing state owned land would not have to accumulate the principal value of the land holdings, and thus would be able to enjoy a higher standard of living; and
- (d) Government ownership of land would remove the value of land as a production input, thus preventing rising land prices from increasing farm costs of production.

(DR. HARE cont'd)

The Winnipeg Chamber of Commerce is strongly of the view that the foregoing line of thinking as extracted from the working paper is based on a number of assumptions which are either subjective in nature, or inaccurate in point of fact. The Chamber wishes to identify a number of these erroneous or subjective assumptions for the purposes of further comment. These assumptions and the Chamber's reaction can be stated as follows:

(1) That efficiency of production decreases with the size of farm.

While the Chamber has no wish to "repeal" the law of diminishing returns, it respectfully suggest that the average Manitoba farmer is still well below an optimum size level and further, that many of the smaller farmers are very much less efficient than the larger size operations. Appendix "A" to this brief illustrates a point of view, using data presented in the working paper, but adjusted for obvious errors in judgment relative to the original data interpretation. In line with the evidence shown in Appendix "A", a move towards reduction in average farm size would substantially lower both the over-all volume of farm production and the related efficiency levels. How such a development could improve the economic well-being of any rural area under these circumstances is rather difficult to imagine.

(2) That Rising Land Prices are Due to Land Purchases by Non-residents.

The Chamber finds it difficult to accept the position that rising land values are largely due to non-residents purchases given the very substantial recent upswing in grain prices and the subsequently increased profitability attached to farming. Bearing in mind that foreign purchases to date account for less than one percent of total farm land, the Chamber suggests that while these purchases might have a marginal impact in some areas, the recent trend towards higher land values is simply an economic response to improved farm profits - a situation which now exists throughout those areas of Canadian agriculture where product price increases have expanded income levels. To lay the blame for rising land values on the non-resident investor is, in the Chamber's estimation, a very simplistic and unrealistic approach which totally disregards the economic developments within the industry over the past several years and perhaps even more significantly an approach which also ignores the net impact of the government's own involvement in land purchase.

(3) That Rising Land Values are Bad in an Economic Sense.

The Chamber finds it rather difficult to accept the premise that rising land values are bad for anyone but the seller. It suggests that the terms "good" or "bad" as used in the report have no relevancy in an economic sense and the movement in land prices is simply a reflection of the current economic environment. Indeed, it is most difficult to visualize a situation whereby land prices could be suppressed in a dynamic industry attuned to the marketplace. True, higher land prices are to the advantage of the owner of land who is selling. But doesn't every land owner become a seller at some point in time?

(4) That New Farmers Can No Longer Hope to Attain Ownership of Farmland.

This statement is hardly new! It's been stated with great regularity over many generations. And yet the proportion of new farmers entering the industry today is not appreciably different than it was in the previous decade as will be noted in the data contained in Appendix "B". The Chamber does not disagree that increased farm capitalization is placing greater pressures on farm ownership. It does, however, wish to suggest that this development simply calls for a new look at both the type of the farm organizational structure and the programs designed to bring new capital into the industry. The Chamber notes, for instance, that the report apparently chose to ignore the very real advantages that the corporate structure can bring by way of allowing the family farm to be transferred from one generation to another. Further to this, no consideration has been given to policy changes which would make it easier for the beginning farmer to attain ownership of an initial unit. In this regard, the Chamber suggests that much can be done to assist the beginning farmer by such avenues as income tax concessions on principal payments, mortgage insurance programs to attract larger amounts of private capital into the industry, moderation of debt moratorium legislation, credit guarantees subject to on-farm training programs and so forth.

(5) That the Landlord Tenant Relationship Represents a Growing and Undesirable Situation.

Considerable scope is provided in the working paper towards the end of providing both the growth in non-resident ownership and the undesirable aspects of such a development. The Chamber wishes to go on record as suggesting that the definition of a "non-resident" farmer

(DR. HARE cont'd) is grossly inadequate and further, that the present relationship between owned and rented land is not only compatible with the historical pattern, but in addition, represents a useful and fundamental role in the process of transferring farms between generations and in the basic acquisition of new farm operations. In elaborating on these points, the Chamber wishes to point out that in defining non-residents, the report has chosen to assume that land owners not resident in the area are not farmers. This is a most difficult assumption to accept, bearing in mind the very substantial number of farmers who maintain residences in centres other than where they farm. Unfortunately, having chosen to use this definition, the paper attempts to make much of the fact that so much of Manitoba's farmland is now in the hands of what are presumed to be non-farmers. In fact, however, the proportion of farm land held on a rented basis is not greatly different today than it was during the sixties. (Appendix "C"). Moreover, in many instances, this rented land simply represents a transitional stage between generations, with the son often renting part of his land from his father or members of his family.

As to the matter of non-resident land ownership, the Chamber finds it rather difficult to accept the viewpoint that rental payments going out of an area are necessarily detrimental to the well-being of the area in question. This approach would seem to be very parochial in nature and tends to treat agriculture as a regional phenomenon, a point of view not borne out by the very diverse and all-encompassing nature of the industry.

Finally, a concerted attempt has been made to indicate that in a Landlord-tenant relationship, the tenant is invariably and ultimately the loser. The Chamber cannot accept this point of view and suggests that the resulting rental contract at any point in time simply reflects the supply and demand for rented land - a situation which may favor the landlord on one occasion and the tenant on another. Furthermore, most rental agreements are so established that both landlord and tenant tend to gain from windfall gains just as they share in windfall losses.

In closing, the Chamber wishes to place itself strongly on record as favoring the concept of private land tenure, recognizing that this land system has been fundamental in the development of Canada's agricultural industry and is a basic element of our market oriented economy. It was the promise of private ownership of land which brought Manitoba the bulk of its settlers who established the basis for Manitoba's development. To suggest that the interests of the farmers would be better served by state ownership of land is to totally reject our society as we know it, and is a point of view totally inconsistent with both the wishes of the farming population and the infrastructure within which they operate. The issue of foreign land ownership, in the Chamber's view, is a point of some concern, but regretfully, the working paper has chosen to use this less than urgent problem as a pretext for exploiting the concept of government ownership of our rural land base. The Chamber submits that if the question of foreign land ownership is indeed a serious matter, then other ways exist to meet the problem - ways that fall far short of the measures implied in the working paper. Much more study and research is needed, however, before embarking on such a move and every opportunity should now be provided to attain this input.

TABLE 27

Redone, with High Value, Small Farms, Eliminated (i.e. up to 69 Acres in size)

Size of Farm Acres	No. of Farms	Average Improved Acres	Value of Product Sold per Improved Acre.	Average Value of Product Sold per Improved Acre	
70 - 239	6391	113 (279608)	Average \$ 36.12	Total \$ (10,099,440))
240 - 399	7739	237 (1834143)	24.54	(45,009,869)) Farms 70 -
400 - 559	6066	353 (2141298)	24.16	(51,733,759)) 76) Acres
560 - 750	4979	471 (2345109)	22.90	(53,702,996)) \$24.32
	<u>25,175</u>	<u>(6,600,158)</u>		<u>(160,546,064)</u>	
760 - 1119	4381	616 (2,698,696)	23.02	(62,123,981))
1120 - 1599	1910	817 (743,470)	22.45	(16,694,618)) Farms Over
1600 - 2239	653	1048 (684,344)	28.04	(19,189,005)) 76) Acres
2240 - 2879	207	1189 (246,123)	32.01	(7,878,397)) \$25.40
over - 2880	264	2024 (534,336)	44.27	(23,655,054))

APPENDIX "B"RATE OF NEW FARM ENTRY - MANITOBA

	1961			1971		
	<u>No.</u>	<u>%</u>	<u>Accumulated %</u>	<u>No.</u>	<u>%</u>	<u>Accumulated %</u>
Under 25	1,167	2.7	2.7	1,037	3.0	3.0
25 - 34	6,130	14.2	16.9	4,533	12.9	15.9
35 - 44	11,132	25.7	42.6	7,577	21.7	37.6
45 - 54	11,861	27.4	70.0	10,196	29.1	66.7
55 - 59	4,775	11.0	81.0	4,718	13.5	80.2
60 - 64	3,727	8.6	89.6	3,468	9.9	90.1
65 - 69	2,390	5.5	95.1	1,983	5.7	95.8
70 +	2,124	4.9	100.0	1,469	4.2	100.0

APPENDIX "C"CLASSIFICATION OF FARM OWNERSHIP - MANITOBA

(a) Area Classified by Tenure of Operator

	1961		1971	
	<u>Acres</u>	<u>%</u>	<u>Acres</u>	<u>%</u>
Owner	9,195,462	50.61	8,848,728	46.55
Tenant	1,365,088	7.51	917,059	4.82
Part Owner - Part Tenant	7,026,125	38.67	9,242,472	48.63
Manager	583,276	3.21	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	18,169,951	100.00	19,008,259	100.00

(b) Distribution of Acreage as Between Owned & Rented:

	1961		1971	
	<u>Acres</u>	<u>%</u>	<u>Acres</u>	<u>%</u>
Total Area Owned (all farms)	13,716,351	75.49	14,063,306	73.99
Total Area Rented (all farms)	4,453,600	24.51	4,944,953	26.01
	<hr/>	<hr/>	<hr/>	<hr/>
	18,169,951	100.00	19,008,259	100.00

(CANADA CENSUS 1971)

(DR. HARE cont'd)

In the letter which we sent previously to the Chairman of this committee we had a recommendation which I would like to present at this time because I feel it goes along with our presentation.

The Agricultural Committee of the Winnipeg Chamber of Commerce has discussed all the facets of the subject of land use and ownership in the time at our disposal. At this time - this was two or three weeks ago - we did not wish to submit a complete treatise on this subject as we did not have at hand accurate data and methods for assessing land use and ownership. We believe a considerable period of time is necessary to explore all the avenues and we recommend that a council on land use and ownership be set up by the government. Such a council should be an (a) political group consisting of farmers: small, large, grain, livestock; (b) rural councils; (c) municipal councils; (d) the Provincial Government and (e) those sections of agri-business which apply to the farm products.

The council should be given a time period of study of land use and ownership in Manitoba, possibly one to two years. A major objective of this council would be to prepare a factual report on land use and ownership with statistics that show a true and complete picture. Subsequently the council should present a suggested program for adoption to the Provincial Government Land Policy Committee. Such suggested program would then be given hearings at optimum locations within Manitoba so the report could be assessed, commented on and alternatives proposed by any individual or group within the province.

We would then recommend a permanent land use council be set up to administer a land use policy devised as above and to maintain current statistics and proposed changes as they might be required.

The Agriculture Committee of the Winnipeg Chamber of Commerce is continuing to study the Working Paper and would be happy to be a part of the council which we have proposed.

Respectfully submitted by the Agriculture Committee of the Winnipeg Chamber of Commerce.

MR. CHAIRMAN: Thank you, Dr. Hare. Are there any questions? Mr. Dillen.

MR. DILLEN: Mr. Hare, you have made reference this morning and prior to that on January 29th, you make reference in a press release in the Winnipeg Tribune which says that you object to the short notice given at the committee's first hearings a week ago Monday and you made reference again to that this morning, that you didn't feel that you had sufficient time with which to study the document. And yet you have come to us this morning with a seven page document which is your submission on behalf of the Winnipeg Chamber of Commerce. Then do you think if you felt that you didn't receive sufficient time, that you should have provided this Committee with your document in sufficient time that the Committee would have an opportunity to study it as well?

DR. HARE: I would have been very happy to, sir, except for the fact that that document was finished I believe about 9:00 o'clock last night. Now you will understand that when you are dealing with this type of a subject the people that are involved in putting this information together are working people. They don't have time, full time, to consider this subject as this Committee has - and paid for it. We have our other jobs to do. All of this is done in the evening, on weekends and is done on a voluntary basis, so that when we received this booklet it was on a Friday, the hearing was on the Monday following. Now if you feel that this is sufficient time for anybody to consider anything I would be more than happy to argue with you.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, Mr. Hare on that point that you just made, obviously it wouldn't be expected that having received a Working Paper on Friday that you would be prepared to present your views on the following Monday. And I don't think the Committee felt that people that were not prepared to do so should do so. The purpose of the Committee was to hold as many hearings as possible to accommodate the people who wanted to make their views known to the Committee. So to include that kind of inference in any statement is in my opinion somewhat unfair to the Committee, because it has been long known that this Committee was going to hold hearings throughout the province for a period of time. So the assumptions that there wasn't enough time to prepare a brief were erroneous from day one and could only be interpreted as being meant to reflect something on the Committee or the Government. It's unfortunate but that's the interpretation . . .

DR. HARE: Well it's unfortunate, too, Mr. Uskiw, and I appreciate your situation but

(DR. HARE cont'd) you also must appreciate that we are busy working people and that if I was aware that even this Committee was formed back in May of last year it had passed my mind and we had no notification, at least to my knowledge, in the Chamber of Commerce as to the time that these hearings would be held. We did not even have advance warning of these. So that when I came into a regular agricultural committee meeting on the Friday, was given this booklet and said, this is for a discussion on Monday, it did kind of take us back.

MR. USKIW: Well I think I have to pursue this a little bit more . . .

MR. CHAIRMAN: Order, Mr. Uskiw. I do not see any relevance in continuing this line of discussion about the lack of time. I think we should proceed with the presentation as made. The fact that there is some disagreement about insufficient time I think is not relevant at this time.

MR. USKIW: Well, Mr. Chairman, on that same point. The matter was raised by the gentleman before us so it is properly before the Committee. It is a subject matter of discussion since it was raised. Now, I simply want to . . .

MR. CHAIRMAN: Mr. Henderson, on a point of order. I believe Mr. Uskiw is speaking on a point of order. I'll take you next.

MR. HENDERSON: Okay.

MR. USKIW: The matter has been raised by Mr. Hare, he felt that he was under some duress to prepare a proper brief, he made those comments to us and I think it's fair that we should engage him on that point. And in closing on that point, Mr. Hare, I should make the observation that the Chamber of Commerce has presented briefs to standing committees of the Legislature for many many decades and I'm rather amused that the Chamber assumed for a moment that they would be denied an adequate opportunity to present their views again. I really can't understand that line of thinking.

DR. HARE: Well I also feel the same way, that we were somewhat concerned that if there was only going to be one hearing in Winnipeg, and you may recall when I stood up before this Committee at the hearing that we were then preparing a brief which we would have presented at Brandon if that was the only thing. We are concerned enough about this that we would have done this. Now as far as time is concerned, the gentleman that spoke first, I think what we are trying to infer as well as the shortness of time in which we have had to look at this Working Paper is the fact that I don't believe that there is sufficient time for consideration of this subject in the three or four weeks that we have been discussing it. And furthermore, there is certainly not time to put together the correct data, the correct facts to get the correct answers so that we have a true picture of the total land ownership and land-use situation in the province. And that is really what I was implying as well as the shortness of time at this particular time. We agree wholeheartedly with this Committee that there is at this time a very important need for discussion on this whole policy of land-use, more land-use than land ownership, but this is not the kind of a thing that can be done in a period of three or four weeks. We're looking at a period of perhaps three or four years.

MR. USKIW: Are you assuming for a moment, Mr. Hare, that the Committee is about to make recommendations on this question to the Legislature?

DR. HARE: We are concerned in that we're not sure what the Committee might do to the legislation knowing the way things have been going in the last couple of years. And so this is why we are very concerned. I think that . . .

MR. CHAIRMAN: Mr. Uskiw, order please. I believe you were speaking originally on a point of order. You proceeded with a question. Mr. Henderson your point of order.

MR. HENDERSON: Mr. Chairman, my point of order is this. That there's a discussion going on as to the amount of time, and the Minister of Agriculture has taken one point of view that there was going to be a lot of discussion on that, and my point is this, that at the time when the notices came out there was only three meetings published and nobody knew whether there was going to be more or not except probably the Minister and maybe a few on the Committee. But the public did not know. They didn't know how many meetings would be held before legislation was drafted, and this is what the gentleman is referring to.

MR. CHAIRMAN: Well if I may just mention that I did call Mr. Hare on the 23rd, I received a letter on the 22nd, I phoned him on the 23rd and indicated that I would be phoning him again after the Brandon meeting and I did call on the 28th. In fact I was sitting at the phone looking up his number when Dr. Hare phoned me and I told him at that time that there will be more meetings scheduled and we did indicate the next places. So I think this line of

(MR. CHAIRMAN cont'd) questioning is not really relevant. Let's proceed with the brief, Mr. Uskiw.

MR. USKIW: Yes, You made some comment about land values and you, I think, argue the point that, as I understand your submission, and you may correct me if you wish, that it isn't bad to have higher land values. You know I don't know how high you would go. But you made the comment that that is not in essence a bad situation. Let me suggest to you a possibility. If by some means land values in Manitoba were 50 percent or 100 percent lower than they were in Saskatchewan or Ontario or our competitive provinces, would that not put the product of our agriculture in Manitoba on the market in the importing provinces, which is eastern Canada by and large, in a better position from a point of view of our producers here, if they had an edge on the cost of production that would off-set the freight charges and everything else. Would that not be an advantage to Manitoba's productivity if they were able to compete because their costs of production were lower?

DR. HARE: Certainly, but I would think that you're talking about somebody from Ontario who sees that it might be advantageous for him to come out to Manitoba and farm.

MR. USKIW: No, no, I'm saying that we are producing beef and pork and poultry in Manitoba most of which we ship to eastern Canada. We export about two-thirds of each of those commodities, eggs and so on. If our inputs were lower than the inputs of the farmers in Quebec and Ontario, do you not see Manitoba as becoming a very much larger exporting province because of its low cost of production.

DR. HARE: Certainly.

MR. USKIW: So we would have a distinct advantage to increase our productivity here in the Province of Manitoba.

DR. HARE: If the cost of production including freight and so on was lower, absolutely.

MR. USKIW: Well then how would that be consistent with your observations in your brief that land prices if they are high is not necessarily a bad thing. Isn't that a contradiction?

DR. HARE: Certainly, if they're obviously out of line with other parts of the country, certainly. But don't forget that the reason why we have higher land prices this past year is because we've had higher grain prices. A very interesting point would be, what would happen if in the coming year we had a decreasing price situation, and the way things are going, we might very well have a very low return on grain in the next year. Now under these circumstances how do you apply these . . .

MR. USKIW: My whole assumption is based on a theory that some mechanism could be put in place, for example, that would maintain your production costs per unit lower here than they would be maintained say in Ontario or Quebec where the free market will determine that. Isn't that an advantage if your costs were somehow predetermined to be lower than the costs of production in Ontario or Quebec, in the raising of pork, in the raising of beef, in the raising of eggs?

DR. HARE: Certainly, but if the prices of the products are higher in Manitoba they're probably going to be higher in the east as well.

MR. USKIW: No, but my point is, sir, if we had a law that said an acre of land in Manitoba is worth \$1.00 - I'm just putting a hypothetical case for you - but the free market determine that an acre of land in Ontario was \$500, where would the production shift to?

DR. HARE: Manitoba.

MR. USKIW: Manitoba. So therefore it's not all good to have high land prices from the point of view of Manitoba participating in a greater way in greater productivity and being a larger exporting province.

DR. HARE: Higher land prices as contrasted to the statements in the Working Paper can be closely related to prices of products at that particular instance and this is what we have at this particular point in time, and I'm saying that if the product that you're producing on a farm is high in value then higher land values do not necessarily hurt that product, and in a period as we have now both an increasing demand and higher prices and an inflationary situation, it's been very fortunate that the grain prices have been high in the past year.

MR. USKIW: I put to you, sir, that we have a couple of very serious disadvantages in competing with production in eastern Canada. One is the freight system and the other is the market, the bulk of the market for food consumption is in two provinces. Therefore, what tools should Manitoba employ to offset that disadvantage in order that we can increase our productivity rather than to always suffer the consequences of what takes place in Ontario and

(MR. USKIW cont'd) Quebec and that we become sort of a by-product of action somewhere else rather than sort of charting our own course in terms of where we want to go.

DR. HARE: You're suggesting then Mr. Uskiw as the President of Cargill Grain has that we should forego the Crow's Nest rates, which I think is not a bad idea. One of the things . . .

MR. USKIW: I'm not saying . . .

DR. HARE: Well this is what you said. One of the things that is against this is the freight rates, and I agree to some extent. The problem with Manitoba is that because of these freight rates we ship our commodities out, the commodity, say grain of a value of six or seven cents a pound, the freight is a tremendous percentage of that cost.

Now if we took our products and did more in the processing so that instead of shipping products out worth six cents a pound, we ship out products which are worth 60 cents a pound, the cost of the freight, not only because you have a smaller volume, because you separated out the waste, the chaff and the undesirable parts, you also put industry into the west and you save on the space required for shipping that material. And I'm all in favour of this. One of the things that we should be doing in this province and in the west is concentrating rather than decreasing our freight rates so we can ship commodities out easier, is to see ways that we can put in a food concentration process in the west, so that instead of it being advantageous for a grain company to put a grain separating plant worth \$15 million in Montreal that that plant is placed in western Canada and that the processing and the throughput be labour input. The expertise in the whole situation is in the west.

MR. USKIW: Would you agree with me, sir, that it would be to our advantage to try and maintain as low a cost of production per unit that we can?

DR. HARE: That's very basic.

MR. USKIW: That's basic. All right. Now we'll leave that aspect. You make a point in your brief of governments should be trying to facilitate the ownership of land for new owners, new farmers, young farmers, but you don't quite tell us how that is to be achieved with respect to those large numbers of young people who can't find the mortgage capital to become owners. How do you see that government can deal with that problem? You may have a person that is very well qualified to engage in the production of agricultural products but who lacks the financial capability to establish himself. What is the means that you foresee that public policy could bring about ownership of land for that group of people?

DR. HARE: Let's take any industry, the grocery industry, the grocery business, the drugstore business, the hardware business. Any person that wants to go into these businesses I don't see anybody very sympathetic towards helping them out. Farming is a business. Certainly it's a way of life, but farming is a business. We don't feel, and this is a personal opinion, at least I don't feel that everybody who wants to farm should be given the free opportunity to go out on the land and waste the time that is going to be taken for him to determine that he is not a farmer. What we want is somebody who is a determined, aggressive individual. And it's still being done today. You know yourself many people who wanted to farm, who did not have any inheritable property, if their farming desires were great enough they went out and worked for many years, acquired a basic amount of capital and have gone in.

Now one of the problems that seems to be implied in the red book is that renting land is bad if it's rented from a private sector. This is not true because the private sector is, as Mr. Hunt has shown here, is just as sympathetic, and as a matter of fact when a person rents from an individual he has that choice of either renting from him or not based on his knowledge of what that particular individual is like. When he rents from the government he has absolutely no guarantee that that government first of all, may be in power in the next Legislature, and as such he has no idea of what his problems may be on that basis. It was stated at this meeting, the first hearing, that certainly a farmer or anybody wanting to farm would prefer to lease from the place where he could get it at the lowest price. I don't agree on this if that lease is going to come from the Government; I know many farmers who would prefer not to lease from the government if there was an option to lease from a private individual, because of these built-in factors.

MR. USKIW: That then brings us to the important question, sir. And that is, do you not believe in the freedom of choice of the potential lessee or the owner of land?

DR. HARE: Certainly.

MR. USKIW: You do. Therefore do you not think that on balance that government

(MR. USKIW cont'd) programs should try to facilitate (a) owners of land; (b) those that do not wish or cannot be owners of land, in their programming, in their policies?

DR. HARE: I feel that any time that government gets involved, and one of the statements that I have made in my critique of this whole thing is that governments seem to feel that they run people's lives. It is often forgotten that government is a servant of the people. Okay. And that's very basic.

MR. USKIW: All right. Let me then ask you a more basic question. Should the Government of Canada abolish the Farm Credit Corporation?

DR. HARE: No.

MR. USKIW: Should it get out of the financing of farm mortgages?

DR. HARE: No, although you well know that the use of that Farm Credit Corporation activities over the past few years has not been wildly successful.

MR. USKIW: Are you aware that there is a subsidy element in the operations of that Corporation?

DR. HARE: No, I am not. I am not involved in that type of thing.

MR. USKIW: So you believe that it is right to have government provide programs for people who qualify to own property and to totally ignore people who do not qualify to own property? And that's where my freedom of choice question arises, sir. The Government programs through credit alone facilitate those people who already have some wealth, do nothing for people that don't have the wealth, and if you want a true freedom of choice to one vocation or whatever, then it seems to me that it makes it sensible for government to have a balance in their programming; to give an option to the one that wishes to own his land and to give an option to the one that can't afford to own his land?

DR. HARE: If the desire to own that land is strong enough in an individual he will somehow do it. This is one of the things that I feel is very wrong in the implications of this paper in that if you give land to a person on an easy basis that that gets him into farming easy. I feel that this is bad because it makes him feel that it's easy and once he gets into it then he finds it isn't easy. So the desire of the individual makes for his hard effort, his use of ingenuity, his use of innovation, his use of the most recent technology, all of these things which by using these things he can get into farming. And as we pointed out in our brief, the number of younger farmers getting into farming today is not appreciably different from what it was 10 years ago or even 20 years ago.

MR. USKIW: Well, I think I should reflect now on the comments of our first speaker here today, who preferred not to tie up all of his money in the ownership of land. He thought that a leasing arrangement was a great idea and that he had utilized that system for a good number of years. And my question is freedom of choice. You are still assuming that there are no people that want to lease land, when you say to me that if they want to own it bad enough they will find ways of owning it. I am talking to you about people that don't want to own it, but want to lease land, and Mr. Hunt said he was one of those individuals. He thinks that the public should not give that individual the right to choose the system of tenure.

DR. HARE: Certainly. But I would say that any farmer who is going out on a farm to sincerely and seriously farm his ultimate objective is to own that business, to own that farmland, to have equity built up in that property.

MR. USKIW: Why would that be an objective?

DR. HARE: Well, because he's going into a business. What is there in any business you go into but you desire to build up its equity and its goodwill.

MR. USKIW: All right, if we are going to take the example that we had here this morning, Mr. Hunt indicated that he wouldn't want to tie up all his money in the ownership of land. He preferred to lease.

DR. HARE: I agree with you, I think it is only smart, it's land hedging, and certainly this is why I say he should have the freedom of choice for renting land, but not from the government, because renting land from the government ties him into a situation of which he has no control over the factors thereby.

MR. USKIW: Even though it's a voluntary situation?

DR. HARE: Even though it's a voluntary situation.

MR. USKIW: But what if I as a citizen of Manitoba prefer to deal with the government, I don't like you as a landlord, I want to deal with my government, any government.

DR. HARE: I would say that you wouldn't be the optimum type of farmer, sir.

MR. USKIW: No, but would you deny me the right, would you deny me the right to make that choice is the question?

DR. HARE: You could have the choice but I don't feel that the government should own land; therefore I don't think you should have that choice.

MR. USKIW: You are opposed to freedom of choice?

MR. HARE: I'm opposed to the freedom to rent land from the government when there is an opportunity to rent land from a private sector.

MR. USKIW: Ah! So what you are saying to me then, that you want to protect the interests of the private landlord and that there should not be an option for me to deal with my government in the leasing of land?

DR. HARE: Yes, sir.

MR. USKIW: That's what you are saying? I can understand a vested interest position at any time, Mr. Hare.

DR. HARE: I do not own any land in Manitoba.

MR. USKIW: I don't mean you personally, but I mean the landlords whom you say that you would want this kind of system for.

DR. HARE: I do not feel that there are many farmers in Manitoba that are good farmers that would ever feel that they would prefer over their whole lifetime to rent a farm, because one of the things about farming is that as you develop your farm you put your lifeblood into that farm; you're putting value in when you improve the land, when you put buildings on the land, when you put other capital into the land, you're improving that, but you're not going to do this if you are renting it from the government because, you know, it's not your life, it's not your business.

MR. USKIW: Why is it then that the larger farm operators in Manitoba are the ones who dominate the land that is not owned but is leased to farmers?

DR. HARE: Because they are the smart operators and they realize that this year maybe they need a few hundred acres extra in order to get the return that they need to their labour.

MR. USKIW: Well why would you then deny that same option to a smaller farmer who would like to be as large so that he too can have the flexibility?

DR. HARE: Because the chances are that with the government owning this he would have no control on what happens to that land. When he makes a rental deal with a private individual he can make his own terms and he doesn't have to go into that rental agreement if he doesn't like the terms that he can arrange.

MR. USKIW: Are there any contracts that you are aware of, sir, that gives someone security of tenure for life in the private sector?

DR. HARE: No, and I don't know of it in any state owned situations.

MR. USKIW: Oh yes, that is the basis of the land lease program. Sir, . . .

DR. HARE: Under MACC.

MR. USKIW: Yes. A guaranteed right to continue that operation for life with the probability of passing it on to the next generation.

DR. HARE: I'm wrong then in my assessment of the MACC because I understand that at the end of three years there is consideration on terms of the agreement and that these terms can be changed as the conditions exist.

MR. USKIW: Oh, absolutely, absolutely.

DR. HARE: And that's not a guaranteed life term tenure system, sir.

MR. USKIW: That's right. The point is the lessee has the freedom to renew that lease as many times as he wishes to; no other lessee can bump him from that lease whatever.

DR. HARE: But the lessor can bump him if he wants to.

MR. USKIW: Pardon me?

DR. HARE: But the lessor can bump the lessee if he wants to.

MR. USKIW: No.

DR. HARE: Yes, he can, because you just stated - Mr. Green stated this morning in the MACC regulations that for particular actions . . .

MR. USKIW: Oh yes, of course, if there's an abuse of the lease, that is something that I think is . . .

DR. HARE: Yes, but that decision is made by the government if it is owned by the government, whereas if it's a private deal you know the character of the individual from whom you've rented. You don't know the character of the government, or maybe you do.

MR. USKIW: Your concern is, sir, that the government would treat the lessee less kindly where there was an infraction of the agreement than the private landlord. That is what you are suggesting?

DR. HARE: Absolutely.

MR. USKIW: I happen to have an opposite point of view.

DR. HARE: We have instances already in the past year and a half in which the MACC has been active in which the government has purchased land from the owner telling the owner that his son will be able to lease the land, the farmer will be able to get his equity out of his land, retire and go to wherever he wants and that his son will be able to farm that property. But these instances have not turned out to be so, because now we find out that in three years the terms of the agreement can be changed, that the rent now is something which can be imposed on the person regardless of conditions.

MR. USKIW: No, but when the lessee enters the contract he knows that within three years there will be an adjustment in the lease fee.

DR. HARE: Under these circumstances the people that did do the selling were unaware of some of these terms of the lease and this is what I am saying - we need more explanation of what can happen under the government ownership situation.

MR. USKIW: No, but in the end though the decision is the individual's decision and my only purpose in pursuing the question is whether or not a person should have the freedom of choice. And that is something that I think is very important.

DR. HARE: I don't think he should have the freedom of choice of renting from private enterprise to the government in land situations.

MR. USKIW: No, but, sir, you said that government should facilitate ownership of land and I say to you that in our society we have people that want to be owners and people that don't want to be owners.

DR. HARE: I don't say that government should facilitate ownership.

MR. USKIW: Pardon me.

DR. HARE: I don't say that government should facilitate ownership. I just said that government should not make it easy to farm.

MR. USKIW: All right, but you did say that you would want the Federal Government to continue in the financing of land purchases to the FCC. I take it from that that you believe that government should be in the business of helping people who want to own their farms.

MR. HARE: I want some alternative method to a private enterprise system through the banks, that's all.

MR. USKIW: Why?

DR. HARE: Because the financial situation can change. Now under a term that is with the FCC this is a leasing arrangement. It is not . . .

MR. USKIW: FCC is the Federal.

DR. HARE: Yes, not a leasing, it's a financial arrangement, it's not a leasing arrangement, and as such the man still owns that land. He has alternatives that he can put in under the FCC arrangement.

MR. USKIW: No, but you see what you are telling me, sir, and I think it's worthwhile exploring. You're saying that if you have money we should have a government loan program that will enable you to buy land. If you have no money you should be left to the mercy of the private landlord. That's what you're saying.

DR. HARE: No. You've got it all wrong, sir. You've got it backwards.

MR. USKIW: Well, I haven't, sir, because you're saying, sir, that only . . .

DR. HARE: Well you just don't understand it then, Mr. Uskiw, I can see that you don't realize the situation from a private owner's side of the point. That is the situation.

MR. USKIW: No, but my point is you're saying to the committee that you think that the lease programs are good providing they are a relationship between two private individuals, that there should not be an option for a citizen of Manitoba to lease from his government a piece of land for farming purposes. Yet you are saying government should be involved in the ownership of land through credit.

MR. HARE: Not ownership but credit.

MR. USKIW: Yet you are discriminatory against that person that doesn't want to own land but prefers to lease land and prefers to deal with his government.

DR. HARE: Because there is an alternative then in financing - that is all.

MR. USKIW: Well anyway we have covered the point, sir. You make a point on Page 5 of your submission about the statistics in the Working Paper; and first of all, let me make the observation that you said that the paper was inadequate as a "White Paper". I should like to indicate to you that it was not presented as a white paper so that you shouldn't assume that it should have contained policy recommendations.

DR. HARE: Then I understand, sir, that this not being a white paper puts us in the position that before any legislation is attempted that there will be a white paper on which we can have discussions similar to this one.

MR. USKIW: Well I think that is something that is up to the committee (a) if there is going to be a recommendation for legislation, whether it should be in the form of bringing back a white paper or whether it should be in the form of a bill which should be referred to the public for discussion or whatever - that is something for the committee to decide and I can't make that decision for them.

You made the observation on Page 5 that the statistics don't reflect a true situation and that the document pretends that they do, in that the document builds up a case based on those statistics. And I simply draw to your attention that on Page 14 of the working document that it is pointed out that too much reliance on these statistics cannot be placed in that it was extremely difficult to be able to extract the ownership and the relationships of ownerships on all of these parcels of land where we have carried out this study.

DR. HARE: That's right.

MR. USKIW: I think that is already stated in the paper.

DR. HARE: Right.

MR. USKIW: And we are telling you that.

DR. HARE: This we wanted to emphasize because in other places in the paper this fact seems to be forgotten.

MR. USKIW: No.

DR. HARE: Well it seems to be because of some discussions elsewhere. We do not for instance have a good definition of land ownership. We do not have a good definition of land use. These are two entirely distinct differences. We do not have these differences. We do not have, and you refer to statistics where you try to point out that as you increase in land size the efficiency decreases. That's absolute hogwash.

MR. USKIW: That's strictly statistical, sir.

DR. HARE: Strictly statistical, but if you use the one and two and three acre farms in which you are producing tomatoes or fruit or any other product or that where the returns as shown in the table are \$1,700 per acre, you're not relating to a grain farm, you're not relating to a farm typical of Manitoba; and I submit that these farms cannot be considered in an arithmetical determination of the productivity of a farm based on small versus large. That's all I am saying, and when you take those figures out as we have in our brief you will see that as you get to the larger farms you get greater intensity of production. We have left in, for instance, in that page some of the 70-acre farms which you also know are not typically grain farms and the return was \$36.00 average to the acre, we left those figures in, so that even at that our average for the smaller farms of 60 acres or less was \$24.00 and for the larger farms, including the larger farms which would obviously be farms including land which has lower value, is over \$26.00 per acre.

MR. USKIW: Would you not agree, sir, that in Manitoba we have very large farms whose productivity per acre is very low?

DR. HARE: No sir. I have a brochure from a farm which I visited several times in Greeley, Colorado, which started out in the twenties as an 80-acre farm. It now has on its premises at any one period of time 250,000 head of cattle, 60,000 head of sheep. It provided the total beef production for the Japanese Olympics. It has its own packing plant; it brings in its feed from the corn grown in an area by farmers in the 25 - 50 acres surrounding it and it brings its grain in from an area of 400 miles surrounding this and it started from an 80-acre farm. Now the population of that town because of this particular instance of a food processing, a food based industry, has made that town from the 1920's increase in size by something like 150 times. So when you say that keeping farms small, for the purpose of keeping farms small is bad and that large farms also are bad, I distinctly say this is wrong.

MR. USKIW: My point, sir, is that our own experience in the Province of Manitoba where we have applied very intensive agricultural practices tell us that you can make a living

(MR. USKIW cont'd) on less acres than you could on more acres of less intensive farming. Let me give you an illustration. In our whole grassland area of Manitoba we are vastly under-utilizing the acreage that we have allocated for grassland farming based on extensive operation rather than an intensive operation. The grassland society program which we have introduced three or four years ago has shown that you can produce about 500 or 600 pounds of meat per acre if you properly husband the land - which by the way was not even producing 50 pounds or 10 pounds of meat per acre on that same land prior to that program. So that, you know, if you want to generalize you have to say that Manitoba could do much better through intensive agriculture than . . .

DR. HARE: I would say that agriculture in Manitoba on a general basis has got to be classified as extensive. When you consider farming in Europe or in Japan, it is extensive farming.

MR. USKIW: The only point we're trying to make is that we should pay much more attention to the husbandry of land to get more per acres out of that land, and if we can do that it will facilitate more people in agriculture rather than less.

DR. HARE: You're speaking on behalf of the government when you say "we" and when I speak of "we" in Manitoba, I speak on behalf of the agricultural industry, so I don't believe that we can do better by minimizing and speaking of "we" as the government, can do better for Manitoba agriculture by becoming more involved in it.

MR. USKIW: But you don't disagree with an intensive agricultural program?

DR. HARE: I agree wholeheartedly in intensive agricultural productivity and this is what we should strive for, but not by government control, by freedom for the individual to have the opportunity of increasing his operation.

MR. USKIW: What do you mean when you say "not by government control", sir?

DR. HARE: I think that government should not be involved in any policies which would hinder a person from increasing the size of his operation.

MR. USKIW: Well that is so vague, sir, I don't know what you are implying. Where is government now involved that you would point to as an example . . .

DR. HARE: I'm not saying that government is involved, I'm just saying that under the terms of this that there is an implication that government under the present system would like to become involved.

MR. USKIW: Isn't the implication here that we would prefer more people farming the land of Manitoba rather than less . . .

DR. HARE: Yes.

MR. USKIW: . . . and that we prefer it farmed intensively rather than extensively which gives us the possibility of putting more people on the land rather than less?

DR. HARE: Yes, but we do not need more people on the land if it means that each person has a quarter section and farms that quarter section inefficiently.

MR. USKIW: I agree with you.

DR. HARE: And I don't propose to you that if you do put more people on the farm that you are going to farm that land less efficiently, and that is not one way for us to keep competitive with the people in Ontario or B.C. or the United States.

MR. USKIW: I don't think the paper says that, sir.

DR. HARE: Well you just said it.

MR. USKIW: It's my last point, my last point. You make a very small point, however you do make the point on Page 6, "the issue of foreign land ownership in the Chamber's view is a point of some concern", you're talking about foreign ownership as being of some concern. Could you elaborate on that statement, Mr. Hare?

DR. HARE: Certainly. We are Canadians as well as other Manitobans and we would prefer to see our country develop with Canadians. If foreign ownership, which is as you've shown in your paper - and incidentally looking at the statistics that you have, I can't see how it is that the only foreign buyers of property in Manitoba come from either West Germany or the United States and no other countries are involved, but when this is only one percent I agree with the paper that it is - this is not a critical situation. We do feel, however, that if foreigners come in only for a speculative operation and they expect to reap harvest out of the province, I feel that this is not absolutely correct. I don't feel that there should be any detriment to anybody buying property in Manitoba.

MR. USKIW: But you are opposed to land speculation as being the sole motivation of investors?

DR. HARE: Yes, from outside of the country .

MR. USKIW: All right.

DR. HARE: And this is where I would, as contrasted to Mr. Hunt, I would be less interested in renting or selling to Americans than I would to say people from Prince Edward Island on the basis of . . .

MR. USKIW: Yes. What disadvantages do you see in someone from England buying up a million acres of Manitoba land versus someone from Winnipeg? What is the difference?

DR. HARE: Well first of all I think the chances of anybody from Winnipeg or anywhere buying a million acres is . . .

MR. USKIW: Forget about the chances, we're putting two propositions forward. We have Mr. Blake who wants to become a huge landlord in Manitoba and his bank is going to back him up, and he wants to buy a million acres of land and he wants to lease it out to thousands of farmers or whatever; likewise the man from London, England wants to do exactly the same thing. Why are you saying that you would not prevent Mr. Blake from doing that but you would prevent the man from London, England doing that?

DR. HARE: Well, first of all, I would suggest at this particular moment in time that Mr. Blake would be very foolish to own, or to buy a million acres.

MR. USKIW: But he wants to own it though, he wants to be foolish.

DR. HARE: I don't think he's going to be foolish on the basis of what it looks like for next fall's situation, but I feel that the ups and downs of the productivity in agriculture in particular is such as to discourage foreign investment of that size. You well know that there have been some large companies that have come up and looked at this situation. Several companies in the United States have done this and are still doing it but they find it's detrimental to their whole operation, and certainly there is a size factor in economically, and not only economically but for the best purposes, the best use of the land is restrictive, and I think that these factors would come into play before anybody would consider producing a million acres.

MR. USKIW: Yes. In my discussions with a number of investors from abroad, they tell me, in fact as late as last week, one very prominent businessman from Italy told us that they were getting somewhat panicky in Europe, the political instability, they were looking very seriously at ways of transferring their operations from Europe to Canada, large corporations. They were interested in land. Do you not see this as a potential problem to us where because of the fears of people in Europe due to the political instability of Europe that they would want to accumulate huge blocks of real estate in Canada, whether it's in hotels or in agricultural land or whatever, in order to secure their financial position?

DR. HARE: I think it would be great if a company, like say Bata Shoe, has come into various parts of the world, sets up an industry in a small town, or even a company that does buy out a certain amount of farmland but in the process also brings in other things such as a production factory of some type and brings in expertise and brings in techniques of farming that possibly we should be using here. I think there should be encouragement, I don't think there should be restriction necessarily. I think the principle of coming in on that basis the way the land situation is at the present time would restrict any of this, but I think that large ownership of land is not a problem for us at this particular point of time.

MR. USKIW: No, but my point, sir, is how it is that you can consider that there's some advantage to a local person being the large landlord but a disadvantage if that person is not a Canadian citizen?

DR. HARE: I would prefer it, if it has to be, to be a local person.

MR. USKIW: Let's assume that the effects of an absentee landlord situation as being a negative thing to the tenant, let's assume it was a negative factor. Couldn't it be an equally negative factor if in fact the landlord was a Manitoba resident?

DR. HARE: It could be but on the other hand, he, being located as you say incidentally in Winnipeg, he is certainly much more approachable, he's closer than if he's in Yugoslavia or some other distant country.

MR. USKIW: Okay, that's fine.

MR. CHAIRMAN: Mr. Jorgenson.

MR. JORGENSEN: Dr. Hare, I'd like to deal with a couple of points raised by the Minister. One of them was the question of a competitive advantage that Manitoba may enjoy if land prices in this province were somehow reduced in comparison to land prices in other provinces, and I wonder if you could (you're an agricultural economist, I understand) I wonder

(MR. JORGENSEN cont'd) if you could tell us to what extent that the price of land plays in the over-all price of a commodity. Let's assume, for example, that a farmer already owns his land and he has no payments to make on that land, what kind of a competitive advantage that he has in relation to all the other costs.

DR. HARE: Mr. Jorgenson, I appreciate your comments. I'm not an economist and I have not dealt in the financial aspects of land ownership. My background is in agricultural technology, but I've been in farm business for 25 years and have acquired an economic knowledge through these activities. However, as far as that question is concerned, I would prefer to call on the member from our committee who has done the financial calculations and is the economist on our group, Mr. McRorie, would that be reasonable, sir.

MR. CHAIRMAN: Yes, that is in order. Mr. McRorie.

MR. McRORIE: I think the issue of land prices, I think the point we made in the paper really was that you can't really talk in terms of an arbitrary artificial land price here and expect it to hold in a free market economy that we have, so really the issue of depressing or holding the prices down here to attempt to achieve lower costs of production is not an economic fact of life under the economy that we operate within. It's not a question that can be borne out in practice.

MR. JORGENSEN: Yes, I believe that, but I was wondering if you had some idea to what extent it could influence prices. If everybody in this country owned the land that they lived on and they did not have any payments to make, to what extent would we have a tremendous competitive advantage with other parts of this province, all other things being equal; that is there are other inputs that go into the production of an agricultural commodity.

MR. McRORIE: Whether you own land or rent it, really there is still basic costs. If you own land your costs here are your opportunity costs of the capital invested in that land; if you rent it, it's simply the rental payments. There shouldn't be a great difference between the two.

MR. JORGENSEN: Yes, that was the point of my question. I wanted to know how much that rental payments or increased prices of land played in the over-all price of a commodity. What kind of a competitive advantage we would have say if land in this province was ten or twenty dollars an acre less than it was in any other province.

MR. McRORIE: I simply say it's a hypothetical sort of thing. We could not have lower land prices in Manitoba relative to its earnings unless some means was arbitrarily taken of freezing this land, and of course that would involve total government control. Then, of course, you run into the situation that the opportunity or the right to farm that land would then have to be presumably issued by license because you're no longer in a position to purchase land at a going market price and the quota or the license, if you like, would then take on the value; so really the costs are there one way or the other.

MR. JORGENSEN: I have some more questions, I don't know whether you want to take them or Dr. Hare. The point was raised . . .

MR. CHAIRMAN: Just a minute, Mr. Jorgenson, I believe Mr. Uskiw would like to ask a question of Mr. McRorie, if you don't mind, while we have him up here.

MR. JORGENSEN: Oh, all right, that's fine, go ahead.

MR. USKIW: Yes, on the question of the price of land, sir, you say that it's impossible for Manitoba to vary very much in the price of land as compared with Ontario or Alberta or Saskatchewan, that the marketplace will determine that and there isn't too much that could be done.

But let's assume that we had a hundred thousand (not a hundred thousand- that would be stretching a point quite a bit) let's assume that we had 5,000 farm units that related to the government's land lease program, and of course the government bought the land at \$100.00 an acre, and in the next 20 years land all around us was worth \$300.00 an acre, but the government's policy was because we wanted to increase production herethat our lease rates would reflect our costs of land rather than our opportunity costs, which is the land prices around us, that would be public policy. Would that not mean that production in Manitoba would have a distinct advantage in terms of access to markets anywhere else in Canada?

MR. McRORIE: Let me clarify another point. I didn't suggest that land would be the same value in all provinces; it would depend on the productivity and related . . .

MR. USKIW: Yes, but I'm saying that the marketplace shall determine the values, land and . . .

MR. McRORIE: Right. This is based on the productivity of that particular parcel. Okay.

MR. USKIW: Right. As it is. I'm projecting to you that 5,000 farms will come into this lease program, voluntarily, but public policy will be that we want to have an edge in the cost of production in order to get more hogs into Ontario and Quebec or more beef out there at a profit to the farmer. We don't want his costs to go up at the same rate as the costs are going up in Saskatchewan or Ontario or Quebec. Do you not see that as a mechanism, a vehicle through which Manitoba's productivity can be moved upward very dramatically if we had that advantage?

MR. McRORIE: I would see two situations developing; I would see first of all a very very substantial subsidy on behalf of the Manitoba economy, because if you're going to hold that land back, you're totally disregarding opportunity costs. The value of that land presumably . . .

MR. USKIW: That's the vertical.

MR. McRORIE: . . . the value of the land across the way on equal assessments and so forth. Therefore there has to be a large transfer of payment from the general Manitoba economy to the 5,000 farmers involved on the land. Secondly, for these people to stay on the land which is grossly undervalued relative to what land around them is worth, then they have a particular advantage granted to them and not to the other 30,000 farmers who do not have that advantage. So I think it's in essence government arbitrarily moving and selectively taking a group of farmers, giving them a very much preferred advantage, passing on to them if you like the benefit of public policy and depriving that from the remaining farmers. I would say, yes, you do give them an advantage but it's a political advantage not enjoyed by their fellow farmer.

MR. USKIW: No, I'm saying that the program is voluntary, sir, and to the extent that people want to participate in it the public does not have to realize a profit on the ownership of land, I mean the public owns most of the land in Manitoba now and they are not looking for the day when they will sell it for a thousand dollars an acre. It is there and has been there since it was created. And I'm saying that if the public invests a hundred dollars an acre today, and we know that in the long term land prices are going to go up and up and up as the food shortages become more acute, as world populations put pressures on land, wouldn't we have a tremendous advantage if our input costs remained status quo as far as land is concerned while the rest of the people around us had to play the market, and hence we become the cheapest cost of production in food production, (a) beneficial to the consumers of Manitoba and, (b) beneficial in that we would be able to give a return to the producers on that land higher than the producers in those other provinces would be able to get.

MR. McRORIE: Yes, that was my point, Mr. Uskiw, I agree. The individuals who were fortunate enough to fall into that situation would enjoy a very substantial transfer of benefits from the general economy, from their neighbouring farmers to themselves. However, it raises a very interesting question: how does this sort of fellow qualify for this particular advantageous lease, how do you then pass it on to the next generation? If in fact that lease carries such a tremendous monetary value, either there is a value attached to the lease as such which can be put on the marketplace for bid, or the government has its own ways to arbitrarily decide who then shall inherit that lease.

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

MR. McRORIE: If I can just pursue that point a little further, Mr. Uskiw - you might then suggest that this could be solved simply by setting up a merit system if you like where you take the applicants for this new lease and decide which is the most appropriate choice based on a number of factors. My experience working in the government in a neighbouring province would suggest that this works and works only to a point; in the final analysis that decision is forced into a political process and that is true of any government. And I don't . . .

MR. USKIW: This is good.

MR. McRORIE: No. I don't think it is good because . . .

MR. USKIW: Oh absolutely.

MR. McRORIE: I think it really means in the final process that you get the land depending on your political affiliation.

MR. USKIW: Do you not see an advantage, do you not see an advantage in the fact that the people of Manitoba would be able to enjoy lower food costs while the farmer was getting more money for his product?

MR. McRORIE: No. The people of Manitoba would be actually bearing the cost of this by way of a lower rental return on their money which they invested in that land; and secondly, a good part of Manitoba's produce is exported abroad, so in effect the benefits would be passed out of the province but paid for by the citizens of Manitoba.

MR. USKIW: To the extent that the cost of production was higher in the rest of Canada and since we are exporting to those areas, wouldn't the difference accrue to the producer of those products in the Province of Manitoba who would pay more income tax than he is now paying on the profits that he would make from that export?

MR. McRORIE: Well he no doubt would pay more taxes.

MR. USKIW: Wouldn't we all benefit from it?

MR. McRORIE: No, I don't think we would.

MR. USKIW: You think we wouldn't?

MR. McRORIE: No.

MR. USKIW: Because we wouldn't realize enough capital gain . . .

MR. McRORIE: No you're attempting to move into a dynamic marketplace and arbitrarily freeze the price of one of the market goods freely sold on the marketplace. I don't think you can do this in isolation.

MR. USKIW: But we're not freezing it. You're misunderstanding my point.

MR. McRORIE: No you're freezing the lease, which is the same thing.

MR. USKIW: I'm saying that public policy would be that we want food at a reasonable cost to the consumer . . .

MR. McRORIE: That's the cheap food policy?

MR. USKIW: Right. That we would want the farmer . . .

MR. McRORIE: Just the farmer pays for that cheap . . .

MR. USKIW: . . . that we would want the farmers to get a reasonable standard of living comparable to other sectors of society. But how do we achieve that is my question. If land costs is one vehicle that could achieve that goal, then we benefit the farmer who is producing on it, and we benefit the consumer who is consuming from it.

MR. McRORIE: No. I think in effect what you do, you establish a cheap food policy whereby the 30,000 farmers not so fortunate to be under this lease structure in effect carry the cost of it and the consumer.

MR. USKIW: Would it not be true that if our lease rental fee, in other words, was set at a market price fixed \$100.00 an acre that that would have an influence on the value of private land as well?

MR. McRORIE: Oh you mean tend to pull down the value of other land.

MR. USKIW: Well it would tend to stabilize it; instead of following the rest of the world it would keep it at a level competitive with the lease.

MR. McRORIE: Well I guess if you pursued it further enough it would create a nice little island of Manitoba but totally isolated from the real world around it, and certainly the neighbouring provinces. I don't think it's feasible really in the economic environment that we live in to attempt to bring this sort of thing about without having off-setting problems such as the value of the lease then becomes capitalized into the lease itself.

MR. USKIW: Well let me then ask you this question. You say that the people of Manitoba would lose because they would not realize on the capital gain of land, the opportunity values.

MR. McRORIE: Oh they aren't losses.

MR. USKIW: Not true losses but theoretical losses. And I don't see that as a problem since we don't wish to sell all of the land we now own anyway.

But in the meantime because people are earning very low salaries, or many people, we have millions of dollars of people's money going into subsidized housing, subsidized programs of income, the guaranteed income system, all sorts of welfare approaches to give people a means of coping with the high cost of living. Can't you see a trade-off here where maybe if we had a low cost of land that we wouldn't have to subsidize the high cost of housing for example.

MR. McRORIE: Mr. Uskiw, in order to get a better understanding of your question, what would your stance be with regard to the other 30,000 farmers who did not enjoy this very substantial government benefit conferred by way of the preferred lease?

MR. USKIW: Well I would think that they would enjoy it too because if this was a very important factor of Manitoba's economic life, which I would think five or ten thousands farms

(MR. USKIW cont'd) operating that way would be, then the private land holdings would have to reflect values competitive.

MR. McRORIE: In other words they would have depressed land values.

MR. USKIW: In other words, I'm saying - not depreciated land values, let's bench mark it today. But what I'm saying is that they may not escalate in values along with the lands in Saskatchewan, Alberta or Ontario for the next 20 years. That's what I'm saying.

MR. McRORIE: Mr. Uskiw, how would you prevent the farmer in Saskatchewan then from coming into Manitoba and buying some of this cheap land?

MR. USKIW: None at all, we wouldn't want to interfere with the freedom of choice, sir.

MR. McRORIE: In other words then there's no way you could hold the land price down, it would stay at the competitive price of land in any province in Canada.

MR. USKIW: Oh the people from Saskatchewan would bear in mind that we have a land policy here that maintains a low cost of production of our food.

MR. McRORIE: No it doesn't. No, you didn't do that.

MR. USKIW: Sure.

MR. McRORIE: You did it only on the 5,000 people presumably that you have on the lease program.

MR. USKIW: I'm saying that that is the influence . . .

MR. USKIW: I'm saying that is the influence.

MR. McRORIE: Yes. If you were to put up border-crossing stations I presume and prevent farmers from coming in and buying the land, or anybody else, you possibly could . . .

MR. USKIW: But from the point of view of public policy if we're going to allocate \$50 million a year, and I think we spend more than that in various means of subsidizing income for people in Manitoba, and if we said we are prepared to underwrite \$50 million a year on the costs of land which then tend to reduce the price of our product, that is an alternative that is not beyond question.

MR. McRORIE: It's only within the scope of reality if you're prepared to put a complete seizure on who can own land and restrict all people from coming into the province, otherwise they will come in and maintain that land at competitive values based on its productivity. And there's no way you can prevent it short . . .

MR. USKIW: Yes, but which would mean the person that would be leasing land from the Crown would make more money . . .

MR. McRORIE: Oh granted they'd be in great position.

MR. USKIW: . . . per hour of work than the person who decided to pay a high price for the land.

MR. McRORIE: You see, I'd love to be one of the preferred people on that lease but . . .

MR. USKIW: When it's wide open you could join the program.

MR. McRORIE: My only point, it's only five out of thirty-five.

MR. CHAIRMAN: Thank you. Mr. Jorgenson, you have a further question?

MR. JORGENSEN: Yes. Perhaps you forgot that I was the one that had the floor.

MR. CHAIRMAN: No, I have not forgotten, Mr. Jorgenson. I thought that you were finished asking questions of Mr. McRorie and that before he sat down that Mr. Uskiw was going to ask one question. Well that was my understanding. However it carried on. Mr. Jorgenson, proceed.

MR. JORGENSEN: I suppose it gives us some indication of what we can expect when the Government says they're going to do one thing and then it winds up occupying everything. As a matter of fact his Freudian slip about 100,000 farms in the Province of Manitoba gives us an indication of the direction that they're heading.

I don't know whether I want to pursue that particular part any longer, Mr. McRorie, but I still haven't got an answer, and maybe you don't have an answer to it, as to what percentage of the final cost of a product is involved in the cost of land? Is there any way of measuring that?

MR. McRORIE: No. Well yes I think you can simply relate your interest rates back against the cost of land per acre and it comes out so many dollars per acre, \$200.00 land at 10 percent interest is \$20.00 per acre, so that's your cost of . . .

MR. JORGENSEN: But I've a feeling it wouldn't make any difference anyways because the Government would find some way of taxing you in another area and you'd still wind up with those high costs.

(MR. JORGENSON cont'd)

But there was another question that he raised and it was dealt with on a couple of occasions, and that's the question of speculation on farmland. Do you know of any great amount of speculation in this province on farmland? What farmer would come in here and speculate on farmland when today, for example, those people that bought farmland last year when the grain prices were fairly high, what's going to happen to them when the grain prices start to drop next year, or if they should drop next year?

MR. McRORIE: Well I think it's the lot of any speculator that he has to be prepared to take his lumps.

MR. JORGENSON: Yes. Well, you know, I've never been concerned about that particular problem because I don't think that very many people will speculate in farmland. I know there's speculation in land that may be developed for purposes other than farmland.

That brings me to my other question and that's the question of a land-use policy. Rather than fooling around with this question of who owns it, should we not be directing - and I notice there's nothing in your brief on that particular point - should we not be directing our attention towards developing a land-use policy. We do have a pretty good land inventory program right now; we know where the good land is, we know where the farmland is. Should we not be directing some attention towards setting up some kind of a body that would have a look at the kind of land that should be retained for agricultural purposes.

MR. McRORIE: I think this is a very important issue and I think that I really probably should have made reference to a much broader interpretation of land. I agree it's a very important issue and it should be studied.

MR. JORGENSON: One other point, and that was raised earlier by Mr. Uskiw as well, and I fail to see just how Manitoba could, because they have a few acres of land that is a little bit cheaper than any other part of the world -- we're in the, or at least we were up until recently, in the North American market as far as livestock products were concerned - that seems to be changing now -- but is there any degree to which Manitoba production, even if we went all out, could influence those prices in world markets, and do you see that farmers would take a lower price than was afforded to them on the world market or the North American market if a higher price was available to them?

MR. McRORIE: Well I guess they'd take a lower price if it was forced upon them. I don't think it would be to their liking.

MR. JORGENSON: No.

MR. McRORIE: No, I don't think we can realistically divorce ourselves from either the North American market or in fact the world market. We must stay in this market.

MR. JORGENSON: And then there was the question of intensive versus extensive farming operations. You know I don't disagree with the need to improve our technology in agriculture, and that's an evolutionary thing, it's constantly changing and constantly improving, but do you not think that that kind of a program has to bear some relationship to what the market is? You know, what is the point for example now of being highly intensive in livestock production in view of the surplus of beef cattle on the market today and the problems that the beef producers are having.

MR. McRORIE: Yes.

MR. JORGENSON: Is there any need to go all out to encourage farmers to take advantage of the latest methods in technology in order to produce more beef that they cannot sell at prices that are remunerative to them?

MR. McRORIE: Yes. I think looking at the question of cheap or more intensive use of land, really if you allow the land price to move up with the general commodity price then in effect you're encouraging more intensive use of that land, you have to use it more intensively because you paid more, you have a bigger investment in it. If you try to arbitrarily keep land price at a very low level, your \$50.00 an acre, you're really saying, "land isn't worth very much, use it extensively it makes more sense." So I think these things all work against it. I think that we may well come to a smaller size of farm as it becomes profitable to do so. And I'm fully confident that the farmer will make that adjustment.

MR. JORGENSON: That's fine. Thanks very much, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. McRorie. Dr. Hare. Do you have any further questions of Dr. Hare. Mr. Jorgenson?

MR. JORGENSON: No.

MR. CHAIRMAN: Mr. Watt.

MR. WATT: Mr. Chairman, I think about an hour ago I indicated that I would like to ask you questions. I lot of water has gone under the gate since that time and the questions that I intended to pose to Dr. Hare, actually he has answered through his discussions with Mr. Uskiw. So I just simply ask you one question, Dr. Hare. I may be out of order, Mr. Chairman, but it's normal in these days. I'm just wondering if in considering the costs in reference to freedom of choice by Mr. Uskiw, in your discussions with him in the last hour, if your group are going to have to find it somewhat difficult to assess your position in respect to freedom of choice in Autopac?

DR. HARE: Well.

MR. USKIW: Do you want me to answer that, Mr. Watt? I can tell you that.

MR. WATT: No you don't need to answer me.

MR. USKIW: I thought you were afraid of the answer.

MR. WATT: I asked the question to the Dr. Hare.

MR. CHAIRMAN: I have a number of people still wishing to ask questions but it's 12:30, it is the intention of the Committee to rise. We will be able to come back at 2:30.

Before the Committee rises I'd like to read a letter that was written to me. I received it this morning, and this is from Mr. W. Janssen. "It has been brought to my attention that a Member of your Committee at a recent meeting in Arborg and Steinbach has alleged that I worked on the agricultural section of the TED Report which was released in March, 1969. Although I was employed at this time by Hedlin-Menzies and Associates of Winnipeg which prepared the background material for the section on agriculture, I was not involved in the writing of the report or the formulation of its recommendation on agriculture. I regret the need to have to clarify this matter. I appreciate your indulgence and that of your Committee members." Signed by the Secretary to Mr. W. Janssen.

Thank you. Committee rise. Return at 2:30.

A MEMBER: May we . . . that you expect Dr. Hare back?

MR. CHAIRMAN: Yes. At 2:30.

* * * * *

2:30 P.M.

MR. CHAIRMAN: Order please, we shall proceed. Dr. Hare. Mr. Walding.

MR. WALDING: Thank you, Mr. Chairman. Dr. Hare, on Page 3 of your brief, you say that the Chamber of Commerce suggests that the average Manitoba farmer is still well below an optimum size level. Is that a misprint? Should that be "farm"?

DR. HARE: Is it in the top part?

MR. WALDING: Yes, third line down, "the average Manitoba farmer". It should be farm?

DR. HARE: Yes, that should be farm, I'm sorry.

MR. WALDING: That's how I read it.

A MEMBER: . . . doesn't fit in that category.

DR. HARE: You can't tell by the farmer's size.

MR. WALDING: Well, okay. To go on from that then since you feel that, you know, farms should be larger, unless more agricultural land is made available that would suggest that there should be less farmers in Manitoba.

DR. HARE: Yes, sir.

MR. WALDING: Does the Chamber have a policy on either what size farms should ideally be, or how many farmers there should be in Manitoba?

DR. HARE: No, the Chamber does not have any idea at this particular time what the average farm size should be. However, I think that we are not going to solve that, answer that question at this time because I think economics are going to define this; I'm not also saying that smaller farmers cannot be more economical by putting more intensive activity into the operation. However, this is all a matter of economics, but I'm not also saying that we should automatically cut every other farmer out and say that one out of two stays and the other one goes. This again would be determined by economics. There has been, as you well know, over the last 30 or 40 years a decline of number of farmers.

Now we also made a statement several years ago, in fact I believe it was having to do with the TED Report many years ago that the removal of people from rural areas was also a problem. That I think is also pretty critical, and what we are trying to say, I believe, is that we feel that certain people are capable of being the efficient, productive farm managers that can get the most efficiency and the most productivity for the least costs out of their operation; there are others who do not have this capability as farmers. We don't foresee though that it's a good thing to have all of them immediately leave the farm and swoop into Winnipeg. What we would like to see, and I think this was stated in this policy back several years ago in the Chamber's statement, that what is needed, and I understand from the radio this morning that there is going to be an investigation in Manitoba of the opportunities for food-oriented businesses in rural areas; so that if you can find employment by setting up the types of agri-business operations in local areas then we solve the problem, we solve the problem that we have at the present time of losing labour input into some of our farm commodities, which we do not get now, and we would also be able to develop for instance on by-products of many of these things. As you well know when you ship grain, you ship it with the dockage to the West Coast and it's separated there and we have dockage on the West Coast and that's great for the feed industry in British Columbia. But it's also been shipped across the country and has absolutely no value other than its feed value, whereas we could use this material in the Prairies, develop a well-concentrated feed industry, a livestock industry, which is based in and integrated with our grain industry, so that we do have a much more balanced agriculture in Manitoba and in the west. This is what I feel should be the objective of a land-use policy, that we do obtain the maximum efficiency because, as you well know, we have the consumers who are down our backs agriculturally about prices of products. The most efficient producers are going to be the ones who can produce a product of high quality for the least cost and this has got to satisfy the consumer because what he doesn't want to do is pay higher prices if it's only because of a subsidy from some marketing board which puts an artificial situation on the price.

MR. WALDING: But you feel that maximum efficiency would indicate less farmers rather than more farmers?

DR. HARE: I would say that there would be less farms owned and managed but I wouldn't say that this would mean necessarily less bodies on the farm. In other words, some people are general managers, innovators, thinkers and they become, or they could go into the

(DR. HARE cont'd) city and become business managers, others are quite content to be workers and get their weekly salary but they don't have to put any innovation, any imagination, any planning into the operation. These two types of people are everywhere, and I say that we must look for the innovative type farmer who has the ability to manage his farm well and to get the best productivity, the best efficiency out of it.

MR. WALDING: You mention the TED Report just in passing. Does the Chamber concur with that projection of 20,000 farmers, each with a net income of \$10,000, or didn't you take a position on that at the time?

DR. HARE: I can't recall that we took a position. As you know the TED Report was produced separately and I can't recall whether there was a position taken at that time. But I think that if this is going to be best for -- if this is the type of thing, and I'm not saying anything about numbers but I think that if this is the type of thing that is going to produce the most products for the least cost, then we have to look at it remembering that there are other people who also have to have jobs in the rural areas or else we have the problem in the cities.

MR. WALDING: So we should look on the problem in economic terms disregarding whatever social costs there might be. Is that what you're suggesting?

DR. HARE: No. I'm saying that with an ingenious program which is not based on single commodities or based on a grain economy for instance, that we have a balanced agricultural productivity in Manitoba which is based not on producing either livestock or grain but is based on producing food and that a total effort in the next 20, 25 years will be on making Manitoba truly the food basket of the world rather than just an area that produces commodities. By doing this and conscientiously putting a program of land-use to work, you then would be able to program by incentives, and so on, to make it so we don't ship as many commodities out of the province and that we do more of the input labour, and in this way then you take up the slack of the lowered number of people who are actually managing farms.

MR. WALDING: Okay. To move on to a different subject. On Page 4, your brief mentions the very real advantages that the corporate structure can bring - and I'm talking about farming. Could you elaborate and tell me what the advantages of the corporate structure are in farming.

DR. HARE: I think anytime anybody mentions corporate they look upon this as being a great big operation that is run by people with many millions of dollars not located here and that this corporation as such is going to take over and engulf the farmer. The incorporation of a farm operation I think is one way in which you can transfer your ownership from father to son, just the same way that you incorporate a business that you may be developing in the city or anywhere for that matter, and instead of your ownership transferring from parent to son as a straight ownership basis your transfer goes on a corporation basis.

MR. WALDING: I'm not sure that I understand. Does that mean then that the shares would be passed on rather than the title to the farm?

DR. HARE: This type of thing, yes. And as you know you can earn shares over a lifetime in such a way that the corporation then can be more in the hands of say the son than the father, over the lifetime of the company, and in this way then you don't have the straight transfer of father to son which has all its ramifications of taxation, and so on. You use 25 years to transfer equity rather than one year.

MR. WALDING: I see. That you've never told is the main advantage. Are there other advantages to the corporate structure in farming too?

DR. HARE: Well the corporate structure as such again can relate to a family farm. As far as I'm concerned I hold strongly to the concept of the family farm, but the family farm doesn't mean to say it has to be an inefficient farm and only a place to find your home in the summertime rather than in Florida in the wintertime. When you incorporate you accept other responsibilities, such as trying to get the most out of whatever it is you're incorporated in. You may find that something else like trucking would go along with your operation, and you may be involved in the trucking business, so that I'm just saying that incorporation as such has many advantages to the farmer and he, of course, has this as a much better taxation system when he gets into the larger income.

MR. WALDING: Oh I see. Okay. There's one more point that I wanted to ask you about, was the top of Page 5 when you suggest that much can be done to assist the beginning farmer by 1, 2, 3, 4 or 5 different things. Can you expand on those a little bit and tell me particularly what income tax concessions on principal payments might mean?

DR. HARE: We're in favour of incentive taxation, taxation which makes it such that as a young person coming into farming and accepts debt, that he does have a certain tax concession based on a financial arrangement with the province, or however he does it, and in that way he can get into it easier. For instance in the United States they have, the interest on your mortgage, as you know, comes off your taxable income. This is the type of incentive which we feel should be considered. At this particular stage I'm not trying to pinpoint what might be done; I think this is an area that should be studied to have an incentive for a young person to go into farming such that he can see as long as he goes in and accepts possibly debt greater than he might otherwise, that he would ultimately by hard work, would overcome the debt and he can see down the road that he could own his property. And, again, as I said, these are not specific suggestions, they are areas that should be investigated, and we can suggest, you know, some ideas in these areas.

MR. WALDING: If they're not specific suggestions, are they then programs of a subsidy nature that you're suggesting?

DR. HARE: No. We are contrary-minded to subsidies on the basis of giveaways. There's been too much in the past ten years of the whole idea if you give something away, you're doing something for the people. This, I feel, is not really what is needed. We need something that's going to make a person much more hardy in character than by accepting, being able to accept subsidies and giveaways, and this is my basic philosophy that by giving things away all the time, certainly it gets more votes for the political party but I don't feel this is the way we're going to make a strong agricultural community.

MR. WALDING: I'm told that the Federal Credit Corporation in making these loans to farmers provides them at a lower interest rate, a rate lower than the going rate. Does this not amount to a subsidy?

DR. HARE: Yes, possibly over a long term. The rate is not that different, possibly a half percent, it's an alternative, it has various other considerations in the details of the financial arrangement that doesn't make it an absolute grant subsidy as you might call it, but it does give an alternative to the commercial, financial arrangements that a person would obviously look for.

MR. WALDING: But surely it's a subsidy if a farmer can get a certain rate of interest from the government that he cannot get from a bank. If he can get 7 percent from the government and the bank wants to charge him 9 percent, isn't that a subsidy of 2 percent on his interest rate?

DR. HARE: Yes, that's correct but the subsidy, as you call it, is never that great - I think it's somewhere in the area of half a percent - and that the other requirements that are in the details of the financial program are such that this may not always be looked upon as a straight subsidy.

MR. WALDING: It has been suggested to us that the MACC go back into loan programs in competition with the FCC with the implied, if not expressed, subsidy written right into those interest rates. How do you feel about that?

DR. HARE: Well in view of the new MACC program they have gotten out of this area and certainly looking back on the financial programs of the province versus the federal I think there was more use made provincially, and this has been attractive because along with the difference in interest rates there are also risk arrangements - something that Mr. McRorie would probably be much more familiar with than I am - and that these are how their rates are formulated.

MR. WALDING: But in principle then the Chamber is against any subsidy to farmers, would that be a correct . . . ?

DR. HARE: On generalization I would think that would be correct, subsidization meaning outright grants, outright giveaways.

MR. WALDING: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Einarson.

MR. EINARSON: Mr. Chairman and Dr. Hare, in view of the discussion that took place prior to the lunch hour, and the Minister was talking about and being concerned about the inflationary aspect of our land in the future in Manitoba, I would like to ask you, sir, that in view of the fact that the Manitoba Agricultural Credit Corporation is now in the business of buying land, would you, in your view, consider this an area of being inflationary insofar as the MACC's concerned in purchasing land?

DR. HARE: That's hard to say. I would tend at this point to say yes, because any time the government gets into a program in which they would compete with a private individual there's very little chance for the private individual. We've already heard of several areas, several instances where a person has wanted to purchase land, he hasn't been able to get the money right away, the price is offered by the government and the local farmer loses his position in that particular instance, and also I would tend to think that the government having a better financial background than the individual, the tendency is that the Government will pay more for property than the private individual, therefore this would tend to inflate the price of the property.

MR. EINARSON: Then, Dr. Hare, I understand you, to make sure that I am clearly understood in this matter, that you are aware of some cases where the government have purchased land and the price has been greater than if this individual, or someone else who was interested in that land, could have bought it for a lower price. Is that correct?

DR. HARE: Yes. I've heard of at least two cases, and this is the type of thing that whenever the government is dealing they can come in and bid on a business and on a piece of land and price is no object, whereas the individual he has the whole financial aspect on his shoulders and he can't therefore compete. This is the reason why most farmers will hesitate to compete at all with government in either buying, or they would prefer as a matter of fact not to sell as well.

MR. EINARSON: Well then, Dr. Hare, in view of the discussion that I heard this morning where the Minister was questioning you, Dr. Hare would you document the cases that you are referring to and provide them to this committee?

DR. HARE: Yes I think I can document them. I haven't got them right at hand but I can get the information and have it for the Committee.

MR. EINARSON: Thank you.

Well, Mr. Chairman, and to you Dr. Hare, and for those here interested I would also say that I don't have evidence right now but I can say that a young farmer did come to me in recent months and indicate to me that a gentleman who was employed by the Manitoba Agricultural Credit Corporation indicated to this farmer that we are in the business of buying land and we're competitive, and if that's what you have to compete with that's the way it is. So they can take it for what it's worth but if the Minister is interested in knowing some cases I'm pleased if you can give some definite cases on this matter.

So I want to pursue further and make one comment that in view of the comments that the Minister made this morning with you and by the way of questioning, it seems to me, Dr. Hare, that he's so concerned about the increasing costs of farmlands - and that's why I pose this question - and you do agree, and correct me if I'm wrong, that the Manitoba Agricultural Credit Corporation has made a contribution to inflationary prices, therefore the Minister is really being contradictory in the comments he's made. Is that a fair comment?

DR. HARE: Yes, sir.

MR. EINARSON: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Dillen.

MR. DILLEN: Dr. Hare, I'm interested in the reference you made this morning to the Chamber of Commerce Agricultural Committee. Could you advise this Committee as to the names and the occupations of the Members of your Committee? For the record.

DR. HARE: Yes. I'll try and do it by memory. The Chairman happens -- we can send this to you. The Chairman is a farmer from Dugald, I might mention, Mr. Ken Edie - and I think that name is quite familiar to many of you in the Winnipeg area as one of a very aggressive productive farmer -- (Interjection) -- I'm sure you haven't. It's outside of the city, Mr. Green.

MR. GREEN: Well I hate to tell you that you are misinformed in that everybody knows . . .

DR. HARE: Well I've only been here for eight years, and within the first year I was well aware of the Edie farming operations in the Dugald area. -- (Interjection) -- No, I couldn't tell you what his political leanings are . . .

A MEMBER: I can tell you what they are.

DR. HARE: . . . but I know that he is an aggressive farmer. The other members are Mr. McRorie, who spoke this morning; Mr. Gibb who is going to make a presentation on behalf of, I believe, the Manitoba Institute of Agrology, and both of these gentlemen are the Agricultural Managers of their particular banks; Mr. Friesen, Harry Friesen who is here,

(DR. HARE cont'd) who is with a real estate operation; and I believe there are one or two other farmers on the Committee although I don't have their names.

A MEMBER: Who are the other ones?

MR. : I don't know the names of all the Committee, you've got about 20, but I'll guarantee that the committee will get a copy of the list of members.

MR. DILLEN: Is Mr. McRorie a member of the Agricultural Committee?

DR. HARE: Yes, sir.

MR. DILLEN: Can you tell me if you are aware if whether or not the Canadian Manufacturers Association also has an agricultural committee?

DR. HARE: I wasn't aware of it here in Winnipeg.

MR. DILLEN: Can you tell me if Mr. Edie is the same Mr. Edie involved with the Winnipeg Commodity Exchange?

DR. HARE: No, I could not.

MR. DILLEN: Dr. Hare, you spoke this morning, it's not part of your brief but you did make some reference or some recommendations to the Committee that an apolitical group be established. Could you make some suggestions as to who would be the make-up of that group?
--(Interjection)--

DR. HARE: Right.

MR. CHAIRMAN: Well, Mr. Dillen, this information was related in the letter to me of January 28th in which Dr. Hare did indicate the type of a committee that was suggested.

MR. DILLEN: Did he make reference to an apolitical group?

MR. CHAIRMAN: "Such a council should be an apolitical group consisting of farmers, small and large; grain and livestock, the rural councils, municipal councils, the Provincial Government, Agra business, financial supply sector, marketing sector, food industry and transportation".

MR. DILLEN: Could you assure me that this apolitical group that you are referring to could not be accused of some conflict of interest?

DR. HARE: No. But if I was asked to name persons who would be on this group, I would make sure that there was even representation according to their thinking and, you know, according to their political ideas. This is the one thing that we do not want to see in this province that has already started, is that there isn't an apolitical approach to agricultural problems.

MR. DILLEN: Well you made - I have to pursue this - you said again that this apolitical group would be chosen on the basis of their political thinking. How do you rationalize that choosing on the basis of political thinking and being apolitical?

DR. HARE: I don't know. How would you?

MR. DILLEN: Well, I'm asking the question.

DR. HARE: Okay I was throwing it back to you. I think that you would try to balance your group out, based on what you know of the individuals, and you would try to make it so that the objective of this committee is completely "apolitical", that the results of such a study group would be based on fact and fact alone.

MR. DILLEN: You noticed that too, eh?

MR. CHAIRMAN: Order, please.

MR. DILLEN: Now if you have a complete balance between - we'll use two political views, that there are three on one side and three on the other side - don't you think that you would be getting into a Mexican stand-off situation where there'd be no decisions made?

DR. HARE: No, because this group as far as I'm concerned is only one that would produce the facts, produce the detailed information as to what is farm ownership, what is outside ownership, and so on. These details are not defined in this paper. So that there would be no, as far as I'm concerned in assessing what we have at the present time in the way of land use and land ownership, this would be strictly getting the facts.

MR. DILLEN: Do you not think that that is the intent of this Committee?

DR. HARE: Yes, but I do not by any means agree that this Committee as such can arrive at a position where they can make recommendations based on the information that we have at the present time.

MR. DILLEN: Well you didn't come here this morning with something that wasn't fact in your own mind?

DR. HARE: I try not to, sir.

MR. DILLEN: So if you are presenting us with facts, and I'm sure that what Charlie Hunt presented us with this morning was in his mind fact, that you are suggesting that this Committee is incapable of establishing a position based on the facts that are presented.

DR. HARE: If they use this, yes.

MR. DILLEN: Are you suggesting that those are also facts?

DR. HARE: No I'm not. I'm saying that they are not the facts that are required for studying the whole program of land-use and land ownership.

MR. DILLEN: And you think that an apolitical committee would be better equipped to obtain facts?

DR. HARE: Yes, sir.

MR. DILLEN: I thank you.

MR. CHAIRMAN: Mr. Watt.

MR. WATT: Mr. Chairman, I'd just like to ask Dr. Hare - he was talking about the family farm, co-operate farms. Dr. Hare, through you Mr. Chairman, has not mentioned communal farms or Hutterite Colonies. Now I'd just like your opinion on what is the difference? I understand what a family farm is and a co-operate but a communal farm which was established 25 or 30 years ago in Saskatchewan went flop.

DR. HARE: Yes there are communal farms in other countries and I think you can visualize what a communal farm as such is where, without any regard to families or religion, if we're going to relate to Hutterites, there is a group of people that come together and they are assigned a work area and they have so much land and they produce product, and that's it. As far as the Hutterite farm, I think this has to be the subject of a complete debate . . .

--(Interjection)--

MR. CHAIRMAN: Order, please.

DR. HARE: Certainly you have to admit that they farm their land quite efficiently and they are here and they're a part of the whole issue of farm ownership and land-use. The family farm you know, the corporate farm as I visualize it, is a family farm which has been incorporated. By that I mean it's a corporation which makes it so that they can put their financial transactions through a business rather than on a personal basis. Does that answer that question, Mr. Watt?

MR. WATT: Yes. But supposing the government eventually has control of all the land in the Province of Manitoba, do we not then become a part of a gigantic communal farm.

DR. HARE: Yes. We could apply to Russia to have - maybe whatever the number of states they have maybe we could become another one. Now, and this is what Mr. Uskiw was referring to that if the state owns, the province owns, a certain percentage of farms you're tending towards this type of thing because I have yet to see on a general average basis a rental farm as compared to an owned farm produce more. So that I think - I wasn't involved in this discussion, but whenever you do not have ownership of property the productivity tends to decrease. This is verified by the fact that on those lands in China, for instance, where the communal individuals have their own property the productivity on those pieces of property is considerably more than it is on the communal property. Any time the government gets involved on a general basis there's a general tendency for decay of the initiative, decay of the profitability feature, and with this lack of initiative then there's lack of productivity.

MR. WATT: Mr. Chairman, just one more question. Dr. Hare, would you say that this applied to India?

DR. HARE: I don't think you can compare countries that are in the developing state and Manitoba, which I think we should have to say is in the developed state; I think that the conditions that you compare farm land have to be comparable. I would suggest that India is in no way comparable, not necessarily from the land quality per se, but from the standpoint of the individuals involved as to their status of education, their status of other factors that make for a progressive farming such as transportation, equipment, and so on.

MR. CHAIRMAN: Mr. Johannson. Pardon me. Yes. Mr. Johannson.

MR. JOHANNSON: Mr. Chairman, . . .

MR. CHAIRMAN: Mr. Dillen. On a point of order?

MR. DILLEN: On a point of procedure, I believe, Mr. Chairman.

MR. CHAIRMAN: Point of procedure?

MR. DILLEN: Mr. Hare, has been standing at that podium for quite some time now and I'm sure we could make it much more comfortable for him if he were to sit down.

MR. CHAIRMAN: Well if Dr. Hare wishes to sit down somebody remove the podium and bring up a chair. It might be more . . .

MR. DILLEN: I have a feeling that he's going to be here for a little while yet.

DR. HARE: Thank you very much, Mr. Dillen, for your suggestion.

MR. CHAIRMAN: Thank you. I was going to suggest it some time ago and neglected to do that. Proceed, Mr. Johannson.

MR. JOHANNSON: Yes, Dr. Hare, I was quite interested in your last comments. You were advocating an apolitical group that would be in charge of determining agricultural policy, and you were stating that the Committee really can't reach conclusions based on facts with the present information available to it.

DR. HARE: Yes.

MR. JOHANNSON: And you objected in your brief, and you've objected earlier, to a lack of time for your Committee of the Chamber to do the necessary research to come up with intelligent conclusions. Correct?

DR. HARE: Yes.

MR. JOHANNSON: Yes. Now if that is so I've got a number of newspaper clippings here, one of which is from the Tribune of January 29th, 1975, in which you make a number of very wild and extreme statements about the Government's Working Paper and the Government's agricultural policy. How was it you were able to make those statements without having gone through this research that you tell us we didn't give you time to do?

DR. HARE: I have gone through the book and this is where my comments follow from. The book is based not on fact and that's why I say that - I don't know what I was quoted at, I don't think I used the word but I think I saw the word "garbage" somewhere in the paper, and this may be what you are referring to - but it's only the fact that this is the whole basis. At this stage of the game I have not seen any other fact or data that the committee has at hand which would give me any better feeling that this committee at this stage would have the necessary information to make any recommendations of any kind.

MR. JOHANNSON: You have stated quite often before today that you don't feel that the committee can come to a conclusion based on fact at the present time, that you think research, additional research is required.

DR. HARE: I think the conclusion the committee can come to is that much more time is required to get the basic facts and study this situation in much more detail. The Province of Alberta is taking two or three years to go into this particular aspect. Our point in getting involved here was the fact that we were only involved as of a few weeks ago, really, that this thing was coming to a head, and if this is the way that it's going to be pushed through the Legislature we wanted to make sure that our points were very very strong, because we don't have the data at hand to make the optimum approach to the Legislature.

MR. JOHANNSON: But you did have enough data to make very definite conclusions to the newspaper reporters--(Interjection)--several weeks ago.

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

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

MR. WATT: I don't think that it's fair that any person like Dr. Hare that comes before this committee should be accused of making wild statements.

DR. HARE: How do you know they are wild?--(Interjection)--In your opinion.

MR. WATT: . . . but he came here as a gentleman . . .

MR. CHAIRMAN: Order please.

MR. WATT: Okay, Mr. Chairman, I . . .

MR. CHAIRMAN: That is not a point of order. You may proceed, Mr. Johannson.

MR. JOHANNSON: Mr. Chairman, I believe that both politicians and members of the public should in the process of law making behave in a responsible fashion and proceed in a reasonable fashion. The Chamber has been dribbling out to the newspapers bits and pieces and comments about its paper for several weeks now, and you were quoted Dr. Hare - you or members of the committee - and perhaps you were misquoted, I would like to know. One Council member, June Menzies, one of the apolitical members of the Chamber's Agricultural Committee, was quoted as stating that the . . .

DR. HARE: She is not on the Agricultural Committee.

MR. JOHANNSON: Well, she is quoted as having commented on the Government's Working Paper. Perhaps it is a misquote, I would like to know.

DR. HARE: It's a free organization and anybody can make any comments they want, but she is not a member of the Agricultural Committee.

MR. JOHANNSON: Well, Dr. Hare, this June Menzies in . . . It begins: "The Winnipeg Chamber of Commerce has objected to what it terms short notice of hearings planned by the Legislature's Special Committee on Land Ownership", and it proceeds to discuss . . .

DR. HARE: But don't you agree that it was rather short notice if we saw this paper on a Friday and we were supposed to make a brief, a presentation on Monday?

MR. JOHANNSON: I would agree, but the thing that strikes me is that you were, you and other members of the Chamber, were willing to make very extreme statements about the Government's Working Paper and the Government's agricultural policy based on which you say is insufficient knowledge for us to come to intelligent conclusions.

DR. HARE: That's correct.

MR. JOHANNSON: There is a quote here that the Government paper was hit for a number of reasons, it was criticized in other words by the Chamber; among other things it was criticized for being collectivist in the manner of Stalin in the 1930's. Now I would like to know if that is the correct quote.

DR. HARE: I personally did not hear that prior to reading that in the newspaper. I can't recall hearing it in any of our meetings.

MR. JOHANNSON: Okay. Are you saying then that the reporter who obviously wrote this, either misunderstood you or lied? What are you saying?

DR. HARE: It was certainly not my statement, but it could have been in a statement from somebody else, but to my knowledge it was never mentioned while I was present in a Chamber meeting. And your part about the reporter, I believe the reporter has - as you know all of our meetings are open to any press at any time and there may have been comments about this, and I am sure that if you would care to come to the Chamber and discuss this with many of the members, there are many comments about this red book.

MR. JOHANNSON: So are you saying then that you don't personally share in that criticism?

DR. HARE: I share towards that type of criticism because if the ultimate of this type of thinking is total land ownership by the state, then you're into that type of thing.

MR. JOHANNSON: You know, I believe in intelligent and responsible discussion and formulation of policy . . .

DR. HARE: So do I.

MR. JOHANNSON: . . . but I don't think that sort of statement is conducive to either intelligent or responsible formation of policy. Mr. Chairman, you know, I think that sort of statement is an example of the big lie and if I indulged in the type of behaviour that some members of your Chamber seem to indulge in, I could compare you to Hitler in the use of the big lie technique. But I don't think that that would be fair, and I don't think that that would be responsible to do, and I don't appreciate it when other people indulge in that sort of irresponsibility. I don't think it is conducive to intelligent law-making.

DR. HARE: The irresponsibility started with this piece of information, and if this information were correct, and if it were complete and had all the details and had the definitions and terms of reference complete, then I would say that we have a place to start discussions, but all of our comments about this was that it should not be used as a document on which any policy should be formulated.

MR. JOHANNSON: Well, Mr. Chairman, the Committee has been holding hearings, and this process of holding hearings is part of the process of making policy, and there is no intention to make policy simply on the basis of that working paper. But you have in reply to some questions by Mr. Watt indicated that the logic of the government's policy tends towards the total takeover of farmland by the government, and you have compared this to the Russian example. Now at present MACC in its land lease program does not approach farmers, this is the policy of MACC, it does not approach farmers asking them to sell land. It only accepts applications to sell which involves a willingness, or at least an indication of a willingness to sell on the part of the farmer owning the land, and only 40 percent of the applications that have been given to MACC have resulted in the purchase of land. In other words, 60 percent have either been withdrawn or turned down. Now how can you say that the logic of that leads to the total takeover of farmland.

DR. HARE: As you have heard, there have been instances where these people have

(DR. HARE cont'd) approached farmers about purchasing land. I think that the directions for the people that are out in the field have not been exactly the way that you have stated, the way you feel it should operate.

MR. JOHANNSSON: Dr. Hare, you know in argument it is usually best if one deals with evidence of fact, and it's been stated by a number of people that this has happened but no evidence has been produced. Now that, to me, is not an intelligent way of presenting arguments . . .

DR. HARE: We are not arguing . . .

MR. JOHANNSSON: . . . reporting rumour that is not founded upon evidence.

DR. HARE: We are not arguing about how it is being done, the fact that it is being done is, in our opinion, the wrong way to proceed on land ownership.

MR. JOHANNSSON: But you say the fact it's being done. There's been no concrete case cited where it has been done. Will you please give me a concrete case.

DR. HARE: The ownership of land by the province is a fact.

MR. JOHANNSSON: Yes, that's a fact, but you're talking . . .

DR. HARE: That's all we're stating.

MR. JOHANNSSON: That fact I won't dispute, there is ownership of farm land by the province. At present that ownership is 66,000 acres. One-third of one percent which has been purchased in fifteen months. If the province proceeded in that fashion it would take over three hundred years, over three hundred years, to purchase all of the land, and that assumes a number of things. It assumes that the young farmers never take up the option to buy, which one can't assume. It also assumes that you have willing sellers, and you and others have stated that the farmers in general are opposed to state ownership, government ownership.

DR. HARE: Yes, however when the price is higher than they can get elsewhere obviously it is to their advantage to sell to the highest bidder, and they know that the province has the finance behind them, they don't know about the finance of the individual. It is easier to take a cheque from the government than it is to worry about waiting for financial arrangements of some neighbour. And this is how it operates.

MR. JOHANNSSON: Well, Dr. Hare, if only forty percent of applications have been proceeded with, the other sixty have been either turned down or withdrawn, it means that the province isn't always offering the top price, and isn't willing to offer any price to purchase the land.

DR. HARE: I would think that there are many other factors for this not going through, and anybody in real estate business could probably tell you that out of so many offers probably the actual amounts of sale is probably somewhere in the area of forty or fifty percent. So I don't think that this is a straight way to compare whether it's being taken up or not.

MR. CHAIRMAN: Mr. Adam.

MR. McCORMICK: Mr. Chairman, may I make just one brief statement?

MR. CHAIRMAN: Mr. McCormick.

MR. McCORMICK: There has been some question raised about the Chamber's - the question of the Chamber's protest about short notice seems to have bothered some of the committee. I'd like to just clear the point. That was contained in a letter to you, Mr. Chairman, dated the 28th.

MR. CHAIRMAN: Right.

MR. McCORMICK: Of which everyone received a copy. That was a Tuesday morning, and at that time we had not yet had assurance there would be any hearings beyond the hearing in Brandon. So we felt it was a justified protest at that point. You will note that that is not contained in the current submission. It was a submission at that time. The committee was then held later. So I don't think it is fair to keep pressing the Chamber now on that point.

MR. CHAIRMAN: Well I did indicate that I did phone the Chamber - or rather Dr. Hare phoned me on Tuesday afternoon because I told him after the Dauphin meeting that I would be calling him on Tuesday. I was in the process of looking up the number when Dr. Hare phoned and I did indicate that there would be further meetings and you would be so notified.

MR. McCORMICK: We appreciate that, Mr. Chairman. This was approved at a council meeting at 11 o'clock on Tuesday. At that point we didn't have the information. We appreciate your consideration, the extension of the hearings, but I think I should explain why it appeared in the first letter but not in the current brief.

MR. CHAIRMAN: Well I stated that that had been resolved this morning, that there was

(MR. CHAIRMAN cont'd) no further need, that that was irrelevant to the whole proceedings.

MR. CHAIRMAN: Mr. Adam.

MR. ADAM: Thank you, Mr. Chairman. Dr. Hare, just a few questions that I wanted clarification on. On Page 4 of your brief, I will read verbatim from the brief here. In the last paragraph, the last three lines you say here that "further to this, no consideration has been given to policy changes which would make it easier for the beginning farmer to attain ownership of an initial unit." And in answer to questions posed to you by Mr. Walding you seem to be very reluctant that there should be any grants or any giveaways to farmers to get into, the purchase of initial units in other words. Could you clarify that statement there for me that--(Interjection)--I am asking him, Mr. Graham. He can answer, I'm sure I have more confidence in his answer . . .

DR. HARE: Then we went in to explain the questions Mr. Walding was putting to me about the things that can be done to assist the farmer if he needs assistance, such as incentive taxation, incentive situations that would make it so that he isn't given property but he is given the opportunity, and this is what we are looking for.

MR. ADAM: Is this not some type of subsidy?

DR. HARE: Not necessarily if it's a financial arrangement where it has to be paid back.

MR. ADAM: Well what are you talking about?

DR. HARE: What are you questioning about, sir?

MR. ADAM: Well I am questioning about the incentives that you envisage to make it more easier for a farmer . . .

DR. HARE: We've gone through this with Mr. Walding. I don't have the details of these things. These are things that I think should be discussed and presented as proposals. Had we had more time we would have possibly a whole symposium on each one of these areas, and have a whole days discussion on them, but these obviously are going to take much more time to get into the details of what would be the most advantageous method of assisting a young farmer. I don't believe the way to assist a young farmer is by letting him rent land and this be the ultimate objective of the individual, because if he is going to rent land for the rest of his life he is not going to be much of a farmer.

MR. ADAM: Yes, you seem to be quite specific on that point, that a farmer that went into the vocation of agriculture, the main aim was to become an owner of that property.

DR. HARE: That's generally the ambition.

MR. ADAM: Is it not a fact that in the industry, in the business world, the majority of the business people, say in Winnipeg, are lessees? They operate a business but generally speaking they are renting the premises that they operate from.

DR. HARE: Oh yes, that's very true. If their business prospers many times they will purchase, or go into their own premises. However, in a business such as my own I develop a goodwill which then becomes the business, it isn't the premises as such; and you have to consider businesses on their value not on the physical aspects, because you can have a business of the type that I'm involved in, in any location in the country. So that whether I own or rent where my offices are located isn't that important. The important thing is that you develop a business which has some value in itself. Sure, in a farm the land is the basic part of the value and he's developing that land for his equity. That land becomes more and more his as he puts effort into it by equity holding then ultimately he is the owner, and this is the incentive for putting in the greater effort. Whereas if the only option, you know, is to rent land, what's the incentive? Sure he gets on to the land but to be a renter for the rest of your life in a piece of property to me is a negative way of looking at things; because if you don't own a piece of property you are not going to put the capital into it to improve it, you're not going to take as good care of the land and ultimately it becomes not only worn out land but it's non-productive; whereas if he owns land then he has an incentive. And this is the basic, you've said it in here, that the basic incentive is what drives a person to do better, and he's not going to do better if he rents the land year after year. I think this is an assumption that Mr. Uskiw is making when he was talking about the person that rents from the province; they're stating that on a given piece of property that they will produce just as much grain or just as much livestock as the man on the next piece of property of the same size that is owned. I don't agree.

MR. ADAM: Let me pose you, Mr. Hare, a hypothetical question. I have approximately a thousand acre farm, I am a farmer by profession, and let's presume that my neighbour has

(MR. ADAM cont'd). . . . half of that land and a parcel comes up for sale. Would you not agree that I would be in a better position to pay a higher price for that land to spread the cost over my larger holding than the neighbour would have with his smaller holding?

DR. HARE: Yes, if neither of you have any savings based on your property.

MR. ADAM: You would presume then that I would be willing to pay quite a bit more to obtain that property just by the fact that I can equalize that cost over a larger number.

DR. HARE: I would say you would be able to afford a higher price.

MR. ADAM: Right. And that would have a tendency of raising the prices, too, wouldn't it?

DR. HARE: Yes, sir.

MR. ADAM: So we agree on that. I still have difficulty in rationalizing your reply - of course that's your own opinion - that you would deny the farmer the option of renting land when you would not deny a businessman that prerogative of renting his property to do his business.

DR. HARE: No, but if you encourage a person starting out in farming to rent his property, and this seems to be the objective, the ultimate objective is to rent your property, this is not the same thing as renting a piece of building for a business because the business doesn't necessarily matter where it is, it's got to be housed or some place. But what develops in another business is the goodwill, you know, the number of customers that you develop, the service that you develop, the quality of product that you develop, the reliability of your company, all of these are the things which develop equity or value in a company. What develops in a farm is the amount of land that you can pay for, or the value of the land as it appreciates.

MR. ADAM: You mentioned, Dr. Hare, that not providing grants or incentives or giveaways to young farmers going into agriculture would tend to make them hardy - I believe that's the words you used - become more hardy. What happens to the business community when they receive grants from the Federal Government, do they become hardy or less hardy because of those grants?

DR. HARE: Less hardy.

MR. ADAM: But they really accept those grants very willingly?

DR. HARE: If they're available, obviously, but what I am trying to say is the basic philosophy, that the more giveaways that you have for people, the more they're going to expect, the less they're going to be willing to work and the less innovative inputs they're going to put into that enterprise. This I feel is what is wrong with the whole country, is that we're getting into a total giveaway program and that the character of our people is settling down to the lowest level. This I don't think is what we want; I think we want aggressive, determined people who are willing to put in a good effort not only physically but mentally and use everything at their advantage to be more efficient. But giving away things I think is just cutting the bottom right out of our total economy.

MR. ADAM: I shouldn't pursue this question any further but, you know, it's come up quite a few times now about the Chamber of Commerce stating that the shortness of the hearings--(Interjection)--Mr. Chairman.

DR. HARE: That's entirely dealt with.

MR. ADAM: I know it has, but I want to point out to Dr. Hare that I'm sure that the Chamber of Commerce (I would expect a private individual would not be prepared) but I would expect that a Chamber of Commerce has a longstanding philosophy and a position on land ownership and at any point in time--there was a lot of publicity made about this resolution at the last session, it was public information that the committee would be sitting during the Session and I am sure that you must have had a position.

MR. CHAIRMAN: Mr. Adam, I believe we've dealt with that question, I thought we had settled it, there is no particular relevance at this time. We proceed.

MR. ADAM: Thank you very much.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, Mr. Hare, you and Mr. McRorie made some observations this morning on the accuracy of the material in the working document and you made some point about the extensive rather than intensive use of land and the conclusions that document came to.

I wish to at this point table for your benefit, sir, the 71-72 Canada Statistics on it and you will note that there is an increasing return up to the point of a 35,000-dollar gross income, after that time, there's a declining return to the point up and beyond \$50,000 of gross income; percentage-wise it works out to roughly 11-1/2 percent return up to \$35,000 of gross income

(MR. USKIW cont'd) and then falls off to between 9-1/4 and 9-1/2. That is Statistics Canada 1971-72 and that is true for Manitoba as well as far as Canada as a whole. That's the basis of the statement in the working document, sir. Those have been brought forward to me by the statistics people in the department since this morning.

Now the next point I would like to draw to your attention, sir, are the comments that both you and I believe Mr. McRorie have made this morning about your concern in government involvement, you thought that things should always be as apolitical as possible and I'll pursue that point only for a moment. Do you consider yourself as being an apolitical individual?

DR. HARE: Yes, sir.

MR. USKIW: Notwithstanding the fact that it is known to the public at large that you have sought political office and are identified politically?

DR. HARE: Yes, sir.

MR. USKIW: So you would think that if we appointed you to head a commission that you would be apolitical, you would have no views . . . ?

DR. HARE: Yes, sir. In collecting statistics, facts and data, how can you be anything but apolitical.

MR. USKIW: No, in recommending on policy, in recommending on policy, sir, you could divorce your political leanings completely from any recommendation that you would want to make to the government?

DR. HARE: Based on the facts and figures that would be collected, yes.

MR. USKIW: Okay. I would like to table another document because of the kinds of allegations that have been made by people like you within the government system, and I'm now referring to the opposition who keep suggesting these things all the time and members of the public, where they think that government programs are in fact political in that there would be some preference providing one's political identity was known.

MR. G. JOHNSTON: Mr. Chairman, on a point of order.

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

MR. JOHNSTON: My point of order is that the Minister is, I presume by agreement, going to table a document with the committee. I think he can read the document into the record but he'd be creating a doubtful parliamentary precedent by tabling a document to a committee. One only tables documents in the House, I believe. I have no objection to having it read into the record but there could be problems because we could table all sorts of documents here.

MR. GREEN: I suggest that it not be tabled. I won't listen to Mr. Uskiw read this document, it will take an hour and I'm frankly not interested. Instead of tabling it, how about if he passes it out and gives it to me.

MR. CHAIRMAN: I believe that that would be the proper procedure, saying that you are going to distribute certain information rather than saying you're tabling it.

MR. USKIW: Well, Mr. Chairman, on that same point of order, the term that is used is not important to me as long as the information gets through to the people that want it. I would like to indicate that this document that I am going to distribute will give you all of the data on all of the land acquisitions under the Land Lease Program as well as the leases. And you will note that there were a total of 169 purchases involving 72,517 acres for a value of \$5,681,003; there was a total of 144 leases under the program; land valued under those leases was \$4,464,932.15; total cultivated acreage - 40,056.33; total non-cultivated acreage - 21,652.23; total acreage - 61,708.56. This gives you all of the information that has been asked for and where it has been alleged that somehow government is operating secretly. Let it be known that we don't wish the impression to be left that government does not want the public or the MLAs to know the nature of the program. This is not new information, this was always available in that every one of these transactions were by Order-in-Council and filed for public use. But we have put it together for your benefit, sir. That's that document there, yes.

Now the next item, and this is an item that I think we should reveal to the public-at-large. We have had one or two requests from people making presentations to this committee wanting to know the performance of the Manitoba Agricultural Credit Corporation. Of course the committee here seems to be preoccupied with the totality of that operation. I would also want to distribute a map of agri-Manitoba indicating to the committee and the public-at-large the \$83 million that has been advanced by the Credit Corporation since its inception, the areas of the province

(MR. USKIW cont'd) to which certain amounts were provided. And then I pose a question to Mr. Hare, Because Mr. Hare implied, and so did Mr. McRorie, that government could be very political in the use of programs like this. And I should like to make the observation that in our political judgment, as he would put it, that about 63 out of the \$83 million that was advanced since the inception of the MACC, that about two-thirds of that money was advanced to areas represented by Conservative MLAs. That is a political approach to credit, sir, in your definition. And I should like to make the observation that I don't think that is different today proportionately than it was during the years that the previous administration, up to 1961, were in charge of that particular program. So I really have to take some exception from people that think that universal programs available to all Manitoba citizens would somehow be applied in a political fashion.

DR. HARE: Mr. Uskiw, I, in no way, suggested that there was a political connotation in any of the transaction of the MACC, I did not infer this. However, I think that if this whole thing was looked at individually, I am sure that there are political people who lean to this type of program even though they are residing in areas that are represented by Conservative or Liberal MLAs. So that I don't think that really is a point of importance here.

Now getting into political use; we can go into many other areas that I don't agree with, such as the use of the agricultural representatives as sales agents for McKenzie Seeds. I think this is one area that not only is it detrimental to the agricultural representative group from a morale standpoint but it also is detrimental to McKenzie Seeds, because I competed with them and I know that it's much easier to sell against a company that has this type of political leaning. So, you know, this is the type of political thing that I think has to keep out of business areas.

MR. USKIW: You know that's a very interesting observation. Again it demonstrates, sir, and I regret to say this, your lack of research. Who has ever indicated that the agricultural representative is in the business of selling seed for McKenzie Seeds?

DR. HARE: Well we've seen the order forms that they have been given to take to customers and the letters that went to them last fall to tell them how to approach customers and sell McKenzie Seeds while they are making their calls.

MR. USKIW: But isn't it correct that any company could participate in that program, which is an informational program to the farmer client? It is not a program for McKenzie Seeds.

DR. HARE: It has never been done to my knowledge and I've been in agri-business in Canada for 25 years, it has never been used, that the agricultural representatives have been used as a way of getting information to farmers.

MR. USKIW: Well I'm sorry sir, it was done a few years ago and we have been asked to reinstitute the program, which is the basis of the new program.

DR. HARE: It was never done to my knowledge by commercial companies in the agricultural supply business.

MR. USKIW: Well I'm not going to belabour that point with you, sir; I can tell you that that is not a new program, it's been done before by our agricultural representatives.

DR. HARE: Well if it's been done only by the company that is owned by the province, you know, I can tell you from a business standpoint that it's the death knoll of the company.

MR. USKIW: Let me then pursue the other point. You, this morning, indicated that you are not happy with government involvement because of the possibility of some political consideration entering into each application for a lease. Would that not be also true in the consideration of any application for mortgage financing?

DR. HARE: No, I did not say that there would be a political situation in these particular MACC developments.

MR. USKIW: Well then it was Mr. McRorie that made that point.

DR. HARE: Possibly.

MR. USKIW: One of you made that point.

DR. HARE: Possibly, but the basic reason for my stating, and I think this is general for people of my particular background, that government involvement as such in any business tends to degrade the business. Leave the individual enterprise as the incentive for profit and that incentive is what will take private business ahead.

MR. USKIW: Would you then follow through with a recommendation that all governments get out of the financing field in agriculture?

DR. HARE: No, there are certain areas where there is a need on a general basis just the same as there's a need for postal service or anything else. And each one of these areas should be discussed. But I think when you get down to business operations there is no role for Government.

MR. USKIW: I'm going to also table in alphabetical order the record of the Crown Land Grazing Leases which have been with us for many many decades. Anyone that wants to research that document may pick up names in that document that even represent members of the Legislature. Since 1969 no one has lost his lease because he happens to sit on the Opposition in the Manitoba Legislature. You will make that observation. I simply point this out because of the kind of nonsense that has been flowing through this Committee discussion as to the politicizing of Government programs, land-lease, credit, etc., which has come from the general public at large and from the members of the Committee. So to rest that issue once and for all, I want to make all of these things available to the general public.

You, Sir, made the observation that the Crown, or the Government, is tending, is tending towards the absolute ownership of all the land through the land-lease program. Are you of the opinion, then, that the lessee will not exercise, or all of the lessees will not exercise their option to purchase at any time in a lifetime? Is that the assumption on which you make that statement?

DR. HARE: If it's clear that the lessee has that specific opportunity at any particular time the program is viable, but I understand this is not so.

MR. USKIW: What is the basis of your understanding, Sir?

DR. HARE: The statement in the MACC policy, that after three years the terms of the lease are renegotiated and at that time the individual as such doesn't know what terms may be imposed on him by--you know, it may not be your Government; it may be some other Government. How does he know that he's going to get the same type of consideration as he had when he first started into the program?

MR. USKIW: Well, I think that he knows at the time that he enters the program that all those variables are there and on that basis he enters the program. He is not going into the program blind, sir.

DR. HARE: That's right, and this is why I say that it isn't encouraging for me to see that people somehow do go into these programs.

MR. USKIW: Can I ask you, then, since you have a preference for private land-leasing arrangements, how a tenant has that assurance in a private contract?

DR. HARE: Either he makes this arrangement when he sets up, if it's a contractual arrangement he sets up the terms to which he is agreeable. Obviously a person would be somewhat non-astute to enter a program that he wasn't agreeable to.

MR. USKIW: In which way is it an advantage, is any private lease contract an advantage over the lease contract that is provided by the Manitoga Agricultural Credit Corporation?

DR. HARE: Several. The major one is that he has the opportunity to choose the person that he is going to rent from and he knows the character. As Mr. Hunt pointed out this morning, the person that rents from him knows that Mr. Hunt is not going to throw him off if he somehow doesn't get a yield because of weather problems. In other words he can choose the reasonableness of the individual from whom he is leasing. The province is a cold, hard situation which is to the individual . . .

MR: . . . : No heart.

DR. HARE: That's right. No . . .

MR. USKIW: You would assume that the two million acres that the province now leases to some 3,000 farmers in Manitoba . . .

DR. HARE: Excuse me, sir, I missed a few words. Mr. Green was talking.

MR. USKIW: You would assume, sir, that some 3,000 people who now lease Crown lands under the grazing program, grazing leases, that they have that insecurity and that they would have done better in 1975 if you, sir, owned those two million acres, because the Crown is not going to charge them one penny for their rent this year.

DR. HARE: Land grazing I think is a different . . .

MR. USKIW: Well it's all . . .

DR. HARE: Certainly. Certainly.

MR. USKIW: But you would have provided them with a better opportunity than to reduce their rents to zero.

DR. HARE: There are places where certainly there are landgrazing opportunities on a private basis that are as good or better.

MR. USKIW: No, but you made the point, sir, that the Crown is very cold; it would not respond to situations such as we have in agriculture. We have the boom and bust cycle quite often. And here we have a situation in the livestock industry where the cow-calf operators aren't making any money. Do you think if you owned the two million acres of land that the Crown owns and leases to these people, that you would have been in a position to forego the rent for 1975, as a private owner?

DR. HARE: This would be a judgment that depended on whether you felt that you wanted to keep those customers for the following year.

MR. USKIW: Right. That would be a business judgment, wouldn't it?

DR. HARE: Certainly.

MR. USKIW: It wouldn't be a judgment based on the needs of 3,000 leaseholders.

DR. HARE: Is it a non-business judgment on the basis of the province?

MR. USKIW: Pardon me?

DR. HARE: Is it a non-business?

MR. USKIW: Oh yes, in the global sense. That's right; we are trying to salvage the industry. But in terms of your own position as a leaseholder, if you are offered for that same land a dollar more or ten dollars more per acre, I would assume you would then have to tell the 3,000 leaseholders who are there now that you have received a better offer. You would not have a public concern.

DR. HARE: It depends on--if I had the whole million acres and if I was thinking in terms of the years following, at that size I think I would have to consider the continuance of that type of lease, because these are the people that make up--you know, unless there was a decided alternative which . . .

MR. USKIW: Well, let's say that the decided alternative built in for you a net increase in rental revenue by 100 percent over what you've had. Would your concern be Mr. Hare, or would it be the lessees, 3,000 of them, who are leasing Crown land?

DR. HARE: I think I would have to take into consideration the individuals. Business itself isn't 100 percent mercenary, so that these are oftentimes considerations in private dealings that have to be considered because building in the goodwill of a company also involves dealing with people, and many times the straight economic rules don't necessarily hold. And if you had that million acres, you would have to consider your position the following year when maybe the cattle business was up back on its feet again.

MR. USKIW: Mr. Hare, if you could give me a commitment that you would treat those people better than the Crown does, I would recommend that the Crown turn over those acres to you, sir, for you to administer on our behalf in that you would do far better than we would do in the consideration of 3,000 leaseholders.

DR. HARE: At what price, Mr. Uskiw?

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Well, Mr. Hare, you've had a long day, I gather, and I'm sorry I wasn't here for the other part of your remarks because I was in Cabinet, being cold and merciless and non-personal about the dealings of the people of the Province of Manitoba.

Mr. Hare, in the Chamber's statement--I want to make it clear that the paper is referred to as being in the style of Mr. Janssen, Mr. Uskiw and Mines Minister Sidney Green, which puts those other two gentlemen in good company. And then says that the Government paper - and I'm leaving out some words - was abandoning long-term financing of land-owner farmers in favour of credit for those leasing Government land, and of being collectivists in the manner of Stalin of the 1930s. Now my identification with Stalin of the 1930s would mean, I gather, that we are talking about forced confiscation, physical extermination, extermination by famine and other forms of cruelty, forced confiscation, the forced labour in the collectives, forced delivery of the product, and other manners which I'm sure that you are well acquainted with. So you will not think that I have sort of been left unscathed by the Chamber of Commerce, that I have been described as a pretty inhuman being and that I would naturally want to deal with this question, and you would not feel unfair if I tried to elicit from you the fact that perhaps the Chamber is mistaken.

DR. HARE: Mr. Chairman, is it correct that we have proceedings of this conference? Because this question was discussed this morning and we've gone through this paper. I

(DR. HARE cont'd) haven't seen this, incidentally, today; I just have heard about it. But we went through this collectivist situation this morning and possibly this can be picked up from the records, Mr. Green.

MR. GREEN: Well, you know, I'm reading to you what I see in the paper and . . .

DR. HARE: We stated this morning that this was not my statement. The Government paper was hit . . .

MR. GREEN: Well let's say not yours, by members of your Chamber of Commerce, whom I assume are all honourable men.

MR. . . . : Absolutely.

MR. GREEN: Yes. So some honourable men of the Chamber of Commerce have referred to me in particular, accompanied by my friends Mr. Janssen and Mr. Uskiw, as advocating something along the collectivist style of Stalin in the 1930s.

DR. HARE: Could Mr. McCormick speak to this question, Mr. Chairman? Mr. McCormick is Chairman of the Chamber.

MR. GREEN: I'm not asking for sort of an apology and I'm not asking for any modification. What I'm really trying to say is that you will not blame members of the Government who have been attacked in this way in what some people of the media might call insults, responding and trying to see whether the people who in fact are insulting them are perfectly pure.

DR. HARE: I explained this morning, Mr. Green, that these were not my statements and that I was not aware of anybody making these statements in any meetings that we have had either in Committee or in the Chamber; that maybe these statements were made by some people in discussing this subsequent to meetings or otherwise . . .

MR. GREEN: Are you telling me that the members of the Chamber, or expression of opinion in the Chamber of Commerce, was not to the effect that the Government was being collectivist in the manner of Stalin of the 1930s.

DR. HARE: This morning Mr. Uskiw asked this question and I agreed that purchase of land by Government tended towards this type of program. I did not state that it was this type of program. I would not state that you, sir, were a person comparable to Mr. Stalin. I would just not like to have you . . .

MR. GREEN: You just say that I tend in that direction.

DR. HARE: Yes, sir.

MR. GREEN: You know, that to me is insulting enough. I think that if I said - and you know I'm not - that you tended in the direction of Adolf Hitler, that it would not sort of be accepted with equanimity; that well, that's just fine, that's kind of courtesy talk, that's Emily Post.

DR. HARE: Mr. Green, if you said that, I would take it that it's just your preorgative to say so.

MR. GREEN: Yes, but would you regard it as normal comments on people engaged in public life?

DR. HARE: I would regard it as coming from a political individual who doesn't think the same way I do politically.

MR. GREEN: So then may I regard this statement about us tending to the Stalinist collectivist system of the '30s to be not based on fact but being a political statement made by somebody who doesn't believe the way I do?

DR. HARE: I stated it was a tendency. This is my idea. I didn't state what was prescribed in the paper.

MR. GREEN: Well, Mr. Hare, you know, I kind of respect that. I was rather astonished with your conclusion that there are some kinds of people sitting above everything else and that you are one of them, that you are apolitical, and that you could by assembling facts in their purity come out with a policy which anybody who looks at the facts would agree with. Do you think that that is so? That's an astonishing thing. I have practiced in court for many years and I know that we will have nine judges of the Supreme Court of Canada, who are the most learned people in determining facts and who have spent their lives ascertaining them, five of them could say the facts were one thing, four of them could say the facts were the other thing, and they could be differing with facts which were made by a trial judge, who they are not supposed to rehearse on statements of fact but which they do because they say that the facts which the trial judge made were based on no evidence whatsoever, and you are saying that there are some people who we could get who could without political, inarticulate, major premise

(MR. GREEN cont'd) whatsoever, be able to ascertain apolitically a set of facts.

DR. HARE: Yes, it's possible to take a set of facts and derive the model from that which will give the optimum return to an individual.

MR. GREEN: And you say that there would be no subjectivity in setting out those facts.

DR. HARE: Well, if the recommendations were put through on the basis of an apolitical group there would have to be an agreement by this group that what we would present in the way of a program would be one that had been agreed upon by the whole group.

MR. GREEN: Now if my friends Mr. Jorgenson and Mr. Henderson and Mr. Graham, all of whom I have respect for and all of whom I believe have sound political biases which I happen to disagree with, if they went to the public of this province and said that they are going to stop the land-lease program, that they are going to take all those leases and convert them into titles and that they are going to make sure that there is no public ownership of land, that that is going to be the program upon which they are going to govern this province, would you say that after they were elected that they should appoint an apolitical group to see whether that in fact should be done or to see whether there should be leases to farmers?

DR. HARE: Yes, I think that politics and operation should be separate. Certainly it's a naive approach. However, one has to--you know, we've been too long in looking to what is going to give us most in the way of votes. What we need is sound basic approach to problems on a practical nature and also looking to opportunities rather than trying to hold things back.

MR. GREEN: So you would say that if the Conservative Government ran on a platform of discontinuing the land-lease program, that despite their discontinuance and despite the public judgment in that connection if they happen to get elected on it, they should not base their position on the democratic process and the mandate that they received from the public, but that they should then appoint Mr. Charles Hunt, Mr. Max Hofford and Mr. Roy Atkinson to be a land commission to determine how land should be . . .

DR. HARE: No, because Mr. Atkinson doesn't live in Manitoba.

MR. GREEN: Well would you object, sir, to the appointment of let us say Brian Dickson, to such a commission?

DR. HARE: Not knowing Brian Dickson I would . . .

MR. GREEN: Well if you don't know the name, you see, then I can be forgiven for not knowing the name of Mr. Eddy. That's matches--no, the farmer.

DR. HARE: E-D-I-E.

MR. GREEN: Brian Dickson is a former Justice of the Court of Appeal of the Province of Manitoba, now a Supreme Court Judge of the Supreme Court, and I guess I can be forgiven my lack of knowledge of that fellow if you don't know who Brian Dickson is. Now would you be willing to appoint Brian Dickson as one of this commission? He is a Supreme Court Justice who lives in Ottawa, who sat on the Court of Appeal of the Province of Manitoba.

DR. HARE: Certainly if he has the qualifications that would be able to give the most to this particular question.

MR. GREEN: Mr. Hare, I'm going to ask you a question, and I would beg you to be frank with me, I would beg you. You say that the reason that you would not appoint Roy Atkinson is that he doesn't live in Manitoba?

DR. HARE: No, that's one of the reasons.

MR. GREEN: Oh, that's what you gave as the reason. Is not the reason that you would not appoint Roy Atkinson mainly because he is a man with committed ideas as to the farm and agricultural development in Canada?

DR. HARE: If you recall that the TED commission was made up of individuals, at least what I know having been secretary of the Agricultural Committee, was made up of people from all walks of agricultural life, and I can't recall the people that were involved in it but I do know that there was the Head of the Manitoba Farmers Union, several farmers involved in the Manitoba Farmers Union were on that committee, so that I think that this type of a thing can be done. If you would not allow three individuals as you have mentioned to be the only individuals on a committee obviously because you have it weighted from the start.

MR. GREEN: But, Mr. Hare, Mr. Atkinson is the only one that you said you wouldn't appoint.

DR. HARE: I didn't speak about the other two.

MR. GREEN: But you said you would not appoint Roy Atkinson, and then you said - if you want me to remind you so that you will see that perhaps you have not sort of left exactly

(MR. GREEN cont'd) what you intended to with the committee. Your answer was, "I would not appoint Roy Atkinson because he doesn't live in Manitoba."

DR. HARE: I would not appoint anybody who doesn't live in Manitoba.

MR. GREEN: I see. Now the fact is then you would not appoint Brian Dickson?

DR. HARE: You said that he was a Manitoban - when a person lives in Ottawa usually he's living in both provinces, right? If he's living in Ontario, I would say no, he's too far away.

MR. GREEN: I gathered a few moments ago, Mr. Hare, and perhaps I was wrong and if so I apologize, that when I explained that Mr. Dickson was a Supreme Court Justice, formerly from Manitoba, now living in Ottawa, that you said that you would appoint Mr. Dickson. But if you say that you didn't and you now say that you would not, I'm prepared to accept it and let it go.

I do wish, Mr. Hare, to tell you that I have gone through graduate school and I've gone through law school and the university system has either misrepresented all of the knowledge that has been accumulated up until this time or else it is impossible to find an apolitical, unbiased, non-prejudiced, unsubjective person unless he is either an idiot or he has never read anything in his life. That is what I have been taught in university, and I tell you that if you say that that is not correct, you had better go to the universities and tell them that they should stop undermining the minds of our young people, because that's what they did to me.

DR. HARE: Maybe that's a good idea, Mr. Green.

MR. GREEN: You had better do that. Now, Mr. Hare, you say that everything that you say would be based on fact, you told us a little bit about China. I didn't intend to go afield but we've been to Russia, we've been to China and we've been to India, so let's stop over in China for a moment. You say that the collectives in China - which I am not an advocate of, I tell you, although if I lived in China in 1948 I may well have been - that the collectives in China are not as productive as private landholdings.

Now I assumed that when you made that statement that you compared the collectives in China with the the individual and semi-feudal ownership of China under the Kuomintang, under Chiang Kai-shek before 1948 and that you have figures which show that the productivity of the Chinese peasant under the Kuomintang and Chiang Kai-shek was better than the productivity under the collectives now in China. And if so, I would appreciate your statistics and the facts from which you have this information.

DR. HARE: Mr. Green, I'm not going to argue on the basis of statistics of this particular situation, but I can only say that it would be not only difficult to compare the productivity of a peasant in the Chiang Kai-shek era and the present system because you're talking about a thirty, forty year differential, and in that period the technical knowledge, the developments in agriculture, everything has progressed so rapidly that you're comparing apples and oranges.

MR. GREEN: Then, Mr. Hare - and I say that you were the one who made the comparison, not I - would you compare the collectivist China to the relatively non-collectivist but still somewhat socialistic in many people's mind, India as far as the productivity of the peasant is concerned, because you have both of those countries in exactly the same situation.

DR. HARE: I don't believe that's correct. I think that the system in India is still considerably different from that in China.

MR. GREEN: Oh, yes. As a matter of fact that's why I want you to make the comparison. You have said that the Chinese have proved that the collectivist system is one which inhibits productivity and inhibits incentive and therefore you get less. I've asked you to justify that statement by comparing it with what they had under the feudalistic Kuomintang; or if you don't like that comparison which you say is thirty years old, but it's not thirty years old - the Chinese revolution was in approximately 1949, so we have 26 years and we have years in between them when the productivity figures are available which I assume when you base things on fact you have those figures and are ready to present them, but if you don't like that comparison, then make a comparison with non-collectivist India which achieved its independence in roughly the same period and was in the same state of development as China at the same time. Do you have those figures, can you give them to us so that you will back up your information with facts so that we will be able to come to non-political decisions?

DR. HARE: No, sir, I don't have the figures but . . .

MR. GREEN: I didn't think you did.

DR. HARE: I would only say that in India when we did develop the new varieties of wheat

(DR. HARE cont'd) and the green revolution began that there was certainly a greater glimmer of hope for India, and until the last two or three years when there has been a weather situation, India was at the basis, and certainly Bangladesh was at this situation where they were almost able to produce enough grain for their own use. Now what I'm saying is that there are enough technological developments under the system that India is developing, I don't give up on India right now because they are having problems, but as compared India to say the Chad area of Africa, you again have a different situation and I give India a much better chance for successful agricultural productivity than I do that area of Africa, because they have a free opportunity, they have the benefits of new technology, they have the benefits of a lot of assistance of course from foreign countries. So I'm just saying that in Canada, and this was gone over this morning also in the collectivist farms where the collectivist individuals have their own private property, the yield on their own private property is much greater than it is on the collectivist's farm.

MR. GREEN: Mr. Hare, you know I respect everything that you have said, I respect it as an opinion. Would you not venture to concede, even just a little bit, that part of what you are saying is not based on fact but is based on your subjective view of things as a result of everything that you have learned in life up until now?

DR. HARE: No, I would say that it's based on reading and travelling in the eastern countries. I have never travelled in China, possibly you have, but in other eastern countries I have seen the benefits of the developments, private developments and I just know that the difference between private and country-owned operations is different.

MR. CHAIRMAN: Order gentlemen. You do not need to speak with the mike right in front of you, it does tend to distort and Mr. Sly is having a difficult time.

MR. GREEN: I'll certainly back up, Mr. Chairman, because I believe that every word of mine should be crystal clear and recorded.

DR. HARE: When Mr. Green backs up, you've got something.

MR. GREEN: I only back up only to lean forward again. I have to tell you, Mr. Hare, that for those who believe in impartial objectivity that you are a much much more intelligent and studied man than I am, because I am a very subjective person and therefore I let you know that you have the advantage over me there, you are apolitical, completely objective and can do so as a candidate for the Conservative Party in St. Boniface, you do that as a completely objective person with no subjectivity involved at all.

DR. HARE: I don't see where my candidacy for the Conservative Party in St. Boniface has anything to do with the land use situation.

MR. GREEN: It merely has to do with objectivity and subjectivity, and I congratulate you. I say that if you as an objective person are able to attach yourself to one of the political parties as having found through basis of fact and clear objectivity, ultimate truth, then you're much further ahead than I am. Because in spite of what I think of my association with the New Democratic Party, I believe it is based on opinion not on fact. Therefore you are much further ahead than I am.

Now, Mr. Hare, may I go this way. You said that you have some knowledge of collective farming and you also said, and I wrote it down, if I misquote back to you, I want you to correct me: "Wherever you do not have ownership, productivity decreases." That's your statement is that correct?

DR. HARE: Could you repeat that? Where do you not . . .

MR. GREEN: Wherever you do not have ownership, productivity decreases.

DR. HARE: Yes, when you're comparing like with like.

MR. GREEN: Would you agree that the middle eastern countries are largely -- and then you also say you know something about communal ownership, that you have studied it to some extent, maybe not studied but you have at least ascertained the facts about communal ownership rather than mere feelings or opinions.

DR. HARE: I try to keep up with what is available in this field.

MR. GREEN: Do you know what a moshave is?

DR. HARE: No.

MR. GREEN: Do you know what a kibbutz is?

DR. HARE: I've heard of them, yes.

MR. GREEN: Do you know the difference between a kibbutz and a moshave?

DR. HARE: No, sir.

MR. GREEN: Do you know whether the productivity of the kibbutzim in Israel is lower because they do not have ownership than the productivity of the feudal-owned lands in Saudi Arabia?

DR. HARE: I think you're talking again about apples and oranges. If I were in a kibbutz in Israel, I think that I would have a different objective than if I were in a collective farm in China.

MR. GREEN: I really wasn't comparing, you know - you sort of got me before, you said that China's been in existence 25 years after the revolution and therefore we can't really compare with before the revolution. Israel only started in 1948, mind you the kibbutzim started shortly after 1905 or around the turn of the century, but the feudal occupied, owned and occupied lands in Saudi Arabia, Syria, Lebanon - well not so much Lebanon - Jordan and Egypt were there for a thousand years and they had a big headstart. Can you tell me whether their owner productivity in those countries was superior to communal-owned farms in the State of Israel?

DR. HARE: No, I cannot, but I would suggest that if you compared them five years ago the kibbutzes would have had them all beaten all hollow. But I think the conditions for such, and we're getting into an area I think that doesn't really relate to the land-use problem in Manitoba, but I think you have a different situation when you have a group of people fighting for their lives in a very very small country; they also have come from lands where there's been a high technological input and many of those people even working in kibbutzes are quite technological themselves, and you have a much higher quality individual in those kibbutzes than you do in say the peasants in China or in the Arabian countries.

MR. GREEN: Well because I am a very subjective person, I will agree with you, but I doubt whether that will be the view . . .

DR. HARE: I don't think that -- that doesn't answer . . .

MR. GREEN: . . . taken by the people -- no, and, you know, I rather wanted not to float around the world but you took me on the trip and I'm going to try to complete it. All I'm getting to, Mr. Hare, is that when you state "wherever you do not have ownership, productivity decreases," you will then agree, as you have agreed in your last answer, that circumstances alter cases?

DR. HARE: Yes, sir.

MR. GREEN: And therefore in different circumstances the axiom that you presented, which is a factual statement, that wherever you do not have ownership, productivity decreases, is not an axiom at all.

DR. HARE: I relate this to the situation as it is in Canada, not in Israel or Arabia or in India or elsewhere.

MR. GREEN: Well, Mr. Hare, as a matter of fact when you made the statement, and I could be wrong on this and the record will show either you to be right or me to be wrong and I will accept the chips as they fall, you were relating it to China, or at least you introduced China . . .

DR. HARE: I merely mentioned China . . .

MR. GREEN: . . . you at least introduced China as being one of those facts which proves the axiom which you gave us, "wherever you do not have ownership, productivity decreases." And if you can use China, then I suppose I can use Israel, it's closer to us than China. Oh, that might be wrong too. It's closer if you travel east, which I intend to travel.

Now, Mr. Hare, the TED Report that you referred to -- was this canvassed in the morning? I notice I've lost my Tory friends but, you know, I respect that because I believe that they are opinionated people who will not change even if a new fact emerges from these questions, and I respect that because at least they are quite understanding of their own position.

The TED Report makes an observation in 1969 and many of your members participated on the TED Report . . .

DR. HARE: Many of your members did too, Mr. Green.

MR. GREEN: Well I would venture to say, Mr. Hare, . . .

DR. HARE: I don't know what you mean . . .

MR. GREEN: . . . in order to be factual, I would say more of your members than my members. If you want to argue that we will then sift the statistics and Mr. Hare, again you will find that I am right and you are wrong. Many of your members participated on the TED Report and the conclusion of the TED Report was that because of the uncertainty about how

(MR. GREEN cont'd) many non-commercial farms there will be by 1980 the target for 20,000 commercial farms should be set but it should not be a matter of concern if farm numbers as defined by the census are higher. We should move to 20,000 but we shouldn't be greatly concerned if we wind up with 20,500, that would not worry us that much, but we should move to 20,000. At that time, Mr. Jorgenson informs me, and I'll now use his statistics, there were 27,000 commercial farmers in the Province of Manitoba. Now if you were told, you, your agricultural committee of the Winnipeg Chamber of Commerce, which is so up-to-date in agricultural problems that in all of the years there's never been a brief requested of them from a Legislative Committee that I can remember since 1966 but wasn't ready to deal with this question, didn't have anything to say about the TED Report when it came out, would you consider that a problem that we were going to move from 27,000 commercial farmers to 20,000 commercial farmers, and that that was a target of the Government?

DR. HARE: The targets as such I think are those which would be derived by economics. This was not necessarily a target, although when you use the word target you're looking at something ahead of you, but there was no connotation, nothing in this statement that there was to be designed to be 20,000 in 1980. The thought was that with the way things were going back in 1969 when that was put together, that if economic factors being what they were continued, 20,000 would be a number that would be reasonable.

MR. GREEN: Well, let's take it in the best connotation of your statement, which I do not believe is consistent with the report but not wishing that you should have any disadvantage at all, let's take it at the best connotation. Would you consider it a concern of the agricultural committee of the Winnipeg Chamber of Commerce if you were told in 1969 that the commercial farms in Manitoba were going to reduce from 27,000 to 20,000?

DR. HARE: Well it was printed so I don't think it would be a concern. Would you not agree?

MR. GREEN: Oh I'm not asking whether it would be a concern of the TED Report. I have already told you that I think it's their objective. I'm asking you whether the agricultural committee of the Winnipeg Chamber of Commerce when they saw this - and they had lots of time to see it and lots of time to think about it, six years - did anybody ever come out and say, "We'd better get over to the Government and say it's a concern to us that there's going to be a reduction of 7,000 commercial farms in the Province of Manitoba between 1969 and 1980"?

DR. HARE: No. I don't think that this is the type of thing that our agricultural committee in the Chamber is going to cogitate on from year to year. This was set up in 1969 as something that is probably going to happen by economic factors.

MR. GREEN: Well then, Mr. Hare, I'm going to leave my questioning. I have some other things but I'm wanted in the other place, as they say when they're in Commons - I'm talking about the Senate. I merely say that I know, then, that the brief that is presented by me is presented by an organization that has no concern that the farm population of commercial farmers will reduce from 27,000 to 20,000 in a ten year period.

DR. HARE: We are concerned, Mr. Green, not . . .

MR. GREEN: You just told us you are not concerned and that is on the record.

DR. HARE: All right, sir, I'd like to put this on the record, Mr. Green, before you go, and we discussed this also this morning, that if the farm numbers do go down to this 20,000, that the individuals who are displaced should have some place in that area that they can be actively engaged in an occupation. And this is the thing that I say is not being done in this province, is that we need to orient Manitoba to a food concentration province, not a commodity province, and this is what we've been doing.

MR. GREEN: Well thank you very much, Mr. Hare, for giving me the benefit of your facts, which I have to tell you do not change my subjective opinions.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes. Mr. Hare, it's a matter of concern to me that the whole feeling of your presentation, along with those that have helped you, seem to dwell on what I see as an undercurrent, namely the idea that Government is something to be fearful of. You seem to suggest that you are very concerned about land-lease because you don't know whether it would be administered politically - or some of your people have indicated that. Would you have any knowledge, personal knowledge, of that being the case with respect to any government that you are aware of? Are you speaking from knowledge of it already having occurred?

DR. HARE: Yes, I'm not speaking from specifics but it's quite obvious that if the NDP Government continues, that their policy is such as to continue small farms and inefficient operations. If the Conservative Government got in, their policies are to encourage private enterprise and to encourage the individual effort and to allow the opportunity for freedom of enterprise, freedom of the individual, and allow the economic factors that apply to an individual to be the things that draw a person ahead, not government control. Because government control per se is the thing that puts an umbrella on developing individual incentive.

MR. USKIW: Well your impression that the present Government wants to see a lot of uneconomic farms I don't share with you, but that is your opinion. I would like to read to you a statement and then ask your reaction to it, because I thought when you expressed those concerns that you had some inside knowledge to something that perhaps all of the people didn't have. I'm going to quote to you, I'm going to read a confidential document which was prepared by the Manitoba Treasury Board away back in the late '60s prior to the coming into office of this Government, in which -- you know, in reading this document you will readily see why I asked you whether you were familiar with the politicizing of government programs and therefore that that is the basis for your concern of any government program. And I'm going to read as follows, Mr. Chairman. This is Manitoba Treasury Board Project Working Paper, Project No. 2, Financial Management and Planning Program Budgeting, and it was prepared by the Civil Service of this province in June of 1968 and submitted to the Government some time thereafter.

"Suggested approach: In Manitoba, the Government seeks election in 57 constituencies. In some of these a Government finds greater difficulty in obtaining a plurality than in others. In the purely political sense, therefore, some constituencies have greater impact on the Government's over-all ability to maintain itself than others. We suggest a weighing of constituencies according to their threat to the over-all security of the Government from least to greatest importance as follows:

1. Solid Opposition. Seats traditionally held by the Opposition where voting patterns are stable and there is little chance that Government action could shift the balance.
2. Solid Government. Seats traditionally held by the Government and where voting patterns are stable and predictable.
3. Volatile Opposition. Seats held by the Opposition where changing population patterns, age groupings or other factors make prediction of voting patterns difficult.
4. Volatile Government. Seats held by the Government where changing population patterns, age groupings or other factors make prediction of voting patterns difficult.
5. Marginal Opposition. Seats held by the Opposition but with a slim margin and with some stability in voting patterns.
6. Marginal Government. Seats held by the Government but with a slim margin and with some stability in voting patterns.

"Each of some 300 programs of the Government has a different impact on the political scene in each riding. In some areas, for example, hospital services to Indians are of political significance." What a revelation, Mr. Chairman. "In another riding, vocational basic training for skill development meets a greater felt need and is more powerful in eliciting political response than the hospital program for Indians. Indeed programs which are vote-getters in some ridings may have a depressing effect on the electorate in others. A systematic comparison of each program against each riding yields information which focuses attention on those programs which are most important to the political security of the Government.

"This appraisal, unlike the analysis in the Planning and Priorities Committee which deals with long-range needs, aims at the short run. It considers the impact of programs in the context of the short range political situation. Its time horizon extends to the next general election and to the extent that program effort cannot shift or cannot appear to shift that rapidly to the election following.

"The process we suggest is similar to the one followed by all political parties but we have extended it in three directions. Firstly, we have forced the process into a systematic framework which deals with all programs and all ridings simultaneously. Secondly, we have based the political analysis on the inventory of Government programs so that the expenditure items considered are concrete and easy to manipulate, and are described in the same terms that administrative decisions are taken. Thirdly, we have built the political analysis into the formal process of Cabinet priority review.

(MR. USKIW cont'd)

"Through this process each of the Government's programs will be examined separately against each constituency separately. For each pair of constituency and program the following values should be assigned: Minus one - where program effort has a negative impact on the political scene. Zero - where program efforts has negligible effect. One - where program effort has a favourable impact. Two - where program effort is exceptionally important. Multiplication of the value assigned to the program riding assessment by value for the riding itself yields a number giving some indication of political importance. The summation of these values for each program over all ridings in the province yields an aggregate index of political priority. It is probable that only a relatively small number of programs are highly important from a political sensitivity point of view. The implications for Cabinet are obvious. The programs having a high sensitivity index must receive first attention in allocation of funds. This is essential for the political security of the Government."

Now, Mr. Hare, were you familiar with that document and is that the reason why you felt that this Government would behave in this way as was the behaviour of the Government up to 1969?

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

MR. JORGENSEN: On the basis of that report that he just submitted, and I didn't want to interrupt the Minister because I found the document very interesting myself, but are we now to assume that whenever a confidential document prepared by Civil Service is requested by anybody, that that document is now going to be revealed?

MR. USKIW: Mr. Chairman, on that same point of order. This is a document that was provided to the previous administration. . .

MR. JORGENSEN: I don't care who it was prepared for.

MR. USKIW: . . . and was alluded to . . .

MR. JORGENSEN: That's not my point. My point is that confidential documents - and there have been debates in the House on this in the past - that confidential documents prepared by civil servants for Ministers are not to be revealed. Am I to understand now that that particular criteria or that particular policy is now not going to be followed? And secondly - I go into my second point of order, Mr. Chairman, I know that today this has been a pretty rambling discussion but I wonder if now we're getting just a little bit beyond the terms of reference that are submitted to this Committee.

MR. GREEN: That's when we started two weeks ago. They're feeling it a bit now.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, for a man who has gotten up and read civil servants' documents, confidential documents, building up to the Guidelines for the Seventies, and then said that they are not civil servants' documents, they are the program of the Government, and Mr. Craik reading a civil servants' confidential document on education which calls for the teaching of Communism and said it was the program of the Government, for a man to now make this type of objection with regard to that document I say it's a little late. And let me say, Mr. Chairman, that I have every intention of having that document distributed in the same way as the civil servants' pre-documents - which were never even adopted as final Government position whereas these were - were distributed to the people in Manitoba suggesting that this is Government policy by the same people who are now complaining.

MR. JORGENSEN: I'm just simply asking the question, if now we are to expect that we can request documents of this nature from the Government and expect to have them tabled or expect to have them made public.

MR. CHAIRMAN: Mr. Jorgenson, I do not believe it is for me or this Committee to determine that particular position. This had been read in the House . . .

A MEMBER: That's right.

MR. CHAIRMAN: . . . and therefore it's not a new document; it is a document that had been prepared in 1968 and it was read in the House by the Premier on the basis that I believe at the time you had read documents which were prepared by civil servants which had not been adopted by the Cabinet in any way, and you used that as evidence of the Government's intentions.

MR. JORGENSEN: Yes, but I was not a Cabinet Minister revealing documents that are prepared for the Cabinet. I think there is a difference.

DR. HARE: Mr. Chairman, may I interject and ask the question as to where the relevancy towards land-use policy comes in with the presentation that Mr. Uskiw made. You know, I'd like to discuss policy related to land-use and ownership rather than political insinuations.

MR. CHAIRMAN: Well I believe -- Mr. Uskiw, go ahead.

MR. USKIW: Yes. I am pleased to answer that, Mr. Hare, because from the inception of these hearings we have had all sorts of innuendos on the part of members of the Opposition, of this Committee and members of the public with respect to the motivation of government and the secrecy of government and the plotting of government, and I simply wanted, since you have made some observations here today to the extent that you don't trust government political motivations, or at least members of your group have, that I wanted to know whether you knew of this kind of a document and therefore you were expressing your fears based on knowledge that you already had being a member of the Conservative Party.

DR. HARE: No. As you know, politics has been a recent event as far as I'm concerned, and anything that happened back when that happened of course was not . . .

MR. USKIW: Is it not true then, sir, would you agree with me, that if this Committee behaved in a way in which it should, if it only dealt with subject matter that was before them that was substantive, that if it stayed away from innuendos and the political manoeuvres that have been taking place during these hearings, that we would not have to deal with items like this?

DR. HARE: I don't know where that comes from, Mr. Uskiw . . .

MR. USKIW: I think the chickens are coming home to roost.

DR. HARE: . . . but many documents that go through Civil Service and are listed as confidential may be the opinion of one individual, and because they are kept confidential doesn't mean to say it's public policy. But I don't think that that type of thing should be brought up at a meeting of this type. It just isn't -- this is not a political meeting. This is a land-use policy meeting.

MR. USKIW: You're the first one, sir, since these hearings have been called, wherein you've alleged that this is not a political exercise. Because to date all we have heard was a lot of political innuendo.

DR. HARE: Well, the only debate is in the fact that this is the document that is being used. We're just saying it's neither political or otherwise except for the fact that the document is not a good document to base a discussion which affects a million people.

MR. CHAIRMAN: Well, Dr. Hare, I might mention that there have been allegations made about the MACC going out to seek purchasing of farms. A registered letter was sent out; there was no answer. The person appeared again before the Committee; made the allegation again, mentioned one name, would not disclose the fact that there was supposed to be this action taking place that the MACC actively sought out farmers to purchase land. I don't believe it is necessary to read the letter but the fact is that the gentlemen in question appeared before the committee yesterday and he did not shed any light on the rumour that the MACC was going out actively to seek farmers to purchase land is not based on fact, nothing has been substantiated. There has been a letter in fact in the Free Press from a G. H. Henderson from Boissevain, Manitoba in which the same kind of allegations were made. The Chairman of the Manitoba Credit Corporation wrote a letter to Mr. Henderson of Boissevain, Manitoba, it is not -- (Interjection) -- it's G. H. Henderson, Boissevain, Manitoba, a letter was written asking about the allegation, there has been no answer; a second letter was written to Mr. Henderson because this is contrary to the policies of MACC, and that is there has to be first of all a willing seller before the MACC purchases land.

I believe that is all the questions, Dr. Hare. Thank you very much for your indulgence, you've been here for a long time.

It is a quarter to five. Mr. Eyjolfson.

MR. EYJOLFSON: I'm going to leave this chair close here because I've just spent the last three days, up until yesterday afternoon, in bed with the flue so I'm going to have to sit down after a while.

MR. USKIW: Why don't you sit down now?

MR. EYJOLFSON: Well I can read this brief first. Our brief is made in two parts and I have a colleague of mine that will read the other part of it.

As this province steps into the task of setting a new land policy which will no doubt affect the lives and welfare of the people, it is a concern of the Cow-Calf Producers that this committee take all accounts that they have heard in the past weeks into consideration before making any decisions. The job ahead is a large one and this meeting here today gives the farm people a chance to express their views, and we welcome this opportunity.

(MR. EYJOLFSON cont'd)

The Working Paper, In Search of a Land Policy for Manitoba, deals mainly with the dangers of foreign ownership of land, the depopulation of rural areas and the high cost of land due to the speculator. If foreign ownership is a problem, the province should check the applicants who wish to buy land in the province and if they intend to become citizens within a given time is exercised, we find no fault. This country lets no immigrant come here unless he or she is employable or has a job already.

The depopulation of the rural areas we see ourselves as a problem but we know too well why our young people leave the farms and the small towns to go to the cities. The poor returns from farm produce is the main reason. Because of this many young men leave the farm never to return for they are able to make more money off the farm. People who are available to work on farms cannot be found any more because farms are unable to pay the salaries the construction contractor or the building trade has to pay. The matter of speculators on the market for land could be overcome by making land less attractive. A central registry should be maintained to show who actually owns the land and what its use is; setting aside land for agriculture, recreation, wildlife, urban sprawl and parks, and we could show this committee a much better place to build a city where Winnipeg is; it's sitting on the best agricultural land.

The Working Paper gives no mention of Crown land already in public ownership. As Cow-Calf Producers who are the very foundation of the beef industry, this Crown land is one of our main concerns. We understand that some improvement has been made in regards to the rental rates of the leases which will be in relation to the returns from the land. There seems to be no security in holding these leases, the government holds the right to, without notice, take away portions of our leases and set it aside for wildlife, Ducks Unlimited and so on. If it is in public interest to feed wildlife, government then should set up programs to develop land not under lease to feed them, such as wilderness areas.

Leaseholders are unable to transfer the lease they hold to prospective buyers in selling their land. This puts the leaseholder in a bad position if the prospective buyer loses his bid for the lease, thus splitting up the working unit. Leases should be for a longer term, 10 to 20 years, is something that can be worked upon, with a few years notice given if the government wants to take over his lease. If there is no notice given, compensation for the loss should be given.

The present system of developing land should also be remodelled. The cost of clearing and breaking land has gone up and the present buy-back of improvements for \$50.00 an acre is far below the actual costs. We feel that the farmer should not have to pay for any improvements to Crown land unless he can some day buy this land. A purchase arrangement should be made with the farmer when he first takes over the lease and that evaluation of the land be made then. In the given time when he is financially fit, he then can purchase the land and in these times of small returns from cattle, it is not a sound investment to develop Crown land.

The high cost of developing land, let alone the work involved with the whole family picking roots and stones, many a farmer in the high cost of production squeeze with no one to pass these costs on to can find they have nowhere to turn and with incentives to produce more and more then come up with only one conclusion, that governments are only interested in the farms when the cost-of-living high looks like it might rise. People pushed past the point of caring because they have everything to gain and nothing to lose are desperate and dangerous people. This is how some people feel now - desperate and alone; beware. All we have now is a democratic socialism with democracy used as a cover-up to implement not the people's wish but a few politicians who are determined while they have power, regardless of public opinion or the cost to the public-at-large, to have their determined way.

If government denies this, then will they please explain to me and everyone else here why on so many issues, does and has government seen fit to implement their own policies regardless of public opinion. Think of other examples. It should be clear to government now that the majority of opinion is definitely against government ownership and that what's really wanted by the people is a better break as far as a young man starting farming is concerned, such as lower interest rate and perhaps no interest at all for the first three years with a much lower down payment. If government is at all responsive to the wishes of the people, as they say they are, they will then surely move in this direction and forget the notion of owning the land. Also, you will wish to put stronger controls on foreign ownership.

Under the MACC purchase and lease to farmers plan, the conditions on which the farmer

(MR. EYJOLFSON cont'd) shall buy the land make it almost impossible to do so. We feel this government should buy land only if it intends to sell to the lessee after a short time and the best possible finance arrangements should be made available to him. We also state that as taxpayers we do not wish to have MACC compete against us for the land with our own money. The Working Paper makes no mention of land already purchased by MACC which you understand in the past MACC has purchased, and I have here 63,000 acres. Taking the length of time of the program on a quarterly basis, how many acres were purchased on each quarter?

We also stress to this committee that consideration be given to farmlands in regards to school taxes. While governments give tax credit plans to landowners these credit plans do not lighten the tax load on farmers. The man living in a rural town close to a city job with a net income of three to four times that of a farmer pays less school tax than the farmer. Services to the land should be paid by the land but services to the people should come from somewhere else.

Some proposed amendments to the Farm Credit Corporation Act will make it easier to transfer land from father to son and will help young farmers get started in farming. Also amendments to the Estate Tax Act and Revenue Tax Act to permit transfers of land within a family without capital gain should be considered. The idea that everyone should be able to get into the business of farming when he or she wishes is not a good one. Farming is a highly-skilled occupation taking years to learn and farmers usually learn something new every day all through their farming life.

Public ownership of land is not in the favour of true farmers so these lands which are publicly owned may become taken up with undesirable tenants and the land lay fallow. Possibly then government will see fit to pay people to farm this land and then, and only then, will the true value of good farmers be found.

Our organization has been formed throughout the province and it is our wish to ask that an extension of these hearings to one year; our northern areas, one and two, Swan River and The Pas request a meeting in their areas and our organization doesn't represent all of the farmers as yet but we have a pretty good cross-section of them all.

Now I will ask Harvey Van Damme to complete our brief. I feel I'm going to sit down for awhile.

MR. CHAIRMAN: Thank you, Mr. Eyjolfson. Mr. Van Damme. Would you spell your name, sir, so that we have it for the benefit of the people transcribing. I didn't quite get it last time.

MR. VAN DAMME: Harvey Van Damme. V-A-N D-A-M-M-E.

MR. CHAIRMAN: Thank you. Proceed.

MR. VAN DAMME: We are sure that you, our government officials, will respect and appreciate our frankness and sincerity contained in this portion of our brief and accept it as constructive criticism.

We have yet to speak to anyone who is in support of or desires a marketing board for beef; in fact they are strenuously opposed to a marketing board and the producers tell us, and we agree, that there are other and better ways to handle and correct the situation. The ideas we have presented to our agricultural Minister, Mr. Uskiw, as we understand it, have been disregarded and ignored. We were brought up and educated to believe that our government had an agricultural Minister, which position is presently held by Mr. Uskiw, who would go to bat for the producers if the producer approached him with a legitimate grievance and ideas as to how to help and correct the situation. We, the Cow-Calf Producers, appreciated the chance to sit down and discuss our problems with the Minister; that after three hours of discussion it became abundantly clear that unless we, the actual producers, were willing to accept a marketing board proposed and controlled by the Minister of Agriculture, our ideas and feelings on the matter would be completely ignored.

We wish to make it abundantly clear, as we have mentioned before, that we the actual beef producers are most strenuously opposed to a marketing board for beef. If we still have a democratic government, as we hope we still do, government cannot in good conscience, if it is at all responsive to the will and the opinions of the people it represents, namely in this case the beef producers, continue the silly notion of a marketing board in any form and must get down to business and really listen to the producers. If government disregards the wishes and ideas of the beef producers any longer and keeps working towards a marketing board which government wants to completely control, it will then become completely and totally obvious

(MR. VAN DAMME cont'd) that government only wants control for the sake of control, the same as its position with the A.I. technicians. Also we are convinced the same motives are behind these land-use hearings in regard to a personal experience dealing with MACC concerning livestock incentive grant programs to beef cattle, of which I am apparently one of at least 4,000 such cases.

I have a letter which I would like to read to you. Application is dated April 5, 1974 and goes as follows: "As the livestock incentive grant program pertaining to beef cattle was suspended effective October 15th, 1974, and as our records indicate that the application referred to above was not activated, the said application is hereby considered cancelled. Yours truly," signed Joe Dunsmore, Livestock Coordinator for MACC. And here I have the two cancelled cheques, you can see them if you wish, they're right here, as to the money paid out. One cheque was paid out August 1st to the amount of \$2,100; the second cheque here was paid out August 12th of 1974 to the tune of \$3,650.

I inquired as to the contents of this letter, first to my banker and further through a phone call to Joe Dunsmore, Livestock Coordinator for the MACC. Here are the remarks between Mr. Dunsmore and myself pertaining to the letter I have just read. That MACC would consider my case but could not guarantee anything even if I could prove my application and produce my cancelled cheques, and even after it was brought to light, if it turned out to be fact that the bank was the one at fault for not processing my application. One of his reasons was that even if I had \$1,150 at stake, which represents 20 percent on these cattle bought under this program, what would be the impact, dollars and centwise on the other 4,000 cases. I pointed out to him that it was government's responsibility, in this case MACC, to have the system set up so that this could not happen, for the protection of the client, but since this is not the case, that it was MACC's responsibility to go after the bank on my behalf. He said that I should approach my banker myself. I told him I already had and that my banker said if I did anything he wouldn't go to bat for me. I also reminded him that I was not in a bargaining position. It appears to me that MACC is backing away from its responsibility.

Now let us not forget that it is the same MACC who wants to buy as much land as possible in the province with public money, and this includes my money as a taxpayer. We seriously question the credibility of government to do so in view of such programs as livestock incentive programs which I have just mentioned and might add have absolutely no foresight which is substantiated by the economic bind beef production is in today. If government wishes to deny this there can be only one conclusion drawn, and that is that government has only a cheap food policy in mind with a complete disregard for the livelihood and well-being to the producers producing the food commodities.

In closing I wish to bring to light what our Agriculture Minister Mr. Uskiw called producers when we met with him to discuss our problems within the beef industry. Before I do, I would ask everyone listening to ask themselves if these are responsible and credible remarks to be made by anyone, and particularly by our Agriculture Minister, to make to the people he is supposed to represent.

In regard to the grant of \$100.00 per cow, the Minister said it was impossible and they would only consider it if the Federal Government would instigate such a program and pay 75 percent of it. As far as our economic power is concerned the Minister told us that the farmer was nothing but a beggar and if they paid the \$100.00 per cow it was money down the drain and they would be back begging again for another grant next year. We reminded him that this was a one year deal only and we intended to solve our own problems. His reply was, that would take a revolution and the farmer isn't ready for that and never would be. The farmer isn't suffering enough yet was implied.

On the price comparison, he asked us where we got these figures and said nothing more when Terry Eyjolfson, our President, told him he had all the receipts in his briefcase. When asked what the government would do if 35 percent of the producers went broke, his reply was, "There is a sucker born every day," and classified the farmer as a second-class citizen. Bill Forbes brought up the stocker program and pointed out that it was not doing what it was set out to do. Our minister said the money was there and it was up to the farmer to make his own arrangements with the bank as to who would get the money. He told us our price for our calf was too high since he had seen a paper recently and someone had figured out the price of raising a calf and the total was only \$78.00 per calf. Our estimated price was 72 1/2 cents per pound for a weaning calf of 400 to 450 pounds.

(MR. VAN DAMME cont'd)

Now take note, we the producers are not begging, we are demanding a public apology from Mr. Uskiw for his irresponsible and insulting remarks, and failing to get a complete public apology, we would expect him to resign his position as Agriculture Minister.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes. Mr. Van Damme, would you not agree with me that you have taken a lot of those comments out of context?

MR. VAN DAMME: I do not believe so.

MR. USKIW: On what basis, then, would you support that kind of statement?

MR. VAN DAMME: The statements that I have just read off, that . . .

MR. USKIW: Is it not true, sir, that the cost of production figure that I didn't have with me but said I would look it up, was something yet to be determined?

MR. VAN DAMME: I think you, as our Agriculture Minister, if you are aware at all of the plight we are in, should have this information readily at hand.

MR. USKIW: Well, sir . . .

MR. VAN DAMME: At least to a closer figure than what was indicated.

MR. USKIW: Let me now clarify for you where the \$78.00 figure arose from, which was my mental recollection of our computation as to the cost of grazing your cow under our grazing lease program. That's where it emanated from.

MR. VAN DAMME: Well, it wasn't stated so at the time . . .

MR. USKIW: It has nothing to do with the cost of keeping your cow over through the winter, it has to do with the period on the grazing lease program, in which case the departmental economists have determined that your cost for grazing was \$78.00, the value of the calf was considered to be less than \$78.00. On that basis a decision was made that you should not pay any rent for 1975 since you were not making any money. Now you are telling me that that is not a generous enough program.

MR. VAN DAMME: You are saying that now but at the time you did not say that.

MR. USKIW: That is right. At that time I told you that I didn't have the document but that I would get it and I would get back in touch with your group.

MR. VAN DAMME: And I do not recall it as being pertaining to land lease at that particular time.

MR. USKIW: Pardon me?

MR. VAN DAMME: I do not recall the \$78.00 as pertaining to the land lease at that particular time.

MR. USKIW: You will recall that I indicated to you that I wanted to get the statistical information so that we can discuss the thing more intelligently, and at that time it was not available and that I said I would get back to you. Now, since you don't want me to get back to you, that's your privilege.

MR. VAN DAMME: That is not the case, sir, and I would like to state right here the reason for making these blunt remarks is for one reason, and we stated at the outset that we hope this will be, you know, we hope you will appreciate our frankness and our sincerity and that you will accept this as constructive criticism. We wish to impress the urgency of the matter. The producers, in the next three to four weeks, and many producers right now are involved in their cattle operations with their cows calving and we are running out of time, and people are going broke left and right, and unless something is done, and done quickly, immediately . . .

MR. USKIW: Is that not true, sir, across Canada as a whole?

MR. VAN DAMME: Possibly so, but we are dealing within our province.

MR. USKIW: Can you tell me what other province has been as generous with their cow-calf producers as has the Province of Manitoba?

MR. VAN DAMME: In what way, may I ask?

MR. USKIW: In terms of rental arrangements for 1975, in terms of the 20 million dollars of money advanced, interest free, to help the cattle producers get over this period of time.

MR. VAN DAMME: There are people involved -- I think you are referring to the stocker program and I think it has been proven that the program has not worked. In fact you had to prove you didn't need the money practically before you could get it, and in many cases it was made payable to the bank not to the actual producer so he had money to operate on, which, as I understood it, was to be the aim of the program in the first place.

MR. USKIW: Why is it that it was made payable to the bank, sir?

MR. VAN DAMME: This is what we would like to know.

MR. USKIW: Well, aren't you aware that that is not a provision of the program? That the money is available to the cow-calf producer? But the only reason the banks took the money is because they wouldn't release the lien on the cattle? So am I not correct when I say that you have taken my comments out of context?

MR. VAN DAMME: I do not believe so because, as I said before, the program is not doing what it was set out to do in this government. Our government, the Department of Agriculture, could not foresee these shortcomings. Surely they should have looked into it further.

MR. USKIW: The point I'm asking you, though, is who is it that should have asked the banks to be more flexible on their chattels with respect to livestock?

MR. VAN DAMME: Well, we are not, as producers right now, you must understand - and I am sure you do - that we are not in a bargaining position.

MR. USKIW: With the banks?

MR. VAN DAMME: Absolutely right.

MR. USKIW: That's right. Now do you think that government should pass a law that the banks should waive their chattel rights on your cattle?

MR. VAN DAMME: Instead of having a program such as you have going now, with the stocker program. If it were to be channelled instead as a direct payment to producers on a bred cow basis.

MR. USKIW: You mean as a grant?

MR. VAN DAMME: As a grant, not repayable.

MR. USKIW: Do you know how much money that would involve, sir?

MR. VAN DAMME: Approximately, and it was discussed in your office, but we also stated that this was not the actual figures that it would cost. We are not saying that we . . .

MR. USKIW: What is the figure, sir?

MR. VAN DAMME: Pardon me?

MR. USKIW: What is the figure?

MR. VAN DAMME: I think it was approximately 42 million, 42 million dollars.

MR. USKIW: Is it not true, sir, that your industry have repeatedly stated to all governments, over a period of years, that they didn't want any government involvement in the livestock industry?

MR. VAN DAMME: This is right, and government would not heed us then and is part of the reason why we are in the predicament we are in today, and now by that the same token it is government's responsibility to do something about it. They would not listen to the people when the time was right to be listened to and now they are trying to put the onus back on us.

MR. USKIW: Well, you know, I don't know what you are alluding to when you say . . .

MR. VAN DAMME: I think you know perfectly well, Mr. Minister.

MR. USKIW: But all I am saying is that to be consistent with your own views, would it not be correct that you shouldn't be asking for one penny of assistance if you were true with respect to your stated position over and over again that you didn't want any government involvement in the livestock industry?

MR. VAN DAMME: We are saying that government has got a responsibility because of past programs which lacked foresight. That is part of the reason we are in the predicament we are in today. I am saying "part of the reason."

MR. USKIW: What is the foresight of the producers of cattle in Manitoba with respect to bringing about corrections in the market so that they indeed would not be in the position that they are in?

MR. VAN DAMME: Well, when . . .

MR. CHAIRMAN: Order please. This discussion can be carried on -- it seems to me that we are dealing with a topic which does not fall into this particular type of meeting that has been set up. You have a quarrel, a difference of opinion, with the Minister with regards to some financial arrangements. I don't really see the relevance of this. At this particular time we are trying to deal with the question of land use and matters relating to property rights, so I cannot understand . . .

MR. VAN DAMME: This is right, Mr. Chairman, and I will bring it to light right now. If government, on a minor -- I should not say minor, but on a program to the scale of livestock

(MR. VAN DAMME cont'd) incentive, which is peanuts compared to the government buying through MACC of farm property with tax dollars, this indeed must reflect the capability of government getting into such a program when in fact a program such as the one I have made an example of through the incentive grant program has not worked, and is not working, and has got people into trouble.

MR. USKIW: Mr. Chairman, I think on that point of order . . .

MR. CHAIRMAN: Mr. Uskiw, I don't believe Mr. Van Damme is speaking on a point of order. I just wish . . .

MR. USKIW: On your point of order, sir.

MR. CHAIRMAN: Thank you.

MR. USKIW: On your point of order, I think Mr. Van Damme has introduced the subject and we have discussed it for some time now. It would not be fair to just curtail it without some summation of it, and I simply want to make that right now and then we can get on with it. And that is that, sir, you have here suggested that I have not responded to your requests, or your organization's requests. Now, you have submitted that request to me in writing, to which you have not had a reply yet but to which I said that you would be getting a written reply. You are now trying to foreclose that reply by suggesting that government has to date not responded. Therefore you seek the resignation of the Minister of Agriculture. Aren't you pre-empting your own position when you are making your position very clear that you have already made up your mind that there is no government response coming?

MR. VAN DAMME: This is not correct. I said at the outset that we wish to impress the urgency of our plight, the fact that we are going to be in the field working and involved in our own operations and we need immediate action on this, and this is critical. And that failing to do otherwise . . .

MR. CHAIRMAN: Mr. Van Damme and Mr. Uskiw, I believe that there has been some communication. You've been given an opportunity. I thought you were going to deal with the question of land use but you continue with the topic which is not before us, so I feel . . .

MR. VAN DAMME: I must clarify one thing, sir . . .

MR. CHAIRMAN: . . . that we should not proceed with this.

MR. VAN DAMME: I must clarify one thing and that is when Mr. Uskiw takes it upon himself to have his resignation put in the form that it is because he has not replied to us. It is not that at all. The implication for that is that we are called suckers, beggars and second rate citizens, and we demand the same respect as every other person.

MR. USKIW: Mr. Chairman, on a point of order and privilege, this gentleman here has no basis for that kind of statement. We had a very thorough and frank discussion with his group, and the way in which he is trying to project the answers or the questions that I put to them is not in the light that it was given to him. So I want to . . .

MR. VAN DAMME: Well I am not alone here, Mr. Minister, today, and I would like to ask if the members of our organization agree with you.

MR. CHAIRMAN: Mr. Van Damme, I don't know what purpose this will get us to at this particular time. I believe that you have stated you have written a letter, you have not received an answer, and that the Minister indicated that you will be getting an answer. I do not see any further purpose to use this forum for your particular arguments that are not relating to the question and the purpose of this meeting. I thank you.

MR. VAN DAMME: May we be assured of having a written reply . . .

MR. CHAIRMAN: Thank you.

MR. VAN DAMME: . . . in short order?

MR. USKIW: Well, sir, this committee cannot give you that assurance. You have dealt with my office . . .

MR. VAN DAMME: I am speaking to you as our Minister of Agriculture . . .

MR. USKIW: . . . Mr. Van Damme, I stated to arrange a meeting in my office, I can discuss the matter with you, sir, but this is not the purpose of this committee.

MR. CHAIRMAN: Thank you. I have indicated that this is not the place for this. Thank you, Mr. Van Damme.

MR. WATT: On a point of order, Mr. Chairman, I think that what Mr. Van Damme . . .

MR. CHAIRMAN: Mr. Watt,

MR. WATT: . . . that his presentation certainly has got something to do with land use.

MR. CHAIRMAN: I thank you, Mr. Watt. If the Committee feels that I am

(MR. CHAIRMAN cont'd) not correct in this then they may so rule.

Thank you, Mr. Van Damme. Are there any questions of Mr. Eyjolfson? Mr. Johansson.

MR. JOHANNSON: Yes, Mr. Chairman. Mr. Eyjolfson expressed some concern about the lack of security of tenure when government leases land. Am I correct in stating you are concerned?

MR. EYJOLFSON: Well, yes. On a few isolated cases where a person has a lease, usually along a lake, the Ducks Unlimited or Wildlife Management areas have been taking up these quarters and in some cases taking away the major part of lessee hay land, and any time you reduce the amount of hay you can receive or put up in our area up north there, it makes that much less you are going to get. In the last few years we have needed every possible scrap we can pull together.

MR. JOHANNSON: Now in spite of your concern about this lack of security, would you mind telling me whether you have leased land from the Crown?

MR. EYJOLFSON: Myself?

MR. JOHANNSON: Yes.

MR. EYJOLFSON: Yes I do.

MR. JOHANNSON: How much?

MR. EYJOLFSON: About 25 quarters.

MR. JOHANNSON: In other words 3,273 acres you leased from the Crown . . .

MR. EYJOLFSON: Yes, about that, yes.

MR. JOHANNSON: . . . in spite of your concern about security of tenure.

MR. EYJOLFSON: Yes.

MR. JOHANNSON: I notice your lease number is No. 118 which is fairly low. How long have you had that land, or when did you start leasing?

MR. EYJOLFSON: I guess it was about ten years ago.

MR. JOHANNSON: Ten years . . .

MR. EYJOLFSON: Or twelve years ago, yes.

MR. JOHANNSON: Twelve years ago. And has that land -- in other words, you renewed the leases?

MR. EYJOLFSON: Yes we renewed the leases. Yes.

MR. JOHANNSON: So you haven't been deprived of security of tenure?

MR. EYJOLFSON: Not myself alone, no.

MR. JOHANNSON: Well, if you have already rented 3,273 acres, you have been proceeding on a pretty large scale to lease land.

MR. EYJOLFSON: Well it takes -- it is all Class 4 land.

MR. JOHANNSON: Yes. But I mean if you are so concerned about security of tenure, you have moved into that area on a remarkably large scale.

MR. EYJOLFSON: Well, ten years ago, or eleven years ago, when I took up partnership with my father, we had to double our income. He had 60 cows and we had to double our income, and in order when costs go up we still had to make the same amount of money, and the only real answer to it is that if you can lease land that's available there, you lease it. What I am saying, as far as some of the quarters being taken over, none of mine have but I know of some that have been taken over in other areas because of a bit of flooding. Even the government has taken the land over and then leased it back, or just taken it over completely and not let the farmer use it at all. Just for wildlife.

MR. JOHANNSON: Hm hm. Both you and Mr. Van Damme have objected to government intervention in the field of agriculture and to government ownership of land. Am I accurate in my statement?

MR. EYJOLFSON: Yes.

MR. JOHANNSON: And yet your organization has asked for a grant -- not a loan, but a grant -- of \$100.00 per head of cattle for your organization, and the total cost of that to the people of this province would be roughly 40 million dollars. Now this -- you don't consider this an example of government intervention?

MR. EYJOLFSON: Well, I consider it also too that you take that same money and that's what the cattlemen of the province have been subsidizing the economy of the country by too.

MR. JOHANNSON: But Mr. Eyjolfson, what -- I'm a city member; I represent a city constituency; and you're asking me, as a city member representing city people, to advance a subsidy.

MR. EYJOLFSON: Not a subsidy.

MR. JOHANNSSON: Well it's a grant, a subsidy, of \$40 million to your organization, to the members of your organization, so that you can call yourself free enterprisers who are independent of government.

MR. EYJOLFSON: And you're getting back to then, of course, that we have always asked you to stay out of our business and leave it to us, are you?

MR. JOHANNSSON: No, no, I'm not . . .

MR. EYJOLFSON: Oh, I see.

MR. JOHANNSSON: I haven't stated that the government should stay out of your business - you have stated that; and yet you're asking me, as a city representative, whose constituents pay taxes to the province and to the Federal Government, to advance a grant, a subsidy to the members of your organization.

MR. EYJOLFSON: The things that happen when you - you have to think of the facts before you come to ask about a grant like this. I was getting around to it that if government had thought a little bit before they -- like, for instance, the grain farmers are having trouble selling their grain. There was too much grain around. They paid them \$10.00 an acre not to grow grain, to put that land into grass and produce cattle. They didn't consult the cattle industry whether -- and they didn't think about what that would do to our cattle industry. We had a pretty good stable cattle industry at the time and in the few years that that program has been in effect there has been more cattle put on the country in places where cattle should never have been put. There is cattle in places where there is no water; there is cattle in places where they are just coming out of everybody's ears, so to speak. And when this happens, when you come to a peak in your cattle production, there has to be a dumping of cattle on the market. Well, not really a dumping but just a winding down of the cattle industry. So we know that our operation has to be geared to the way that the public wants.

So for instance, the price of barley is going up and that's the price where the farmer that grows it is making a little bit of money, but then the cattle industry suffers. We want to be able to wind down our cattle industry with some reason. And if you take into consideration that we are losing over \$150.00 on each animal that we sell this year, each calf that we sold this fall, we are losing \$150.00 or better on it; now to me, if you are losing that much money and you are still staying in business to produce beef when you can see that if you are running it like a business you should be getting out, and you can't, you're not getting anything for your cows because if you all dump them on the market the price will go down to about five cents and less, so therefore you've got to be able to recoup some of your losses through a wind-down program or through a cow grant.

I'll go back to the grant. That would kind of help pay for the cost of that cow, to maintaining the cow. To raise a calf it costs around \$290.00 to bring a calf to 450 pounds. Now when you sell that calf at 450 pounds you get \$130.00 for it this year. Now, any business that I know of doesn't operate under situations like that. So that's why we're having to go after a program like this, and we feel that through the government's one-shot programs, I'll say, to induce cattle into the country by paying grain farmers to grow grass and get a bunch of cattle and at the same time telling cattle producers in the Interlake to develop land and paying to get land developed - and I'll say that cattlemen in the area all did it because it was a way to develop land - but at the very same time they weren't looking very often at the consumption of beef in the province; they weren't looking in the long range program at what all these cattle incentives were going to do. So now we are in a situation where we have a surplus. And, if it had been done on the cattlemen's own grounds, I am sure we wouldn't have the surplus that we have today and we would have a better stabilized industry of our own. All we are asking is that the government just give us a little bit of help so we can set up a program, and we have a meeting coming up with Mr. Whelan..

MR. CHAIRMAN: Order please. I should have brought Mr. Johannsson to order on this question. It is not relevant at this particular time. I state if you have a discussion, you can talk to the Minister; this is not the purpose of this meeting. Mr. Uskiw.

MR. USKIW: Yes. To get back to the question before us, sir. What is your opinion on the question of foreign ownership of land, or government ownership of land, or whatever? That is the subject which we are discussing: land ownership and perhaps its use. Do you have any comments on that aspect of it, sir?

MR. EYJOLFSON: Well as far as ownership of land I'll have to go back to my brief and

(MR. EYJOLFSON cont'd) say that the registry should be set up to control foreign ownership if it is a problem, and to find out just what, where the government own land, and make sure that there is a way of finding out who owns land and what its uses are, and set priorities.

MR. USKIW: How would you suggest . . . ?

MR. EYJOLFSON: Well, you know, if you could set up land to what it is used for. Certain land for agriculture, certain land for wildlife, management areas and parks and urban sprawl, and all of that.

MR. USKIW: My point is though, what about the ownership question? Are you in favour or opposed to foreign ownership, or are you indifferent on that?

MR. EYJOLFSON: Well, I'm really indifferent on it. I don't really think it is a problem yet. As I say in my brief, if they are going to become citizens and they have gone through a -- have purchased the land under a government-inspected program, I see no fault.

MR. USKIW: No, but we don't know that. We know . . .

MR. EYJOLFSON: Well, isn't this committee to sit and decide on how they are going to lay out the ways the land is to be purchased?

MR. USKIW: What the committee wants to know is whether there is any public feeling on whether there should be legislation as to foreign ownership, or whatever form of ownership.

MR. EYJOLFSON: Well I think there should be then.

MR. USKIW: And you say there should be what?

MR. EYJOLFSON: There should be some sort of control because everyone can see it could become a problem, but . . .

MR. USKIW: Controls to prevent ownership . . .

MR. EYJOLFSON: Not prevent, not prevent foreign ownership . . .

MR. USKIW: . . . or the use of the land?

MR. EYJOLFSON: . . . but if you have guidelines for them to purchase that land under, and if they're buying land only on speculative purposes and don't intend to use the land, you should be able to set up a program that would control it.

MR. USKIW: What about the Crown's ownership of the roughly two million acres which is leased now to cattlemen? Would you suggest that the Crown should sell all of that on a highest bid basis?

MR. EYJOLFSON: No, well . . .

MR. USKIW: Or should the Crown not sell it at all?

MR. EYJOLFSON: Well, we have indicated in our brief that there is possible improvements to do in regards to Crown land, in the fact that there is some land that is not worth buying at all that we lease, and there is a lot of land that is, in each farmer's own opinion, is worth something to him to purchase. I wouldn't say that I would want to buy every bit of the land; I should say that maybe could apply for a certain number of quarters to purchase. I know on my particular place we've developed land of our own that's right next to our private land and the ridges run straight through our land and continue on into the leased land, and that becomes the best land that -- well, in one block; it's always better to have your land all in one block for haying purposes and for fencing purposes and pasture and everything. It's all better to be in one block. In order to be able to use the land the way we like and develop it the way we like, it would be a lot nicer for us to purchase it. I'm not saying we'd like to purchase it all because a lot of it is just good for grazing.

MR. USKIW: No, but . . . You know, you can't just pick and choose; you either have a policy of selling Crown land or you don't. Are you saying there should not be any, or there should be the sale of Crown land which you are now leasing?

MR. EYJOLFSON: I would say there should be some sale of Crown land that we are leasing.

MR. USKIW: There should be. All right. If we were to assume for a moment that that would be policy next year, then of course what is your position, since the Crown would want to offer that land to the public at large, if that was the case?

MR. EYJOLFSON: Without giving . . .

MR. USKIW: What is your position if someone outbids you on the land that you are now leasing -- someone is prepared to pay more money than you are for the land that you are now on?

MR. EYJOLFFSON: Do you think that that would be a fair way of doing it?

MR. USKIW: Well I would think so, would it not? How would you decide who should own land once you are giving up land for private ownership? I mean, the market system is one way.

MR. EYJOLFFSON: Well then you would be able to -- then you're saying that you're making it almost impossible to purchase, because if you're going to have to bid away above the land than what it's worth to be able to buy it . . .

MR. USKIW: I didn't say that. I said that if it was advertised as being for sale, are you prepared to compete for it with (a) your neighbour, or with someone that is new to the area that wants to acquire that land and who is prepared to pay the higher price?

MR. EYJOLFFSON: Well in my indication I really wouldn't want to do that. No. But why should it have to come up? We have leased the land for the last ten years and are good tenants as far as you go, and the private owner that you lease land from you don't have to bid against everyone else; he comes to you first and asks if you want to buy his land.

MR. USKIW: No, but the point I'm getting at is that is right. I think it would be right if you had the first option to refuse. But let's assume that Mr. Dillen was prepared to pay twice as much per acre as you are. I mean then are you saying, well all right, it should go to Mr. Dillen, because you have had your right to refuse? I mean the first option is always there for the person who is on the land. That is common sense.

MR. EYJOLFFSON: If he was to come and look at the land and he was going to bid twice as much as I'd want to pay for it, he doesn't know the value of money.

MR. USKIW: No, but he wants to buy it so that he can raise some wild geese and ducks and maybe have a few deer around so he then might be able to invite his friends over for a hunting practice. That's my point. You see, the competition for the kind of land that you have is not only agricultural, it's beyond agriculture.

MR. EYJOLFFSON: Yes, well, if you put it that way, that you won't be able to purchase the land without having to let everyone else bid against it, I would really like to see, purchase a few quarters, or anyone who wished to purchase a quarter or two from a lease, that if he had first option to buy it there would be no outside competition.

MR. USKIW: Oh but that is not a first option, that is a guarantee that you would get the land without competition.

MR. EYJOLFFSON: Well . . .

MR. USKIW: That is not free enterprise.

MR. EYJOLFFSON: If you set the price and I'm willing to pay that, and I say if I don't want to pay that, I would rather keep on with my lease, or if I decide to buy it, as soon as I decide to buy it then you are going to say to me that you have to put it into competition.

MR. USKIW: Well I don't know how I could say that Mr. Eyjolfson should have the right to a parcel of land that Mr. Johansson wants without putting it up for competition. Maybe Mr. Jorgenson would want to buy it. And what right have you to private ownership of Crown land unless every citizen of Manitoba has the same right? How could we discriminate in your favour? I mean, we can discriminate in your favour to the extent that we would give you the option to refuse. You would have the first option to refuse, but certainly beyond that it would be a very serious discrimination between the citizens of Manitoba if we denied them the right to compete for it.

MR. EYJOLFFSON: Yes, well then I will just have to refer back to my brief and say what I came here to do is to present my brief as stating I would like to see leased land sold to the lessee.

MR. USKIW: Without competition?

MR. EYJOLFFSON: Well, if the program can't be made out any other way I guess we will have to accept it, but I would like to, just as I state, like to see some Crown land sold to the lessee.

MR. USKIW: I'm trying to pin you down on this one because that's a very important point. You are saying to me that you would want to purchase some of the land that you are now leasing.

MR. EYJOLFFSON: Yes.

MR. USKIW: I am saying to you, assuming that we are prepared to consider that, which is against the existing policy and has been for years, but assuming we were to change policy, how do you determine that you should have a right to acquire a portion without competition?

MR. EYJOLFFSON: Well, I think that, you know, thinking of it when you are talking

(MR. EYJOLFSON cont'd) about driving the price of land up and making it hard for young farmers to start farming, if you are going to ask them to compete on the very first opportunity . . .

MR. USKIW: Well let's say we've set the price and let's say that we put all of the land titles numbers in a hat and we pull names then, and if you're lucky yours will be drawn. Is that a good approach?

MR. EYJOLFSON: Hm.

MR. USKIW: I mean everyone that wants that piece of land would put his name into the Crown Lands Branch and we would have a lottery on it of some kind.

MR. EYJOLFSON: Well that still is not security really of a lease. If you are working the land and you go out there and you pick the stones off it and develop it to the point where it's producing something, you want to see that done. You want to see the land produce as much as you can make it come out. And you think well, you know, I've done so much work on that land that I would like to be able to own it now so that I can pass it on as a unit, on to my family as a unit, and if you have to give up that piece of land after you've worked on it by all of a sudden losing the bid, there's no advantage to it.

MR. USKIW: No, I know, but that means then that you have to make your choice.

MR. CHAIRMAN: Order please. Order please. Order. Mr. Uskiw. Order please. It is now past 5:30 p.m. Is it the will of the committee that we proceed to conclude with this gentleman before us and then adjourn? I have looked at the dates and the possible date that we can have to continue with the meeting will be on Monday, which would be February 17th. Is it the will of the committee that we indicate to those other people, there are seven others who have come forward today to present briefs, that we would meet on Monday?

MR. USKIW: Mr. Chairman, on the point of order . . .

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: On the point of order, it might be appropriate if we deal with that after we know that there are no further questions of Mr. Eyjolfson.

MR. CHAIRMAN: Well I just wanted to -- do you want to proceed and conclude . . . ? Thank you, Mr. Eyjolfson. The committee -- what is the will? For Monday, February 17th?

MR. JORGENSON: Mr. Chairman, is there a reason why we can't meet tomorrow?

MR. CHAIRMAN: Yes, we have a commitment. So those people who have come forward, I beg your indulgence and apologize that we were not able to go through all the briefs. We will be meeting here on Monday, February 17th at 10:00 o'clock and I'll just continue the order of the people as I have it on my list. Thank you. Committee rise.