



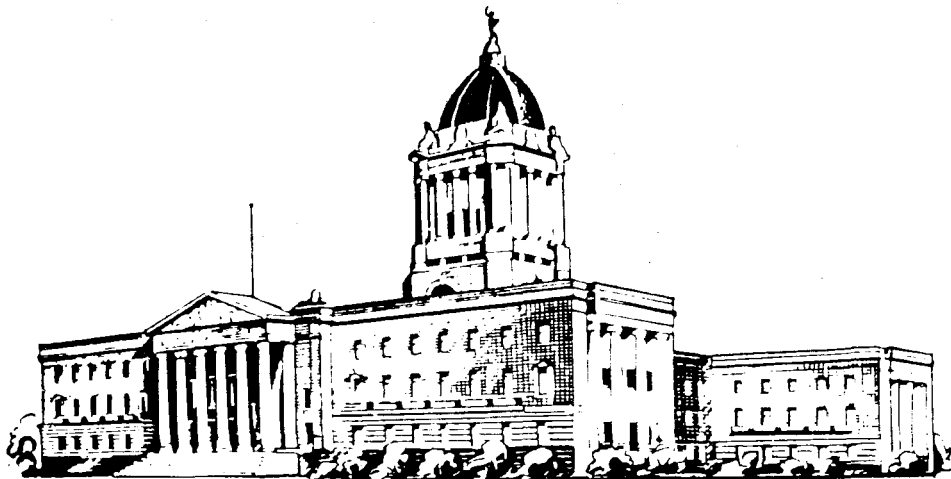
Legislative Assembly of Manitoba

HEARINGS OF THE SPECIAL COMMITTEE

ON

LAND OWNERSHIP AND USE

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



Winnipeg — 10:00 a.m., Monday, January 26, 1976.

THE SPECIAL COMMITTEE ON LAND OWNERSHIP AND USE
JANUARY 26, 1976
(WINNIPEG)

Chairman: Mr. Harry Shafransky
Clerk: Mr. Jack Reeves

MR. CLERK: Good morning, gentlemen, it's now 10:00 o'clock and I would like to call this meeting to order, if I may.

Hearing no objections then your first order of business would be the election of your chairman. Are there any nominations for the election of your chairman? Mr. Shafransky. Any further? Unanimous. No further nominations; Mr. Shafransky, would you take the chair, please.

MR. CHAIRMAN: The first order of business is to establish a quorum. There are 15 members on the committee, what is the will and the pleasure as to the quorum for the committee?

MR. HARRY GRAHAM: One-half plus one.

MR. CHAIRMAN: Moved that the quorum be eight members. Is it agreed? (Agreed)

The purpose of the meeting is to deal with the resolution that was passed at the last session of the Legislature and I would like to read the resolution for the benefit of those members and the people who are appearing before us as to the purpose.

On the motion of the honourable . . .

MR. D. JAMES WALDING: Before we go any further, I would like to move that the proceedings be recorded and transcribed.

MR. CHAIRMAN: It has been moved that the proceedings be recorded and transcribed. (Agreed)

On the motion of the Honourable Mr. Uskiw: Whereas the Legislative Assembly of Manitoba on the 30th day of May, 1974 constituted a special Committee of the House consisting of Hon. Messrs. Green, Uskiw, Messrs. Adam, Barrow, Blake, Bostrom, Boyce, Ferguson, Graham, Henderson, Johannson, Johnston, Jorgenson, Shafransky and Walding to inquire into matters relating to property rights and land within the province, and

Whereas the said committee in its report to the Legislature recommended that the special committee be continued in order to provide the citizens of Manitoba with further opportunities to express their views on matters relating to the use and ownership of land in the province,

Therefore Be It Resolved that the special committee appointed to inquire into matters relating to property rights and lands within the province on the 30th day of May, 1974 be reconstituted and reappointed to inquire into matters relating to property rights in agricultural and recreational land within the province, and

Be It Further Resolved that this special committee shall consist of Honourable Messrs. Bostrom, Green, Toupin, Uskiw, Messrs. Adam, Barrow, Blake, Enns, Graham, Johannson, Johnston (Portage la Prairie), Jorgenson, Minaker, Shafransky and Walding, and

Be It Further Resolved that this special committee be authorized to (1) Hold such public hearings as the committee deems advisable; (2) To report its findings and recommendations to the House at the next session of the Legislature.

Was there a change in the committee membership before the House adjourned?

MR. WARNER JORGENSON: Yes, there was.

MR. CHAIRMAN: I believe there was a change because I notice Mr. Minaker --(Interjection) -- Enns, that's right, there was a substitution, Enns for Minaker.

MR. JORGENSON: . . . and for Ferguson and Henderson.

MR. CHAIRMAN: Thank you. We can proceed. I have a number of people who have indicated a desire to present a brief. If there are any more names outside of the eleven that I have, I will ask the people to give their names to the Clerk who will provide me with the names. I would ask the people who are coming forward to present their

(MR. CHAIRMAN cont'd)briefs, I would like you to indicate whether you are presenting a personal brief or whether you are representing some organization and therefore are chosen as a spokesman for that organization.

We have Robert Sopuck, Manitoba Fly Fishermen's Association; Bob Douglas, Manitoba Farm Bureau; Dr. John Ryan, Winnipeg; Mr. Art Coulter, Manitoba Federation of Labour; Mr. Ken Groening, Morris, a farmer; Mr. Matt Ullenboom, Box 33, Starbuck, farmer; Mr. Wilf Harder, Morris, farmer; Malcolm Ives, R.R. 1, Richer, Manitoba, farmer; Mr. Robert Smorang, Beausejour, farmer; Mr. Richard Loeb, R.R. 1, Anola, farmer; Carol Hibbert, Manitoba Naturalist Society. If there are any more people who wish to present briefs, would you give your name to the Clerk while the presentations are being made.

I will call upon Mr. Robert Sopuck, Manitoba Fly Fishermen's Association to come forward. Mr. Enns.

MR. ENNS: A small matter of procedural order; my understanding is that the meeting today was advertised as being just the one meeting to be held here in Winnipeg with the understanding that it may have to be prolonged to further additional meetings, but that being the case, is the committee inclined to do as we have in the past, accept the out-of-town briefs first or is there any inclination to take them otherwise.

MR. CHAIRMAN: Well what is the will and pleasure? Mr. Uskiw.

MR. USKIW: Mr. Chairman, I'd like to speak to that point of order. There may be people in the audience here that have some time urgency and perhaps if we could get an indication of that we could accommodate them the best way possible. Whether they are rural or urban, there may be time constraints on some of them so that to be fair I think it might be a good idea to get an indication if anyone has a problem of time urgency.

MR. CHAIRMAN: Is there anyone -- (Interjection) -- You are representing. . . ?

MR. BERT HALL: Manitoba Farm Bureau. I'm President of the Manitoba Farm Bureau and I will be acting as spokesman.

MR. CHAIRMAN: I see. You are second on the list. Mr. Coulter.

MR. ART COULTER: I have some time restraints, too.

MR. CHAIRMAN: Well you are fourth on the list and we shall see how the meeting proceeds.

Okay, we can proceed. Mr. Sopuck.

MR. ROBERT SOPUCK: I am representing the Manitoba Fly Fishermen's Association, a group of dedicated conservationists who are very concerned with the present land use policy in Manitoba, and we appreciate the opportunity to address the Land Use Committee of the Legislature.

As a person who has studied ecology somewhat I have begun to realize the value of diversity in natural systems. Diversity is encouraged in social systems in Manitoba, witness the various ethnic and cultural events; however diversity in natural systems is little encouraged in Manitoba and the present policy in some sectors of government at least seems to me to eliminate the biophysical diversity of Manitoba's landscape. For example, streams are strained to speed runoff, irreplaceable wildlife wet lands are drained for agriculture and Manitoba's upland wildlife habitats are fast being turned into pastures for example in our interlake area. Manitoba's economy to a large extent is land based and I, for one, realize the importance of agriculture to Manitoba, however, I feel that the pendulum has swung too far over in one direction - that of a mono culture. This fact is exemplified when one realizes that the Red River Valley is almost devoid of wildlife habitat and wildlife. The Wildlife Oasis Program has been undertaken by the government Department of Mines, Resources and Environmental Management in the Red River Valley and is a step in the right direction but more needs to be done.

I realize that we can ill afford to take land out of agricultural production but I feel that much can be done to alleviate the monoculture problem at very little cost. For example, couldn't farmers be encouraged to have rows of trees delineating their wheat fields as opposed to fences; couldn't a brushy corner or two be spared the plough. In addition to being aesthetically and biologically sound this practice might encourage, for example, some species of wildlife to return to the areas that are presently devoid of wildlife. For example insect eating birds might nest in these areas and reduce the needs for pesticides.

(MR. SOPUCK cont'd)

I would like to draw the committee's attention to this book written by the Department of Mines, Resources and Environmental Management entitled, Manitoba's Wildlife Heritage. This is what I feel a fantastic step in the right direction. It's a guide for landowners as to how they can provide some wildlife habitat on their land at very little cost in both land, time and money.

Manitoba's landowners in the past have not been encouraged to leave some of their land as wildlife habitat; perhaps where there is high agricultural production this is not feasible. However, in certain marginal farming areas a system of incentives perhaps to keep some land for wildlife might be implemented. To my mind, if a landowner is public spirited enough to leave some land for wildlife he should be compensated for it. This compensation could take the form of perhaps tax easements for habitat or payments for loss production. I feel that this would be a small price to pay for diversity. To make up for loss revenues the government might, for example, raise our already too low hunting licence fees perhaps to cover the cost of this program. I would like to commend the Manitoba Government, in particular, for its Wildlife Management Area Program which is a good example of a system to promote diversity. Here we have marginal agricultural lands that have been purchased by the government and managed for wildlife production. The lands and wildlife are being used for recreational activities such as hunting, hiking and bird watching. Best of all, these lands are open to all Manitobans to be used and enjoyed.

One of the best examples I feel is Oak Hammock Marsh, 15 miles north of Winnipeg. Here urban naturalists can thrill to the spectacle of thousands of geese within sight of Winnipeg and hunters are able to enjoy some of the finest quality hunting to be found in Canada. This has all taken place in a marsh that was fast on its way to becoming just another series of grain fields. This is an example of the diversity that Manitobans need.

One problem with our Wildlife Management Area Program, I feel, is that there is no, to the best of my knowledge, formal protection for these areas, and they could be disposed of in the future. Therefore I would urge your committee to recommend that the government adopt a formal system reserving these areas as wildlife management areas for as long as possible. For example, there's a clause in the Parks Act, clause 4(1) that prohibits the sale of this land and perhaps this could be applied to the wildlife management areas.

In addition I would recommend an expansion of the Wildlife Management Area System to acquire bits of all types of our native habitats and preserve them for the use of all Manitobans for a long time to come.

Perhaps the first step in developing a land use policy in Manitoba would be establishing a comprehensive zoning program for the southern portion of the province; an example of the system is that of some of the townships in New York State. In one township, for example, there are roughly five classifications of land which are industrial, commercial, residential, agriculture and their fifth category is conservation. This obviously is in order of restrictiveness. It seems to me that if the southern portion of Manitoba was zoned along these lines many of the problems would be alleviated. Land that is already productive agricultural land would remain so and prime recreation land and wildlife habitat would be left alone. I do not pretend to have worked out the total system as it might apply to Manitoba but offer it as a suggestion as to the direction that land use planning might go in Manitoba.

My final point is concerning ownership of recreation land. One thing that I find very discouraging is the sale of Manitoba's recreational land and wildlife habitat to foreign interests for entrepreneurial purposes. Recreational land is in demand and I feel that in Manitoba there should be a policy concerning the sale of wildlife and recreational land to foreign interests. This problem is very acute for example in the Maritime Provinces where most of the finest Atlantic salmon rivers are owned by foreigners and are, in effect, rich persons playgrounds from which most of the residents are excluded. This is an appalling situation and every effort should be made to ensure that the same thing does not happen in Manitoba and that there will be enough recreational land in public ownership to as to ensure recreational opportunities for all Manitobans regardless of income.

Thank you very much.

MR. CHAIRMAN: Thank you, Mr. Sopuck. Are there any questions? Mr. Uskiw.

MR. USKIW: Yes. On your question of ownership you raise the need for some restriction on foreign ownership or acquisition of recreational land and I want to draw from you why it is that only foreign interests that you are concerned about in that. Any individual in society could accumulate huge land holdings and operate very exclusively in the same manner as any foreigner. What is the difference between someone in Winnipeg doing that and someone in North Dakota doing that?

MR. SOPUCK: Well to be entirely objective, I guess there really isn't any difference but being a Manitoban I sort of have what's called a gut feeling that I don't like parts of Manitoba being sold off, and, well the way to alleviate that problem would be for the public to own these recreational lands, but to be totally honest I suppose there really isn't a difference.

MR. USKIW: Yes, okay. You don't have a particular preference then. Your preference would be that it be completely controlled rather than just controlled as against foreigners?

MR. SOPUCK: What do you mean by completely controlled?

MR. USKIW: Well if there is to be regulation or legislation, you would prefer that it applied to everyone equally, foreign and domestic or citizen.

MR. SOPUCK: I suppose that I feel that Manitobans should have. . . I would feel better if this land was owned by Manitobans than by a foreigner simply perhaps because this person might have some "loyalty" to the province or some kind of public spirit as opposed to the person from Texas perhaps who has no feelings at all for Manitoba. This business of control is a very touchy one and that's a very strong term you use, control, and I don't feel really qualified to address it but I think I've made the point that something needs to be done.

MR. USKIW: Are you suggesting then that the province which owns about 80, 85 percent of Manitoba now should not sell to Manitoba citizens as well as foreign citizens these recreational resources?

MR. SOPUCK: Well of course this land that I am referring to is not owned by the Provincial Government . . .

MR. USKIW: No, but I am now putting the question: Those that remain under the control of the Crown or ownership of the Crown, what is your position with respect to . . . ?

MR. SOPUCK: I think that they should stay under Crown ownership myself, definitely.

MR. USKIW: Thank you.

MR. CHAIRMAN: Mr. Barrow.

MR. THOMAS BARROW: You mentioned the Maritime Provinces and Nova Scotia and the waters and lakes were owned by Americans.

MR. SOPUCK: Not the lakes themselves but, for example, the Restigouche, one of the finest salmon rivers . . .

MR. BARROW: That's New Brunswick.

MR. SOPUCK: In New Brunswick, yes, I mentioned the Maritimes, but in New Brunswick this stream is owned by rich Americans, to use an oft coined phrase, and I have friends there, and these waters are used to the exclusion of residents. No one can use these waters at all for fishing, hiking, hunting, swimming, canoeing, anything, and they . . .

MR. BARROW: You mentioned Nova Scotia especially.

MR. SOPUCK: Oh, did I mention Nova Scotia, I thought I said New Brunswick, I'm sorry.

MR. CHAIRMAN: You see, Mr. Barrow comes from that part of the country so he's quite familiar. . .

MR. SOPUCK: I see, well he would know it better than I.

MR. CHAIRMAN: Are there any further questions? Thank you very much, Mr. Sopuck.

MR. SOPUCK: Thank you very much.

MR. CHAIRMAN: Mr. Bert Hall, President, Manitoba Farm Bureau, and I understand that you will be having other people present the brief along with you.

MR. BERT HALL: Mr. Chairman, I will present the brief but I would like to have the other representatives from the Manitoba Farm Bureau participate in question or clarification if that was possible. We have Mr. Lorne Parker, Mr. Ed Klassen, along with Bob Douglas and Mack McCorquodale of staff that are here and I would like them to participate if the occasion should arise for clarification or for discussion.

MR. CHAIRMAN: Thank you. You may proceed.

MR. HALL: Thank you. Mr. Chairman and members of the committee: The Manitoba Farm Bureau would like to acknowledge this opportunity to appear before your committee and to express some of the opinions and concerns of farm people in Manitoba relative to land policy.

The Manitoba Farm Bureau is a federation of seventeen agricultural producers' commodity, co-operative and rurally oriented educational groups which represents most farm people in Manitoba on matters of agricultural policy. We have appended a listing of the member groups comprising the Manitoba Farm Bureau to indicate the scope of the representation involved.

Most of the committee members will be aware that the Manitoba Farm Bureau presented a submission to the committee at the beginning of the series of hearings held in the early portion of 1975. We would like to reiterate some of the opinions and concerns expressed at that time, and to make some additional observations.

The Manitoba Farm Bureau was gratified, upon reading the Interim Report of the Special Committee which was made to the Legislative Assembly, May 28, 1975, to note that the committee had endorsed a recommendation made by the Manitoba Farm Bureau to the effect that legislative amendments be adopted to enable the making of changes in the present method of recording land ownership so as to make accurate information on who actually does own land in Manitoba readily available. Since no action was taken on this recommendation during the last sitting of the Legislative Assembly, we assume that it will be dealt with during the upcoming Legislative session.

Meaning absolutely no disrespect to any member of the committee, the Manitoba Farm Bureau, in all honesty, feels compelled to restate the opinion that the task of obtaining information upon which to base decisions regarding land policy for Manitoba would be better served through the establishment of a Land Use and Ownership Commission, made up of non-elected, non-partisan persons and with sufficient resources, including time and staffing to:

1. assemble and publish adequate factual information;
2. encourage public consideration of all land use and ownership issues;
3. provide for the input of public opinions; and
4. prepare recommendations on land use and ownership for the provincial government.

In this regard we would like to briefly outline what was done in this regard in Alberta. In 1973, the three member Alberta Land Use Forum was established to carry out a four-phase program. In phase one, the Forum produced or commissioned the preparation of seventeen background informational documents on subjects including: the family farm, recreation on agricultural land, wildlife management systems on private land, recreation and miscellaneous land uses, urban residential land development, country residential survey, an overview of rural subdivision, future land needs for agriculture, rural land ownership, an investigation into rural property ownership, rural land tenure, vertical integration in agriculture, land use policy - population growth, land ownership rights, general land use statistics, structure of Alberta farms, and use of lakes and lake shore lands. In phase two the Land Use Forum contracted with the Rural Education and Development Association, the educational arm of an Alberta farm organization, to hold meetings in 80 rural communities to distribute the information referred to above. Through the field workers conducting the meetings, Land Use Advocate Committees were established to register community responses to land use questions. During phase three, public hearings were held at various locations throughout the province to provide individuals and organizations with an opportunity to express their views on land use and ownership to the Forum. In phase four the views of the public, expressed at the public hearings, were compiled and considered in the preparation of a final report and accompanying recommendations for presentation to the provincial government.

(MR. HALL cont'd)

While the Manitoba Farm Bureau fully agrees with the position taken in the Committee's Interim Report; i.e., that any action taken regarding land policy will be undertaken in the political process, and while we are convinced of the sincerity of each member of the committee in attempting to carry out the terms of reference of the committee, we are nevertheless concerned that the process being followed here in Manitoba has a tendency to generate expressions of emotionally-charged opinions or to highlight differences in philosophy rather than establishing useful factual information. We are convinced that it would be possible to establish a relatively independent commission and that such a commission would be more effective in assuring more meaningful public participation in the consideration and understanding of the information necessary to establish sound land use and ownership policy.

It continues to be the opinion of the Manitoba Farm Bureau that in light of the need to provide the people of Manitoba with nourishing food at reasonable cost and to do our share in the feeding of the world, the vital issue requiring attention is that of land use, and that matters of land ownership and property rights, though more provoking of emotional reactions, are secondary to it. The problems in the area of land use are: of the many possible uses for a piece of land, which is the best and how and by whom should these decisions be made? What is the wisest use of this piece of property considering long range global requirements and not just immediate personal concerns? In addition to the decision about the best use for a specific piece of property, the way the land is treated must be of concern. If it is used for farming, are proper safeguards taken to ensure proper conservation? Are all environmental and ecological implications considered?

The Manitoba Farm Bureau acknowledges again the need for a comprehensive land use planning authority to provide the means of co-ordinating priorities of land utilization, both public and private. While there is need for comprehensive planning, action taken in this regard must:

1. give full emphasis to agricultural needs,
2. be structured such that all related legislation and policies of other government departments are subject to it,
3. provide adequate methods and procedures,
4. provide for effective citizen participation, and
5. develop and administer policies on a non-partisan basis.

In this regard we must acknowledge the government's having adopted in June, 1975, the Planning Act; i.e., legislation respecting the subdivision of land. The regulations under this Act appeared in the Manitoba Gazette, December 20th, 1975. We are of the opinion that the Planning Act itself will not guarantee the achievement of the objectives stated above. The legislation does provide a tool whereby some of these objectives can be realized. However, the success of the legislation in this regard will depend on how it is applied and on the extent to which local citizens become involved and attempt to use the provisions in the legislation to meet the overall desired objectives.

Wise land use planning should integrate the physical capacity data from the Canada Land Inventory with information on mineral and water resources and the economic and social determinants of land use in formulating regional land use plans, which will serve as guidelines for the orderly and effective development of a region's land resources. The need for such plans is particularly urgent at this time because the demands made on our land resources are increasing rapidly and environmental problems such as air and water pollution are also of concern.

The Manitoba Farm Bureau believes that we must take the necessary steps to retain good agricultural land for the production of food. However, we would not consider the need for land zoning to be urgent, except in those areas surrounding larger urban communities. There is a question as to whether or not a person who owns farm land for which there is a potential alternate use should be compensated in the event of its being zoned or locked into agricultural production. Generally, land with a potential for an alternate use other than farming is taxed at a rate higher than that which would be charged for the land solely as a farm. In instances in which this has been the case, the farmer should be compensated for imputed losses due to the restrictions on the sale of his land.

(MR. HALL cont'd)

For some time now, a great deal of attention has been focused on the question of how land should be held in Manitoba. As expressed earlier, the matter of land ownership is one which generates a great deal of emotion. The position of any person relative to the issue of land ownership depends on his or her particular circumstances and there are many different philosophies put forward. Traditionally, the accepted form of holding land in Manitoba has been that of private ownership, primarily because much of the province was settled by means of homesteading.

Ownership of land involves the granting of a bundle of rights from the state and such rights may be altered from time to time by the state. We think it is fair to say that most farm people in Manitoba favour private ownership of farm land as being the most desirable method of assuring their right to decide what will be done with their land, including the disposition of it. In many instances there is a great deal of personal pride placed on the owning of farm land and it is felt by many people that it is ownership which is largely responsible for insuring that the land will be well cared for. There are people who feel that the traditional method of private ownership might eventually concentrate ownership in the hands of very few people and that food producing lands should be held by the state for all people, with farmers leasing the land from the state to carry on the business of farming. This gives rise to concerns that the decisions as to who would be allowed to farm would rest in the hands of the state and could be influenced on a partisan basis. Also, there is concern that in the absence of ownership the land might not be as well tended. We believe it fair to say that most farm people continue to regard private ownership of farm land as being most desirable.

While in the general area of rights, the Manitoba Farm Bureau believes that steps should be taken to protect livestock enterprises from being phased out of operation because of urban or recreational encroachment. The principle should be established whereby any party responsible for the displacement of a farming enterprise, which has been in existence prior to any urban or recreational development, should be responsible for the costs of compensation and/or relocation of the agricultural producer thus disadvantaged. This is an area in which sound land use planning is becoming increasingly important.

There is a good deal of concern amongst farm people that the rapidly increasing prices for farm land make it very difficult for young people who wish to enter the field of farming. Some farmers feel that they are having to compete unfairly with a variety of interests; i.e. speculative, foreign, and in some cases, governmental, for land which has become inflated in value beyond what would be considered reasonable in terms of the income generating potential of that land from agricultural production.

There has been a good deal of concern in the area of "foreign" purchases of farm land in Manitoba. First of all, we need accurate information on the extent of such purchases. Manitoba farmers are not opposed to purchases of farm land by non-residents or "foreigners" who intend within reasonable time to become resident operators. It has been suggested by some people that "foreign" sales should be banned. However, it must be remembered that ownership involves rights from the state and if any foreign owners were to abuse their ownership rights the state could alter or withdraw these rights. A preferable route to curtailing foreign purchases might be to take steps to capture the capital generated by the land involved for use in the economy of Manitoba, rather than it being permitted to leave the country.

There has been a considerable amount of controversy surrounding the land leasing program under the Manitoba Agricultural Credit Corporation. It is not unfair to say that some people in rural areas misunderstand the land leasing aspect of the MACC to the extent that they believe it to be an attempt on behalf of the government to obtain most of the farm land in Manitoba. Part of the problem arises from a carry over of concerns with the lending program of the MACC from which repossessed land could be leased but not purchased. We believe that a division of the programs under the MACC with a change of name for the land lease program would assist in overcoming some of the concerns. The land lease policies of the MACC have not been well communicated and are not well understood by the farm population. We believe there could be somewhat more openness in the operation of the program in terms of advertising land available for leasing, publicizing the criteria upon which potential lessees are chosen, etc.

(MR. HALL cont'd)

With regard to the problem of young people having insufficient capital to enter the business of farming, it is interesting to note that a bill known as the Young Farmers' Homestead Act of 1975 has been introduced into the U.S. Senate. This Act, modelled to some degree after the Land Bank Commission in Saskatchewan, makes provision for the U.S. government to purchase farm land and lease it to young farmers with the provision that they must purchase their land within seven years at 75 percent of the appraised fair market value at the time of sale, or the purchase price, whichever is larger. Because we feel strongly that ownership of farm land by the operator is essential for good stewardship of this resource and its efficient use and because the Homestead Act will more likely provide some equity at time of purchase, the Manitoba Farm Bureau would favour a change in the policies of the MACC's land lease program to bring it more in line with the proposed U.S. program.

Because of the high prices of farm land, farmers accept that they may never own all of the land they operate. At times, rental arrangements have been regarded very negatively. However, rental arrangements have been a very significant part of agricultural production in Canada over the years. These arrangements have been good for some operators and have kept large amounts of local, private capital in the farming industry. However, we believe that we must give attention to the development of a variety of much more sophisticated rental arrangements or lease contracts from which one may be chosen to best serve the parties involved. We believe this information on alternative comprehensive agreements should be adapted to Manitoba conditions and made available to all interested parties.

As we indicated, one's opinion on what should happen regarding land ownership depends entirely on his circumstances. If he is a farmer about to retire, he wants to be able to get the highest price possible from any bidder. On the other hand, if he is a young man wanting to enter farming, he wants to obtain land as cheaply as possible. In making decisions regarding land policy we believe the best alternative is to support policies which will facilitate the holding of the farm land in Manitoba by the resident family farm operator.

Once again, Mr. Chairman, the Manitoba Farm Bureau would like to acknowledge this opportunity to express some of the views of Manitoba farm people to your committee. Respectfully submitted.

MR. CHAIRMAN: Thank you, Mr. Hall. Mr. Green.

MR. SIDNEY GREEN: Mr. Hall, I believe, and I'm trying to be as fair as I can, but the essence of your position would be on Page 10: "In making decisions regarding land policy, we believe the best alternative is to support policies which will facilitate the holding of farm land in Manitoba by resident family farm operators." Would I be mistaken in suggesting that that is the heart of this brief?

MR. HALL: Yes, it's one of the main points.

MR. GREEN: Okay, one of the main points - as there is only one heart to a body we'll say it's one of the main limbs and throw out heart.- if there was a choice, when you use the word "holding" would you consider that if there was a choice between a lease from the public or ownership by a West German concern with no intention of coming to Manitoba, would your choice be a resident farm operator leasing from the public or a West German corporation with no intention of their owners coming to the Province of Manitoba?

MR. HALL: Well the point that we had made maybe varies just slightly from your question but I think it pertains to it.

MR. GREEN: All right.

MR. HALL: We had no reservations about foreign ownership of people that intended to become resident within a reasonable length of time and of course this is the basis on which Canada was developed as an agricultural community, of people from various areas coming and taking up the occupation of farming. We do however have some reservation about foreign ownership or state ownership to become a widespread holding of a large part of the farming community in the province. Our point is that we feel that when individual farmers have some ownership at least of a part of the operation that they have a pride and they tend, I think, to perhaps use more intensive or better practices, better management practices when they do have that kind of an interest in it.

MR. GREEN: I appreciate your position that your main thrust is that it would be preferable that each farmer who is an operator owned his own land. I think that the ideal would be that farms would be owned by resident operators, I think that that is what you are saying; if that's not, then I want to be corrected.

MR. HALL: Basically the ideal, yes. In the practical realism of the facts of the capital involved this may not be entirely possible at today's capital requirement.

MR. GREEN: I understand that.

MR. HALL: But what we're saying is that at least a portion of and perhaps some rental arrangement to make it into a viable unit.

MR. GREEN: All right. My question, and I don't want to put to you something which would be a Hobson's Choice that you would not like one or the other and therefore I'll translate it to my own language. If I believed that the danger was that land in Manitoba was going to be owned by foreign corporations with no intention of their coming here, and I had the choice of taking that land myself and leasing it to resident operators, (and when I say taking it myself I mean that the public take it and lease it to resident operators) -- (Interjection) -- No, I'm quite aware that my friend from Lakeside would like to lease it to resident operators as an individual, I would say that I would prefer to do it on behalf of the public. Now my question is that if I was concerned that the situation is going to result in land being owned by West Germans and leased to resident operators that would it be preferable if it was owned by the public and leased to resident operators? How would you advise me since you are coming to give me non-partisan advice as to how I should deal with that question?

MR. HALL: Well I'm not too sure really that it's a question that we are faced with having to answer in regard to what is actually happening.

MR. GREEN: I appreciate that there is a difference of opinion as to what is happening. I am now seeking your advice, as an advisor, as a non-partisan person who wants to tell me the best thing to do. I am worried that land in Manitoba is being purchased by non-resident foreign companies who are subsequently going to lease it out to farmers to operate in the Province of Manitoba, and I'm saying I would prefer it to be owned by the public and leased out to these same farmers and I'm asking for your advice as to whether it is preferable for me to let the non-resident foreign corporations do this or for the public to do it.

MR. HALL: I think that we would say it is preferable that we could have a system established by government that would provide more young farmers to enter into farming with the potential of purchasing such as we referred to with the Young Farmers' Homesteaders Act.

MR. GREEN: So then our difference of opinion is as to whether - that you would agree that the public should make it available rather than the West German or Swedish, I don't want to become nationalistic about this, North Dakotan, even Cape Breton person should do the leasing, they should then provide that it must be purchased by the farmer such as you've indicated in the Senate paper.

MR. HALL: Yes, we think that's a desirable approach to it. We think that what happens to the land and the decision making of the use of that land should remain with the people of Manitoba.

MR. GREEN: You don't want to sort of help me with my problem. I believe that I have one of two choices. I believe that I have a choice of the public becoming the owner and renting it out to a resident operator or a West German firm becoming the owner and renting it out to a resident operator, and you don't want to help me on these two choices that I want to make.

MR. HALL: Our choice would support leaning towards a similar thing to the Land Banking Commission in Saskatchewan or the Farmsteader Act that has been introduced in the United States because we see that that leads towards the public being involved in providing for the farmer to be a decision making person in regard to that parcel of land and having the opportunity at some date to purchase it.

MR. GREEN: I understand that, Mr. Hall, but I am asking you and if you don't wish to that's your choice. I am sort of torn in a conflict between two situations, one to let the foreign, non-occupier, non-resident without intention of ever coming here, buy the land and lease it or the public doing the same thing, and if you don't wish to help me, then that's your choice, but if you were to tell me which of these two things I should

(MR. GREEN cont'd) . . . do which one would you suggest or, if you don't wish to answer don't answer.

MR. HALL: Well we're listening to the people in the rural areas and we're trying to reflect what those people are saying. Rather than stating what I might think, we're trying to reflect the farm community here within the people that we're representing and what we're saying here is that we have some differences of opinion, we have to acknowledge that. If the people are about to retire or to sell they don't want to have any potential buyers eliminated from the field. If it's a young farmer he would prefer that he didn't have to compete with those other buyers, we have to acknowledge that. But however I think that we are answering your question, I think, to quite a degree. We are saying that we would favour the government being involved in making available parcels of land similar to what is being proposed under the Young Farmers' Homesteaders Act.

MR. GREEN: Okay. I accept the fact that you don't really want to be helpful to me, that's your choice and you have that right.

Now you also state that some type of non-partisan commission be established. Now the first question I have on that point is that the Conservative Party in the Province of Manitoba, and I am going to try to be fair to their position and Mr. Enns will correct me if I'm wrong, is now advocating that there be no public purchasing program of land, that the program be one of attempting to see to it that all land is held by private persons, private operator persons. Now if perchance they pursued this program vigorously and in the next election got it adopted by the people of the Province of Manitoba, which I hope won't happen, but let's assume that they pursued their position and said they are going to wipe out this land bank program and they're not going to let it occur and they are going to make sure that it doesn't happen, would you then say that they should set up a commission and that if the commission told them that they were wrong and that the public should be buying land that they should listen to what that commission says instead of fulfilling the program that they went to the people of Manitoba with?

MR. HALL: I think if the commission has gone through the procedures of listening to the public and making their decision to the best of their ability on a non-partisan basis why then I think irregardless of the government in power, they should be listened to.

MR. GREEN: So what you're saying is that the Conservative Party if elected on such a program should not enact it?

MR. HALL: What I am saying, I think, is that with the realizing and the acknowledgment that we've made in our presentation that there's perhaps no such thing as completely non-partisan, we're saying non-elected and people with resource, and a group that is as non-partisan as possible. I think we understand each other.

MR. GREEN: I am a little bit fairer to the Conservative Party, I would say that if they won on that program, I would be very surprised if they did not enact it and very disappointed in the solidity of my political opponents but however your last answer leads into my next question. Would you consider Mr. Parker to be a good person to be appointed to this non-partisan, independent, unbiased commission?

MR. HALL: I don't suppose that I am supposed to evaluate the people here.

MR. GREEN: But you are going to have to, somebody is going to have to evaluate who are these non-partisan, non-idea, blank minds, no views on these questions people.

MR. HALL: I think you're fully aware . . .

MR. GREEN: Mr. Enns says I should pick the first ten Liberals I meet. I happen to be in full accord with Mr. Enns on that position.

MR. HALL: Now we understand each other . . .

MR. GREEN: Would you consider Mr. Parker, would you consider Mr. Justice Dewar to be one of these people?

MR. HALL: I would suggest in all probability there would be a fairly wide range of names that would be under consideration and certainly I think that a group such as ourselves would welcome having an opportunity to suggest some names that we would like. . .

MR. GREEN: Who is going to choose the names in the last analysis? A majority of the Legislature or the government is going to name the commission?

MR. HALL: It would probably be the government.

MR. GREEN: I am going to propose a commission composed of Charles Hunt who is a long-time farm man in the Manitoba Co-operative Association; Max Hofford, a farmer

(MR. GREEN cont'd)in the Province of Manitoba, head of the Manitoba Agricultural Credit Corporation; and Jake Schulz, a former M.P. and head of the Farmers' Union. I propose that as a commission to consider farm problems; what do you have to say to that?

MR. HALL: I would suggest that in all probability that we would like to think that there was a number of names suggested and then it would have to be evaluated as to the ones that were selected out of that.

MR. GREEN: And we would have to make that evaluation.

MR. HALL: I'm sure that you would give due consideration to all the names that were proposed.

MR. GREEN: I'm glad that you have that confidence in you.

MR. CHAIRMAN: Mr. Enns.

MR. ENNS: Thank you, Mr. Chairman. Just one question to you, Mr. Hall. Mr. Green has put rather a difficult condition on anybody answering to questions from the committee and I, myself, think it's unfair in a sense that if he considers it helpful to him then you're helping him; if he doesn't get the answer that he wants, then you're not helping him. I'd like you to help me but I don't want to put you in any partisan position.

MR. GREEN: You'll have a much easier time.

MR. ENNS: On Page 7 of your brief, you indicate that Manitoba farmers are not opposed to purchases of farm land by non-residents or foreigners who intend within a reasonable time to become resident operators, and I suggest that while, you know, I fully appreciate that the question of foreign ownership isn't the only item that we're dealing with but it happens to be the item that seemed to attract the most attention, perhaps this is an important area though that the Farm Bureau is making an important policy decision on. As I read the brief you would be prepared to accept from government some condition, some restrictions in sales or some punitive action through legislation for those who merely speculate in land as far as foreign owners are concerned, as compared to those who within a reasonable time show evidence of becoming resident operators. Is that a position of the Farm Bureau?

MR. HALL: Yes, we made that point. As I mentioned before, we're not opposed to the purchase of farm land by foreign ownership providing that they intend to become resident within a reasonable length of time, because we recognize that our communities are made up of people from all types of different backgrounds and from different parts of the world and this is the way the country has developed, providing that they intend to become bona fide farmers. We do suggest though, and we haven't tried to spell it out in detail, but we do suggest that if the intent was not to become bona fide farmers, why then the province could look at the possibility of alternatives that might be available to it, like some restrictions there.

MR. ENNS: I believe you go on to say that ownership involves rights from the state and if foreign owners were to abuse their ownership rights then the state could alter or withdraw these rights. I read into that. . .

MR. HALL: Yes, this is what we're saying that we would support some alternatives being looked at.

MR. ENNS: Well then just to underline that question again which puts it a little different than the kind of Hobson's Choice question that my colleague Mr. Green asked you a little while ago, that as a position then really makes the other position of either/or academic. In other words, the Farm Bureau is prepared to consider some legislative action, some action by the public through its government to curtail or to restrain unlimited, foreign intervention in land ownership and does not see that as being in basic conflict with its firm belief in the maintenance of farm land in private hands to the largest extent possible.

MR. HALL: As we've said, we're not coming out as being opposed to the purchase of land by foreign ownership but we're saying let's establish the rule.

MR. ENNS: Thank you.

MR. CHAIRMAN: Mr. Minaker.

MR. GEORGE MINAKER: Yes, Mr. Chairman, through you to Mr. Hall. Further to what Mr. Enns was speaking to you, if I understand you correctly, Mr. Hall, the Bureau isn't opposed to leasing land from foreign owners as long as it's a fair

(MR. MINAKER cont'd)market rent that they're charging for the use of their land.

MR. HALL: Well I wouldn't want to answer in conflict to what we have, the position that we've already taken. Our position, and I don't want to be repetitious here, but that we do have some reservations as we have stated in our brief about foreign ownership where the revenue generated or a large portion of that would be going out of province so we think that we should look at alternatives there in that regard, that we should establish some rules here.

MR. MINAKER: I see. I sort of misunderstood in the report when you mentioned capital I thought, you know, investment. You're actually meaning revenue from the capital invested by the foreign owner.

MR. HALL: We're not specifically saying capital gains, we're saying capital.

MR. MINAKER: Then, Mr. Hall, could I maybe get your views on if there were foreign owners that were taking advantage of the fact that they had large ownerships in our province, what would your views be of say the government passing legislation that would tax the excess revenue that maybe was above fair market value which would be established obviously from the market of the day and the costs of producing agricultural food, etc. What would your views be of say an excess tax being put on foreign owners that are say out of province and non-Canadian, that were taking advantage of the situation, that this tax would be poured back into the agricultural industry here in Manitoba.

MR. HALL: Well I suppose it's a little difficult to make a judgment on that question just at this point. I think our point going back a little further in our presentation is that, first of all, we would like to have a mechanism established where we could possibly identify as to who does own the land. I think that if it was a very insignificant amount that was owned by foreign ownership why then perhaps it would be rather an exercise in futility to be going to the extent of passing legislation to deal with it but on the other hand if it was positively identified that there was a percentage that would be considered of concern owned by foreign ownership why then I think that all of us would want to take another look at it. But first of all we must identify this.

MR. MINAKER: Thank you very much, Mr. Hall.

MR. CHAIRMAN: Mr. Johnston.

MR. GORDON E. JOHNSTON: Mr. Hall, the Farm Bureau organization I take it has done sort of a study or at least you have examined the MACC's Land Lease Program. Is that correct?

MR. HALL: I think that through our organization we're fairly familiar with it and with talking to individual farmers and also some study.

MR. JOHNSTON: The only criticism, I take it, that you have is contained on Page 9 in your brief where you say the Farm Bureau would favour a change in the policies of the Land Land Lease Program in effect so that it would be easier for the farmer who is leasing to make it easier for him to buy in the present.

MR. GREEN: Compel him to buy.

MR. JOHNSTON: To make it easier for him to buy. -- (Interjection) -- No. Well Mr. Green can take that up later. But the point I am trying to make is that your organization is satisfied with a land lease program excepting the five-year clause where the young farmer must lease the land before he can buy.

MR. HALL: The point that we were making really was that we were not attempting to make a complete assessment of the Manitoba Agricultural Credit Corporation but we felt that there was this particular point that we would like to take the opportunity to make. It's very easy, I think, for those who are administrating a program or government is involved in it and certainly have the opportunity and are aware of what a program is but we find that in the rural areas, by the farm operators and the farm owners, that there is some confusion in this regard and what we're saying here is that we would like to see it clarified and a little bit better type of communication if we can within the areas where people would be concerned, and our suggestion that there be a change of name for the two separate aspects that is under the Agricultural Credit Corporation operation perhaps could be identified, a change of name for the leasing program as opposed to the credit program.

MR. JOHNSTON: So, Mr. Hall, if you could have these problem areas corrected, your organization would be satisfied then and that you wouldn't want to see the program ever thrown out - or I shouldn't say ever - but you're not against the program as it is providing the changes were made that you suggest. The reason I ask the question is when we had hearings last year, it's quite apparent that some farmers are very much against it, and I believe that the Conservative members of this committee are against the program from the way they speak about it on the committee.

MR. HALL: Well I have no intimate knowledge with it and its generalities as far as I'm concerned, and I'm afraid that I would have to refer to perhaps some other members on the Farm Bureau if they would like to speak to that. I don't pretend to have expertise in all of the areas because this is one I haven't had occasion to have any intimate knowledge with.

MR. CHAIRMAN: Mr. Parker.

MR. LORNE PARKER: Mr. Chairman and members of the committee and the questioner Mr. Johnston, I think we're reading the farm community right when we say that they have sincere reservations under the present regulations, MACC regulations, in that the chances of being able to buy at the end of the lease period are not overly great and we come down in favour of, I guess, the approach that's in this piece of American legislation that's in the works because it says they must buy at the end of seven years at 75 percent of the appraised fair market value and at least he has a chance to build up some equity and get himself in a position to purchase.

MR. CHAIRMAN: Mr. Johnston, are you finished?

MR. JOHNSTON: Well perhaps if I could ask Mr. Parker, if Mr. Parker would remain at the stand. . .

MR. PARKER: I'm sorry I missed the question.

MR. JOHNSTON: Well the question is that if the lease program was changed to make it easier for the farmer who is looking at it or is presently in it, if the change was made so that he could start buying instead of waiting five years, would that satisfy you? Presently he must wait five years before he can purchase, and then he has an option, he doesn't have to. Are you saying that the legislation should be changed that he must purchase or else not enter the program?

MR. PARKER: Well we certainly think that he should know the ground rules. If changes are going to be made I think that the farm community should be consulted and I think we can react to it. We favour moving in the direction that we have outlined in the brief, make it possible for him to buy, the option is there now but we seriously question whether he will be able to buy at the end of the lease period. Look how much land values have gone up since some of these lease contracts were signed. If he had bought the thing initially at least now he would have a fair equity. What he is faced with now is paying two or three times more than he would have paid when he signed the lease.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Mr. Hall, you end your statement with a very interesting comment, and I simply want to draw to your attention that that last point is really what was the substance of the report of this committee to the Legislature last year so that we are really very close on that particular question, there is not very much difference of opinion, we appreciate your support of the program in that way. I would like to, however, continue on the point that was just made about the American proposal which, by the way, was really concocted by McGovern during his visit in Saskatchewan. It was really a copy of the Saskatchewan Land Commission program which virtually MACC is also, our Land Lease Program is tailored very much on the Saskatchewan one and there isn't really much variation. Now I think there's a point of confusion here, you suggest that there is something advantageous to the one difference in the American proposal and that is where it comes to the point where one must exercise the purchase part of the contract. And really that is not so because, as I read the Act and we've gone through it as well, all it suggests there is that the corporation must sell the land after seven years but there is no obligation to sell it to the lessee who has had it for those seven years. So assuming that the lessee is not in a financial position to opt to purchase on the seventh year, the corporation is then put into the position of taking that lessee off that land and selling it to someone else and that is bothersome to us and we want to look at it, but we're

(MR. USKIW cont'd) . . . worried about that aspect because agriculture being as unstable as it is, it's quite possible that even in those seven years the lessee is not in a financial position on the seventh year to purchase and therefore the law will require that he be kicked off the land and that someone who has some money could then buy it, and really that contradicts the very purpose for the program in the first place, and that is to facilitate land operators who had no money. So there's a bit of a problem in contradiction there that I see and we're certainly going to look at it in some depth. I don't believe that if that Act is passed that they will ever kick someone off the land because they must sell it. I believe what they will do is probably extend the tenure through an amendment to the legislation subsequently, they will have seven years to do it, because I don't believe that anyone who is humane at all is going to put a lessee in a position of being put out of business because he wasn't able to accumulate enough capital for his down payment. Now that is something for the future to determine. The other aspect, and Mr. Parker drew attention to this point, and that is that under our program it's improbable that the lessee would have accumulated enough cash to purchase at the end of five years, and, you know, that may be a fair statement, but if you compare it with the American one I believe you will come to the conclusion that our terms are more favourable in that there is the subsidy on the interest rate which accumulates quite dramatically over that period of five years, wherein in the American program they charge full interest rate, the current cost of money on an annual basis. So that if you refine your analysis I think you will come to the conclusion that if anything our program is a little more generous in that respect. Now we are going to take a closer look at it just for comparison purposes but I think it's worthy of your effort, too, Mr. Hall, that your organization further pursue that question to satisfy yourselves.

MR. HALL: I appreciate your remarks. The one aspect, I think, depending on what inflation does is certainly, in our opinion, excellent in terms of view of being responsible for the taxpayers' dollars that the corporation purchases at an appraised value or they're not allowed to purchase at an inflated value and then at the time that the lessee has the option to purchase why it's either at an appraised value or the purchase price, whichever is higher, and they refer to the possible equity that the lessee would have as a sweat value that could be in there. I think one of the difficulties and I think as Mr. Parker pointed out, one of the great difficulties that we're facing is if the land values continue to inflate very rapidly over a lease period that really the lessee has lost out in the long run but then, of course, we all know that history records that land has gone the other way so we are prepared to study this.

MR. USKIW: Well I would appreciate that if you do have an opportunity to compare the two regulations or the legislation there with our regulations . . .

MR. HALL: We have copies now.

MR. USKIW: . . . we will have further discussion on it because I think we'll come to a much closer point of view as between your organization and the government on that issue.

MR. HALL: We appreciate that.

MR. USKIW: On Page 4 you have an interesting paragraph which I think we probably should take a moment on, and I want to read it just for the purpose of repetition and hopefully clarification. About the third line on Page 4, you say: "The problems in the area of land use are: of the many possible uses for a piece of land, which is the best and how and by whom should these decisions be made? What is the wisest use of this piece of property considering long range global requirements and not just immediate personal concerns?" And my question on that one really has to do with the reality of a situation and that is wherein lies the dollar value question here. You know, can we regulate and legislate in such a way that would affect a person adversely because most of these decisions are based on a monetary benefit or return. Are you saying that we should ignore the dollar question here entirely and make decisions that are in the public interest, or how do I read that paragraph?

MR. HALL: I don't think we're in a position to come out and say, well this is the way it should be done. I think what we're trying to do is to draw attention to the committee that there are concerns here and I think that if we look at some of the resource material that has been prepared, and we look at the minimal amount of Class 1 land and of good agricultural productive land, I think what we're saying is in the long

(MR. HALL cont'd) term global requirements, the requirements for food, that perhaps this committee should well take a good look at this one, that we should endeavour to preserve good productive agricultural land as much as we are able, and I think that might entail looking at some other things than just the monetary value.

MR. USKIW: Well, yes, but my point is if we, as government, decided that we must preserve all of the agricultural land and we freeze lands that are classed 1 and 2 or whatever into that category, how do you react to the cries of those who will be affected that they would have had a greater value had that freeze not taken place for example. What is your reaction to that and how do you think government should relate to that kind of . . . ?

MR. HALL: We're concerned. I think our point is that maybe in Manitoba that we're not faced with a real crisis issue here and we're watching very closely what's happening in some of the other provinces and the type of action and reactions being made to that sort of thing. Certainly, as an ongoing concern for productive food-producing land, I think that we have to be concerned about this and watch it very closely, but I think that we're perhaps in a situation of good fortune that other people are going to have to deal with it realistically before we are.

MR. USKIW: But you believe that in the final analysis the public interest should prevail as opposed to private motivation in respect to land ownership and its use?

MR. HALL: Well I think if you make illustrations where you have very productive land in small quantities in areas where there's a heavy population and it's just simply disappearing, it's a judgment that has to be made and if I could express a personal opinion I would feel a judgment should be made to preserve that productive land in cases like that. In Manitoba we do not have that kind of a sprawl at this point taking place and no great encroachment on that land percentagewise so I think in the immediate future that there's no immediate concern here but I certainly think that us Manitobans are in the fortunate position of being able to try to ascertain the public reaction.

MR. USKIW: If, and perhaps maybe - you don't have to answer this one if you don't want to, Bert - but if the town of Manitou, wishing to extend its boundaries in the direction of your farm, and you're very close to the town, which would enhance your particular values on your farm holdings in Manitou, and the provincial regulations said but that is frozen for agricultural purposes, would you accept that or would you say well I really would like to circumvent the regulation in some way so I can make my quarter of a million dollars because the town of Manitou wants the land? That is the kind of question that we're really dealing with here, aren't we?

MR. HALL: Yes, it is. I think the point that we made in our presentation regarding whether there be recreational or urban development take place where somebody had previously been established, why then we think there ought to be some compensation for the possibility that that person had over the years been paying higher taxes than he otherwise might have been had it been agriculturally zoned, if land is zoned. But, yes, your question is posed as a very . . .

MR. USKIW: That's the conundrum.

MR. HALL: That's right, it comes right down to it.

MR. USKIW: You talked about the need to have some rule or set of rules applying to foreigners who would own land here as absentee owners and who would be leasing that land to Manitoba farmers. So I would presume that you would have in mind regulations with respect to continuity and I'm probing here because I'm not sure whether you do mean that. How would you deal with the insecurity of the tenant with respect to these lands? Would you require by regulation that the tenant could not be kicked off that land other than under certain circumstances? How would you deal with that question? If you had a year to year lease arrangement that certainly doesn't provide for security of tenure. Would you regulate the security of tenure?

MR. HALL: Well I think that if we were to follow up on the basis of making the information available to potential lessees as to the type of desirable lease that they would be prepared to sign, I think that there would be a great difficulty by the owner in getting one year leases - number one. Second to that and maybe sort of relating to it to some extent is that I think that our point if there were some rules established whereby foreign owners became aware of the fact that as a province we may have established some rules

(MR. HALL cont'd) or criteria under which they could not remove the capital generated from that farm or not remove all of it, why then I think that it might be just as effective in making possible buyers from foreign countries to take a second look at whether they wish to buy or not. It might be another alternative that would discourage the purchase by foreign owners rather than simply legislating and saying you cannot, and might be a more acceptable approach from all concerned.

MR. USKIW: Yes. But let's assume the norm here in the relationship. We have a farmer operator who has invested \$100,000 in buildings and machinery and it's largely borrowed capital, and we have the owner of land who knows that this farmer has made those investments and has commitments over a period of years, is he not in an advantageous position to extract rents from that particular lessee which may be, you know, a bit high or unrealistic? Does he not have the lessee locked in is what I am saying, and should we not have a regulation with respect to that point?

MR. HALL: Well we have some reservations about trying to protect ourselves from every eventuality. Farm people, I think, consider themselves to have some business sense and I think we have to leave some onus on the individual as to whether he is making a sound business decision when he enters into a lease agreement or the capital he might expend depending on what security he feels that he has on that land that he's capitalized to operate.

MR. USKIW: Would you accept the idea that every year-you would be made aware of the fact that every year after 1980, for example, that there was an eviction rate of 10 percent, would you accept that as a good thing in terms of rural Manitoba on the basis that we had a dispute as to the rental rate and whatever else that enters into those relationships. If that was the situation would you not feel that there was a need for something more stringent to control the rental arrangements, the land lease arrangements as between private owners and their lessees?

MR. HALL: Well the average potential for earnings in agriculture, as I know it, have always been to the point that either, if you are renting, either you are a good operator or you do not continue to rent. No. 1, if you're not a good operator you won't be in a financial position to continue to rent; and No. 2, the owner perhaps would not be very satisfied with the situation and might look at the possibility of a termination. I think that the onus is really on the operator, if you're doing an efficient job why I think the evictions are likely to be very minimal. And I think we have to leave competition within this and a certain onus on us as individual farmers to do a good job; we must be productive.

MR. USKIW: Aren't you saying though, Mr. Hall, that in the end the owner is going to get all of the economic rent on land? Isn't that what you're really saying, and that the lessee really becomes his slave?

MR. HALL: I don't think so. Ideally we think the owner should own his base but with the capital requirements that there are today, many owners are going to find in order to be able to utilize the capital investment that they have in that equipment that they are going to have to lease some land because they won't have capital for both, and I think a good operator then providing that he's a shrewd businessman - and I think farmers have to be today to continue to be in the business - he makes a lease arrangement where it is beneficial to him as well as to the owner. I think that's the way that it is.

MR. USKIW: All right. If we have regulations, as you suggest we should have with respect to the leasing arrangements, should that apply to absentee owners who are Canadian citizens or only to those who are of foreign origin or who reside outside of the country and who own land in Manitoba? Would you apply the same regulation to Manitoba absentee owners of land, for example?

MR. HALL: I have difficulty with the question in interpreting what is an absentee owner. If I have neighbours that have farmed all of their life and then choose to move into another community for their retirement years but they choose to own that land as a revenue, are they or are they not absentee owners? I really haven't resolved that one.

MR. USKIW: Let's take it all the way though, let's assume that a group of investors in Winnipeg who are not really connected with agriculture whatever but decided that they would want to accumulate townships of farm land and to lease those farms to

(MR. USKIW cont'd)potential lessees, how would you feel with respect to that group; should they be excluded from regulations that would govern foreign owners or should they be lumped into the same regulations; should they be covered by the same regulation?

MR. HALL: I don't know that I can give a fair answer to that, I think it requires some thought. Preferably we think that the more positive action that we can take and positive legislation rather than negative and restrictive, the better off we are. In all possibility if we could have a study we could take a second look at it and as you have indicated, Mr. Minister, that you are willing to take a look at some possibility where we can aid young people getting into farming why then I think it tends to solve the other problem in a positive fashion rather than doing it simply by saying, no, we won't allow

MR. USKIW: Yes, but I think you mentioned, sir, that you thought there should be some regulations or rules - I think you called them rules - that would control the transactions at least with respect to foreign-owned properties, and I simply want to know whether you would apply those rules to properties owned by Manitobans but who are also absentee owners in particular who had no connection with agriculture whatever.

MR. HALL: I think Lorne is willing to help me out a little bit but, you know, before I could give an answer to your question, Mr. Minister, as far as I'm concerned personally, I would have to struggle with the one as to whether my neighbour who had farmed all his life and chooses now to live in Winnipeg, Brandon, Portage or whatever is a resident or non-resident owner, I have to struggle with that one for awhile.

MR. USKIW: I think that's true for us as well, Bert. We have to struggle with that, too, and therefore if you draft regulations you would want to make some exceptions, you would recognize certain relationships that should continue. I'm not suggesting that that not be the case but if you take the most blatant examples of non-resident ownership where it's really an investment thing on the part of groupings in society who have no real connections or ever had connections with agriculture in the past, shouldn't they come under the same guidelines as do people from anywhere in the world who own property in Manitoba?

MR. HALL: Lorne would like to make comment. . .

MR. CHAIRMAN: Mr. Parker.

MR. PARKER: If I could, Mr. Chairman. I think the provision of the Farm Bureau, Mr. Minister, on this one is that Canadians, resident Canadians, whatever you want to call them are not exactly the same kettle of fish as overseas purchasers, after all they are all subject to the tax laws in Canada, that income is generated in Canada and can be kept in Canada if that's our wish. When we use the term regulations - or Mr. Hall did - we are thinking in terms of how you would tax the foreign purchasers, we weren't talking about regulations in regards to the leases per se, that we've come down quite hard, I think, and we believe correctly in that your department could do much more for the farm community in outlining alternative types of leases. You have farmers that are fully clued in on how earnings should be shared; you have other farmers who aren't and, you know, this is a service that we think the department could perform to the net benefit of the farm community.

MR. USKIW: Well just on that point, Mr. Parker, I believe I'm correct when I say that there is no difference in terms of the application of Canadian taxes on people who own properties and who are citizens of this country versus people who own properties who are not citizens of this country. I don't think there's a difference. The tax laws apply equally.

MR. CHAIRMAN: Mr. Johannson.

MR. WALLY JOHANNSON: Mr. Hall, on Page 7 of your brief you state: "Some farmers feel that they are having to compete unfairly with a variety of interests; i.e. speculative, foreign, and in some cases, governmental. . ." At present I think it's fair to say that the government's policy in this area is that there should be a free market in terms of the sale of land, that is that an individual farmer is free to compete for a particular piece of property that's up for sale or a foreign buyer is free to do so, we don't restrict his ability to compete in any way or the government. Now you're saying that some farmers feel that this is an unfair competition. Is it the policy of the Farm Bureau that you want to restrict the free market in land?

MR. HALL: I think we were making the point that we have a bit of difficulty with this one rather than trying to state just simply our position as individuals here. I think we have said that within the farm community that we find that there's a very diverse interest here depending on the position of where you are. If you are looking at the possibility of immediately or in some very near time of wanting to sell that piece of property then you tend to take a different viewpoint than if you're in a position of wanting to purchase, so there is some difficulty within the farm community on this one.

MR. JOHANNSSON: I can understand that there are differences of view so I would think that for example the farmer who is about to retire wouldn't feel that this was an unfair competition if foreign buyers and also the government were bidding for his land; would he feel that this was unfair competition.

MR. HALL: And I think further to that part of the problem is that I'm not too sure what the more recent statistics are but we have to recognize that we have a substantial portion of our people actively engaged in farming are getting upwards towards the years that they would be looking at retirement. We are trying, to the best of our ability, to reflect the thinking of the farm community here and we do have a bit of a problem with this.

MR. JOHANNSSON: So then according to your estimate of the age of farmers, one would think that more of them would be interested in having more people, more people competing for their land. If most farmers are nearing the age of retirement rather than simply beginning farming, one would think that most farmers then would be interested in having foreign buyers and also government, besides individuals, competing for their land.

MR. HALL: Well many of those individuals do have sons that they would like to have continue and they are looking at the problems that they feel that they are faced with within the transfer of that land and the ability of getting their son or sons to remain in the farming community. I think that that's probably a little bit more major in many instances than what it is looking for a potential outside buyer. There's a whole area here, I think, that would well deserve a great deal of thought and discussion.

MR. JOHANNSSON: So you're saying then that the Farm Bureau doesn't really have a position on this particular question?

MR. HALL: Well other than looking at the best method to facilitate that we have the ongoing farming community being responsible as a farm community in the ongoing best use of our agricultural land and seeing it continue to be properly cared for which is a concern but we have a little difficulty with just coming down hard right at this moment on eliminating potential buyers.

MR. JOHANNSSON: So you're really telling me that the Farm Bureau - at present the government's policy is that there be a free market in the sale of land, so you're telling me that the Farm Bureau hasn't definitely got a policy.

MR. HALL: Well we have other things that we've said related to it without coming down particularly on that one. We're saying that if we go into these other programs that we have suggested, we think then that this would tend to resolve some of the other areas such as the question that you're posing.

MR. JOHANNSSON: Now in reading through your brief you largely talk in terms of the concerns of the farmers, the people rather than the concerns of the Farm Bureau, and my reading indicates that the people in your view have far more concern about MACC buying land than about foreign purchases. Is that a fair assessment of your brief?

MR. HALL: No, I don't think so. I think what we're saying there with the MACC is that we feel there's a lack of understanding in the rural community of exactly how it operates. You know, we're saying that we think it should be positively identified, the two different areas, the leasing aspect from the leasing and purchase aspect, and we think that for the benefit of the people in the rural communities this could perhaps be achieved quite well by simply positively identifying as such and incorporating a name change for the leasing and purchase aspect.

MR. JOHANNSSON: According to the figures I have which are public figures, the MACC Land Lease Program had, as of July 1, 1975, 98,826 acres of land which they had purchased, and that roughly is about half of one percent of the agricultural land in the province, and the figure for foreign-owned land as of the same date is 213,000 plus 113,000 which is owned by land companies which could be foreign owned or partially

(MR. JOHANNSON cont'd)foreign owned. So that percentage, the 213,000 is at least one percent, which is double the amount held by MACC for the Land Lease Program, so roughly one percent according to these figures as of July 31, 1975 was held by foreign companies or by foreign owners. You don't feel that - and I gather from what you were saying to Mr. Uskiw you feel that there should be some kind of restriction on the taxation of that capital, the removal of that capital once it's invested in land here.

MR. HALL: We think that's a possible approach. No. 1, as far as the Farm Bureau is concerned, we don't feel at this point that we know positively the extent of foreign ownership whether it's greater or lesser than what we are anticipating. One of our main points is that we would like to see that we would work towards having a positive identification here. I think then what we would propose in relation to dealing with it would just depend on what seemed to be the relative importance of the situation whether it was something that was accelerating or diminishing. We're suggesting that if we could take a real serious look at the possible provision that might be adopted and as Mr. Uskiw had discussed of taking a serious look at what has happened within the Young Farmers' Homesteaders Act, if we could develop something that seemed to be reasonable here why then I think that it tends to counter some of the other concerns. It takes a positive approach, that the young people then would be in the position with legislative aid that they could be the ones that would get into farming, and we have many of the sons of farmers that are very desirous of making farming their living and way of life if we can make and facilitate the opportunity for them. I think it tends to resolve the other problems.

MR. JOHANNSON: You also state on Page 8: "Some people in rural areas misunderstand the land leasing aspect of the MACC to the extent that they believe it to be an attempt on behalf of the government to obtain most of the farm land in Manitoba." Now the figures that I have given you which are public knowledge show that one-half of one percent of the agricultural land in the province is now held by MACC under this program and it's taken them two years to purchase this - two years or more - to purchase this land, and according to that rate of purchase it would take them 400 years, 400 years to buy up the agricultural land in the province and that is assuming that, first of all, farmers are willing to sell to the government, and secondly, it assumes that the farmers who are leasing will not in fact buy back that land from MACC or buy it from MACC. Now how can people believe that this is an attempt to take all the farm land in the province if these are the facts and they're public knowledge?

MR. HALL: As we said, the ownership aspect becomes far more emotional than what the use aspect and this is one of the reasons I think that we attach the greater importance to the land use area, but, however, I think in so far as ownership and of the question that you have posed that if there could be a greater dispersment of information within the farm community of actually what is taking place, the criteria for leasing, I think the lack of knowledge is really what causes many of the emotional criticisms. Once people have the factual information why then it becomes based much more on fact and much less on emotion.

MR. JOHANNSON: One final question: You have stated that you favour the provision in the Young Farmers Homestead Act of 1975 which was introduced in the U.S. Senate, you like their provision which states that young farmers must purchase their land within seven years at 75 percent of the appraised fair market value at the time of sale or the purchase price whichever is larger. Now that is not giving any choice to the farmers, it is in fact a state compulsion, it is a form of dictatorship to the. . .

MR. ENNS: You're anticipating my speeches.

MR. JOHANNSON: I am anticipating the speeches of the Honourable Member for Lakeside. Why are you in favour of such compulsion?

MR. HALL: I don't think that we put our emphasis in that particular area, however, I think the main thing is that parties to an agreement understand what they are agreeing to. Providing of course that we were to have continued inflation of land, there is a very valuable aspect I think within the Act that is before the Senate in the U.S. in that by the end of that seven years, and providing there's been inflation, that that farmer has an equity in that property prior to purchasing it, and it's referred to as a sweat value which I don't know whether it's a very good way of defining it but possibly if you're a farmer why you understand it quite well, and I think this is a very desirable aspect. Now if

(MR. HALL cont'd)most parties have understood what they are agreeing to, why then that farmer really entered into the agreement with the understanding that he would be purchasing. I don't think he's being forced into any agreement, he would sign it voluntarily.

MR. JOHANNSON: But the American provision presently forces him to or it would -- (Interjection) -- Well he says that it does.

MR. USKIW: Must sell.

MR. JOHANNSON: Must sell. You referred to the term "sweat equity".

MR. HALL: Right.

MR. JOHANNSON: I would perhaps use a different word; there is a capital gain involved in the appreciation of the value of land. Let's take an example which isn't really far-fetched. Supposing that a piece of land that initially was purchased by MACC for \$50,000; at the end of seven years it appreciated to \$100,000 - the likelihood is that the land will increase in value, I think that's clear from your statements. . .

MR. HALL: I think likely in light of land in other countries by and large and agricultural land being of higher dollar value than ours, why the likelihood is probably there, none of us know for certain. We all know that history records that land has gone the other way.

MR. JOHANNSON: Okay. Supposing then in my example, the land appreciates in seven years from 50,000 to 100,000, according to this Young Farmers Homestead Act that land must be purchased at 75 percent of the appraised fair market value at the time of the sale which would be \$75,000 or the purchase price which is \$50,000 - well the \$75,000 is higher. So in fact the young farmer could then buy that land for \$75,000, land which had a market value of \$100,000. So he in fact realized a capital gain of \$25,000. Now you were saying to me that my constituents in St. Matthews who are city people will pay to provide him with a capital gain of \$25,000 because the government gives up the recovery of \$25,000 in the sale of that land and therefore that is \$25,000 which would otherwise belong to the people of the province including my constituents. So you're saying that my constituents and all of the people of the province will finance a 25 percent capital gain for that particular individual.

MR. HALL: I'm going to ask Mr. Klassen to comment here if he will for a moment because he's had an opportunity to take a look at the Act. If I could, Mr. Chairman, I'd like to make one comment here though. As I recall, having read through, and I would want to refresh my memory, but I think that in being responsible for the tax dollar that there is a provision that that farmer having purchased the land and sells it in subsequent years - up to five years I believe it is - could not realize all of the capital gain. The first year I think he could realize 20 percent, I believe it is, and the other 80 percent would go back to the corporation. It's protected both ways.

MR. JOHANNSON: Are you talking about MACC?

MR. HALL: No, I'm talking about the Young Farmers' Homestead Act and I think there's quite a responsible position here insofar as the taxpayers' dollar. In other words the protection is there that even though the corporation would not be in a position to take capital gains with the exception of the farmer having purchased selling immediately, the full recovery of money would be there and also the interest on that money; so the taxpayers' dollar is being protected in my opinion. It just merely means that the corporation during that interval of seven years would not be getting all of the capital gain; if there was a capital gain they would be getting a portion of it as you have illustrated in your example. But I am going to ask Mr. Klassen, Mr. Chairman, to make comment here, I think, in this regard.

MR. CHAIRMAN: Mr. Klassen.

MR. ED KLASSEN: Mr. Chairman, Mr. Johannson, there's one point that I wanted to speak to and that I think has not been addressed to in the very speeches of the Homestead Act, and I think it's a very vital one. From the information I have, the lessee is required to purchase the land after seven years but also it is made feasible through financial arrangements through the government. Financial arrangements can be made through any available credit source including the Federal Farm and Home Administration which is a major source of credit for American farmers. This, I feel, is lacking in our program, that it's really not feasible for the farmer after five years to purchase

(MR. KLASSEN cont'd)it, and we're not saying that you should adopt The Homestead Act in total, but to look at it and take some of the desirable features out of it. And if I may take the liberty, Mr. Chairman, to speak on rental agreements in general, we're comparing the various types and I live in an area where there has been a high incidence of foreign purchases and some of these rental agreements have been fairly generous. I know of some land that has been bought at \$250 an acre and rented back at \$13 an acre on a cash rental basis, and I have an occasion to compare because I also rent some land on behalf of an estate at a third and where we receive a return of \$30 and \$40 an acre, so I think that really the return on that investment will determine the rental agreement. Farmers are pretty good businessmen as has been stated here and they're pretty careful as to what they sign. Then in regard to the purchases, this last year there have been some purchases at \$400 an acre and I believe this is a passing phenomena, we have seen these cycles before, and I believe that it has caused an infusion of cash into the community which might be desirable but my opinion is, and it's only an opinion, but based on past history that it eventually will revert back to the farmers in that area again at much lower prices.

MR. JOHANNSON: I'm a little confused about your position, Mr. Hall. Are you in favour of the Crown financing a capital gain for the young farmer in this process of the young farmer buying up the land that he has leased, are you in favour of the people of Manitoba financing a capital gain for that young farmer?

MR. HALL: I don't really feel that the Crown, the taxpayers' dollar is financing a capital gain. The land had been purchased and there is an agreed protection in there for the Crown corporation as well because it says either the 75 percent of the current appraised value or the purchase price, whichever is the higher.

MR. JOHANNSON: But in the example I gave you, the purchase price . . .

MR. HALL: It could well be lower, you know, it could well be that the 75 percent of that appraised value was lower than the purchase price.

MR. JOHANNSON: But highly improbable given the present state of the land market.

MR. HALL: You just look back a number of years ago, farmers thought it highly improbable and it went down to about 50 percent in my area of the price it had been changing hands at, and that's not very long ago - back in 1971, I believe.

MR. JOHANNSON: But then this particular Act would force the farmer to buy at a price that was higher than the market value of the land?

MR. HALL: It's a calculated risk, it's an agreement. I think that each party then enters into an agreement and there's protection for both parties. I think it's a compromise of perhaps the best of the two worlds for the tax dollar and for the lessee.

MR. JOHANNSON: It seems to me that it isn't the best of all worlds in either case. The young farmer has a potential for being forced to buy above market price or the state has a possibility of selling and providing the young farmer with a capital gain of 25 percent.

MR. HALL: The state has no risk of selling for less than what they paid for, they're fully protected plus interest. Fully protected.

MR. JOHANNSON: But less than the current market value.

MR. HALL: Well that is possible but the decision within the discretion of the people that were proposing this Act was that the lessee during the years of tenure had put something into that piece of property and as such, it was just a judgment I suppose, that if there was a higher value at the end of the seven years why then he had a right to share in it. It's a judgment, I think, but I think it protects both parties, protects my tax dollar and it protects me as a lessee if I was the individual.

MR. JOHANNSON: I wouldn't agree.

MR. CHAIRMAN: Mr. Graham.

MR. HARRY E. GRAHAM: Thank you. Through you to Mr. Hall. I, first of all, have to say that in this committee each member has his own particular interest and asks questions in those particular fields that he's interested in. There's something that I thought probably the Minister of Agriculture would ask you about when he was quoting from Page 4 and I would like to go back to Page 4 and the previous sentence to the one that the Minister quoted where it says: "The vital issue requiring attention is that of

(MR. GRAHAM cont'd)land use, and that matters of land ownership and property rights, though more provoking of emotional reactions are secondary." Your No. 1 concern then, if I am correct, is that you are primarily concerned about land use. Is that right?

MR. HALL: That's right.

MR. GRAHAM: So in that light then you may not be too concerned about whether the Manitoba Agricultural Cultural Corporation according to the member, Mr. Johannson, has only purchased one-half of one percent but your real concern then is about the other purchases by government of agricultural land for use other than agriculture. Would that be a real concern of yours? For instance purchases by Mines and Natural Resources, the purchases by Tourism, the purchases by Highways, by Manitoba Housing and Renewal and numerous other agencies of government which take land out of agricultural production when we have a very limited supply of agricultural land.

MR. HALL: Yes. Our concern is for all of the areas that you have mentioned but, however, we recognize that in order to service agriculture we must have roads, we must have highways, we must have service within the communities because it becomes a total part of our whole agricultural communities so we recognize that those are necessary. We feel that as far as in Manitoba is concerned, at this point, we're not faced with any significant percentage encroachment by other uses on good agricultural land, so it's not really an area that we think there would have to be major judgments made on an immediate future recognizing there are other parts of Canada that do have to face this at this immediate time. It's a major concern but we recognize that there has to be some agricultural land taken for the service to agriculture in total.

MR. GRAHAM: I have a particular concern in this and I often wonder just when do we become concerned about it. Do we wait until after this happened as has happened in Ontario where 42½ percent of the land, agricultural land, has been taken out of production for non-agricultural use? In my particular area we have some farm land that is now in that process and I refer here to the Qu'Appelle Valley Authority which has been set up and has the power to dictate what type of use the land has been put to in the Qu'Appelle Valley. Now there's only a very small portion of it in Manitoba but my No. 1 concern there is that agricultural use becomes a third priority of the use of that land, and I'm concerned about it and I hope many others are. Now it's quite feasible that we can, in the very near future, have similar programs in Manitoba and in those cases maybe agriculture might drop to fourth or fifth in the use of agricultural land. Now have you any suggestions as to the . . . you have recommended a land commission but also you have recommended that local input be of prime concern, have you any suggestions as to how you would implement this.

MR. HALL: Well I think the whole area would, in our opinion, have to come under study if we had a commission of this nature. But I think some of the criteria that we would have to look at would be the classification of the land, you know, I think it's obvious that if we're talking about Class 1 land, we have to have different priorities than if we're talking about Class 5 land as to whether it be agriculture or other uses. I feel that these would be some of the areas that would have to be really considered in depth as to what the use would be. But our position is, from the Farm Bureau, that we support that where there is good agricultural land that we make every effort to retain it for its ability to produce food.

MR. GRAHAM: Would you suggest that perhaps we should have legislation in this province dealing specifically with that issue?

MR. HALL: It may be. When we're recommending that there be a commission established to study all of the areas, I don't think that we would be so bold as to say what that commission should say when it does come and makes its recommendation to government, but what we're saying is that these are very important areas that we would ask that priority be given to within the study that would be undertaken.

MR. GRAHAM: There has been concern expressed about speculation in land and I think that this is a very proper field to be concerned about, but if a farmer who has farmed his land for many years and has decided in his own interest that perhaps he should subdivide it and sell it for non-agricultural use. Do you think he should be prohibited by legislation from doing that?

MR. HALL: I'm not sure that I can give a straightforward answer to that. I think

(MR. HALL cont'd)it depends to some extent on whether the community has deemed that this is necessary land for a town, village or city or whatever as to what the potential is there. I think the community considerations have to be a part of whether we would say that that should be left completely to that individual for his decision but I think that there would be other factors entering into that insofar as the services and so on that would be involved there which would have some bearing on whether that kind of decision could readily be made or not.

MR. GRAHAM: But I think another concern that has been expressed mainly in the field of speculation is that perhaps some people having advance knowledge of intentions of development, etc., have purchased land and as the development has progressed because of their advance knowledge they have been able to garner a very profitable return. I know that there are some who are very concerned about this and there are others who have a different viewpoint, that they say, well he was willing to speculate, perhaps he should be given the opportunity to reap those benefits. Has the Bureau any views on that particular point of view?

MR. HALL: Well in the overall assessment of the total, I think we have to recognize that very few things stay static, and as I said before if we're looking at the possibility that there's some need required for the service to the people or to agriculture which entails the construction of new facilities from time to time, it's simply not feasible to come down hard and say, well no we won't allow you to build, shall we say, a fertilizer supply plant to expand the facilities for the farmers within a community because it's going to take a little parcel of land. I don't think we could come down that hard. I think it has to be judgments as to what the uses would be, whether it's a benefit to the total community, a benefit to agriculture in total, something that we need; why then the same way that we would look at roads that are necessary for service. It's very difficult if you pose a specific question and say, well would you or wouldn't you because I think that there's many areas in between that are areas that ongoing judgments are going to have to be made from time to time as the situation arises. I doubt whether we can go much beyond simply saying that this is our policy, that we think inasmuch as is humanly possible we should retain all good agricultural land for agricultural purposes. Then on the other hand, as I've said, that might entail for agricultural purposes that we take a small fraction of that in order to provide some additional services to agriculture so as to be able to go with the technology and advancement that is taking place so, you know, this is where I find it difficult, sir, in coming down and saying well this is what we would say or what we wouldn't say, I think ongoing judgments have to be made.

MR. GRAHAM: Well then, Mr. Chairman, I'll get down to specifics on this. At the present time we have a new Planning Act which is being implemented in Manitoba now, it's too early to assess what authority and what use it will be put to but can you envisage a proper land use review being taken in the decisions made under the new Planning Act. Do you think there's sufficient scope there for proper use being made in the decisions that will be made by the new planning authorities?

MR. HALL: I'm not familiar enough in detail with the Act but I feel that generally speaking any legislative provision in my opinion of that nature is a tool that you can use to achieve the desirable ends if it's used for that purpose. Very often it spells out provisions under the Act of what you may do, and then the ongoing decisions have to be made as to what use you make of it as a tool to achieve your ends. That's about as close as I could answer that one this morning.

MR. GRAHAM: Would it be fair then to say that in any future considerations of land use that the Manitoba Farm Bureau would be very much in favour of agriculture having a top priority in the use of agricultural land?

MR. HALL: Yes, we certainly feel it requires a top priority. We think it's not only a responsibility to agriculture in Manitoba but we think it's a responsibility to the world food supply and oncoming generations that we retain as much as we, within our wisdom, feel is possible to retain, especially of our more productive land that we retain this for agriculture.

MR. GRAHAM: Thank you very much.

MR. CHAIRMAN: Mr. Adam.

MR. A. R. (Pete) ADAM: Thank you, Mr. Chairman. Mr. Hall, I just have a

(MR. ADAM cont'd)question or two to put to you, I'm not sure whether you would be in a position to answer, but would it be fair to say that the land that has been purchased by foreign owners in the last three years and re-leased to farmers that by and large this land would have an option to buy or purchase.

MR. HALL: I don't know.

MR. ADAM: I expected that you may not be able to answer this question but my opinion would be that by and large lease agreements between private owners or foreign owners would not contain a clause to purchase. There may be some instances but generally speaking that is how I would feel. Now this would then lead me to ask you if this is the case would not the young farmers or the farmers who are leasing the 98,000 acres, and I understand that most of this land is now leased, the bulk of it has been re-leased to farmers, would these farmers not have a greater possibility of purchasing this land than the fellows who are leasing the 200,000 acres.

MR. HALL: I don't think I can answer that question. I think in an ongoing situation that, as I think Mr. Parker pointed out quite well, that many farmers are fully aware of lease options and fully aware of the implications. We do have some farmers that traditionally have been owners or others that do not know and we think that perhaps through a government and farm organization that perhaps a service could be provided to farmers to make available to them copies of leases that are realistic types of leases that would provide options to them, and this of course would be something ongoing for the future but we think it's a good area to look at.

MR. ADAM: Thank you.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Hall, I'll try and be quick, I have a couple of questions. I am still not giving up, I have been trying to get an answer to this question which will put some sense into me with regard to . . .

MR. JORGENSEN: With great difficulty.

MR. GREEN: It's very difficult, yes. . . with regard to foreign ownership. Do you see any difference between a piece of land in Manitoba being owned by a non-resident who lives in the Yukon Territories and has no intention of ever coming here, and a man who lives in Noyes, Minnesota and has no intention of ever coming here, Do you see any difference to the Manitoba economy with regard to those two pieces of land? (Interjection: Can I answer that question?) I wanted Mr. Hall but I'm so desperate for an answer, I'll go to you next.

MR. HALL: I think basically I would like to restate the position that we have taken. No. 1 that as much as is possible we think it's desirable for operators to be owners and the reason we are saying this is because it is our firm belief that if the operator has a vested interest in all or at least a portion of the land that he is operating that he tends to be a better farmer. He takes better care of and makes better use of that land. We think that that in our opinion turns out to be the most productive and the best use of that land.

MR. GREEN: We are agreed on that, Mr. Hall, and I agree with you entirely so I don't think that I want to argue that question. I'm asking, because there has been so much raised about the foreign ownership, and I am asking that given the fact that it is not owned by one of our farmers that it is owned by a non-resident who is either renting it out or doing something else with it, do you see any difference if the non-resident lives in Noyes, Minnesota or Sydney, Nova Scotia or Glace Bay, Nova Scotia?

MR. HALL: I think I stated before, you know, I would like to see that one debated at length. I have trouble with it personally because if I have a neighbour that farmed beside me all of his life and then he decides to become a resident of the United States or any other part of Canada or outside Canada or outside of Manitoba, he becomes a non-resident and I'm not too sure, in my mind, whether I classify that person the same as somebody that has never been resident and bought for speculative purposes. I think that somehow or other we have to define these areas . . .

MR. GREEN: I give up on that one, Mr. Hall, I won't go any further. My next question is that there was some suggestion that we would be better off if there was foreign ownership that there be a rule against the capital being taken out of the country and invested elsewhere. Now do you think that there should be a rule that a Canadian

(MR. GREEN cont'd) . . . farmer should not be able to take the capital out and invest it elsewhere, and if not then I'm not going to. . . Would we have an anomalous situation if you had such a rule for foreigners and not for Canadians, that the foreigners would be doing us more good than the Canadians because the foreigners profits, etc. would have to be invested here but the Canadian could take them out and buy shares at the highest level, etc.

MR. HALL: I suppose that's the other country's problem.

MR. GREEN: Wouldn't that be our problem.

MR. HALL: Well I don't know as it would. Our concern is not really what people invest and where they invest, our concern is for the best possible use of Manitoba agricultural land, and we think that the ownership has an implication on whether that land is used to the best of its productive ability or not. This is our concern.

MR. GREEN: Well, Mr. Hall, then I've misunderstood. I understood somebody to say from your group that where it is owned by a foreign corporation that there be a rule that they cannot invest the profits, that they cannot take the profits or the capital out of the country. Now if you didn't say that, I quit, but did you say that?

MR. HALL: We say in our presentation here that one of the things that could be looked at by the state is the possibility that capital generated from land owned by foreign ownership might be retained for the benefit of the people of the Province of Manitoba, some portion of it.

MR. GREEN: Yes, that's what I thought you said. Now then I go back to the question. If there is foreign ownership of land and they are required to invest in Manitoba and if the Canadian is not required to invest in Manitoba then in terms of the long-range good of the province, you would be suggesting that foreign ownership is better than Manitoba ownership.

MR. HALL: Our concern is that we would like to protect having foreign ownership exploit agricultural land, this is where we zero in on it. You know, the other investments, as to where they might apply, that's another field, you know, as to whether it's good for Manitoba or not. Our concern is that we don't want to see Manitoba land exploited.

MR. GREEN: I give up, you've beat me.

MR. CHAIRMAN: Mr. Barrow.

MR. BARROW: Thank you, Mr. Chairman. Mr. Hall, you've been here a long time and I'm not going to take up too much of it. But one part of your brief that really interests me is the fact of a retired farmer - or any farmer - that wants to get out of farming or retire from that business would be concerned as to who he would sell it to, whether it would be a neighbouring farmer, a foreign interest or the government. I think that's a wonderful position to be in personally. I know Conservatives on this side of the House would sell to Socialists if the price was right and there's nothing wrong with that.

Another part, and just to be very brief, you said you didn't have enough information. Now if detailed information was supplied to you, would you be more inclined to look favourably on this plan?

MR. HALL: I'm not sure I got your question clear, would you . . .

MR. BARROW: Well you said in part of your question and answer period that you didn't have enough detailed information on the land ownership plan. If this was supplied to you, do you think you would look on it more favourably?

MR. HALL: Are you referring to the Manitoba Agricultural Credit . . .

MR. BARROW: Yes.

MR. HALL: I see. Well I was just merely. . . within the Farm Bureau why we do have detailed information I don't pretend to stand up here and say that I'm a hundred percent familiar on every topic area that we might discuss.

MR. BARROW: No, but the detailed information is available to your group?

MR. HALL: Oh, yes. But we're suggesting that the average farmer throughout the rural communities unless it's an individual who has been directly involved, has a great lack of knowledge of what it's all about, about the potential of how he would become a lessee, and we're suggesting that there should be an effort made to have that information more public.

MR. BARROW: Your point's well taken but we have the same thing in our union -

(MR. BARROW cont'd) . . . you know, I'm a miner by trade, and the bargaining group has detailed information, they go to great lengths to obtain it, but the average miner couldn't care less, they speak for him. Don't you speak for the farmers as a whole?

MR. HALL: Well we attempt to get a reading from the farmers before we speak for them if we can and we do this through our association and the various commodities because there's a close contact within individual commodities, and then our structure, as we have pointed out, lends each commodity group to be able to feed in what the wishes and desires of the people of that commodity are, and we then get a consensus and I think that we can reflect fairly accurately, but when we have a division of opinion it's difficult to have a distinct policy, we agree where we can.

MR. BARROW: Then the majority would rule, of course, wouldn't it?

MR. HALL: Yes, democratic.

MR. BARROW: Thank you.

MR. CHAIRMAN: Are there any further questions? Hearing none, thank you, Mr. Hall.

Dr. John Ryan; Art Coulter, is Art Coulter here?

MR. JORGENSEN: . . . to interrupt the questioning, I wonder if we shouldn't adjourn now and be back at 2:00 o'clock.

MR. CHAIRMAN: Is that the wish of the meeting? We'll adjourn now and reconvene at 2:00 o'clock.