



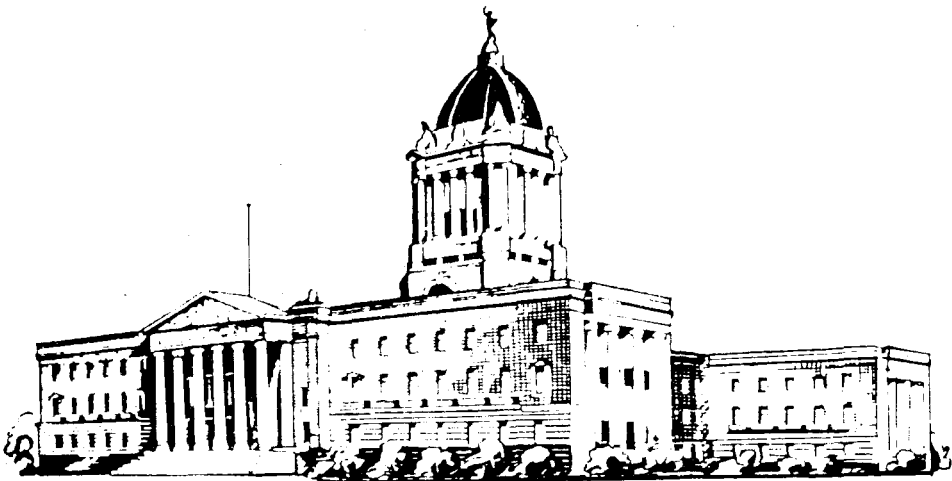
Legislative Assembly of Manitoba

HEARINGS OF THE SPECIAL COMMITTEE

ON

LAND OWNERSHIP AND USE

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



Swan River, Manitoba — 11:00 A.M., Monday, February 9, 1976.

THE LEGISLATIVE ASSEMBLY OF MANITOBA
SPECIAL COMMITTEE ON LAND OWNERSHIP AND USE
SWAN RIVER, MANITOBA
11 a.m., MONDAY, FEBRUARY 9, 1976

Chairman: Mr. Harry Shafransky

MR. CHAIRMAN: For the information of those present, I will read the resolution: Therefore Be It Resolved that the Special Committee appointed to enquire into matters relating to property rights in lands within the province of the 30th day of May, be reconstituted and reappointed to enquire into matters relating to property rights in agricultural and recreational lands within the province.

And at this time I would like to introduce the members of the committee: On my right, David Blake, the Member for Minnedosa; Harry Graham, Member for Birtle-Russell; Warner Jorgenson, the Member for Morris; George Johnston, Member for Portage la Prairie; on my left, Wally Johannson, Member for St. Matthews; Jim Walding, Member for St. Vital; Tom Barrow, Member for Flin Flon; Harvey Bostrom, Member for Rupertsland, the Minister of Renewable Resources; Pete Adam, Member for Ste. Rose; and I'm Harry Shafransky, Member for Radisson.

The resolution went on to say:

And Be It Further Resolved that this Special Committee be authorized to hold such public hearings as the committee deems advisable, and to report its findings and recommendations to the House at the next session of the Legislature.

I notice we have also the Member for Swan River, James Bilton, in the audience, so just on behalf of the committee, we say hello to you. -- (Interjection) -- Yes, Jim, I am being aware of the fact that you are here.

We have a number of people who have indicated a desire to present a brief. The first one is the Farmers' Association to be presented by Ray Salmon. There is another brief, Mr. Clayton Scott, and there's another gentleman that is to be presenting the brief with him. I don't know if Mr. Scott is here. That's all the information they were able to get when it was called into Winnipeg. We have Mayor Walter Perepeluk, LGD of Lynn Lake and it has been indicated to me that it's possible he will be here possibly early this afternoon; if not, he has sent out the briefs and these briefs will be distributed to the members of the committee. J. G. Livingstone, Parkland Regional Development Corporation, and for this afternoon there is Dave Sokolowski and Derek Jones just north of here. I don't know exactly where they're from but they're planning to make a presentation this afternoon. Is there anyone else present who would like to make a presentation? -- (Interjection) -- Your name, sir? -- (Interjection) From Swan River. And this brief is a personal or -- (Interjection) -- Anyone else? Well, we can begin.

The Pas Farmers' Association, Armand LeSann, will you come forward, please? You may be seated, whichever way is most comfortable.

The gentleman passing out the brief is Andy Anstett, he's the Assistant Clerk of the Legislative Assembly. You may proceed.

MR. ARMAND LeSANN: Mr. Chairman, members of the committee, members of the audience, I'm Armand LeSann, reading the brief from The Pas Farmers' Association.

I'd like to start off into it with the first point here: The local The Pas District Farmers' Association fully endorses the family farm concept and supports any legislation which would assure its survival.

The second point: The Association is not sympathetic to the ownership of large tracts of agricultural land by foreign interests. In a similar vein it views non-resident farmers, in particular farmers from out-of-province as well as absentee landowners, with much apprehension. In a recent cursory survey of the area, and I'm referring here to The Pas area, 50 quarter-section land units owned by non-residents were identified and better than half of these good, arable farm lands were left idle in an uncultivated and unproductive state. Considering the fact that the Pasquai project encompasses only slightly better than 100,000 acres of good productive or potentially productive soils, 50 quarter-sections held by non-residents represent 8 percent of the total area acreage which we consider to be an alarming figure.

(MR. LeSANN cont'd)

The third point is in conjunction with the second one. It must be reiterated that the agricultural community of The Pas is a fragile one, isolated as it is by some 150 miles from the nearest neighbouring agricultural center. While it may possess much potential as a supplier of agricultural commodities to the north, it is somewhat handicapped by its lack of scale. In order for the agricultural industry centered around The Pas to be viable, or even to prosper, it is of the utmost importance that the farm population grow. Hence, our stand on family farm units as outlined in our first point above.

Point 4 is within recent months there has been a flurry of land-buying activity by the MACC in the area. We recognize the fact that these lands are to be leased by resident farmers only, but we fear that the eventual destiny of these lands may be idleness as referred to in Point 2, or rental by large enterprises or corporation. Considering the fact that these lands are concentrated largely in two separate blocks within the Pasquai project and that the former owners received preferential lease rates for the five initial years after which the full going rates of rental are assessed, these fears are not completely ill founded. We ask the question, what essentially is the difference between large acreages held by a Crown corporation or by a large private corporation? In our opinion, both mitigate against the family farm unit and both contribute eventually to a net outward migration from the farm to the urban centers.

And our last point here, Point 5, in view of the foregoing points discussed, the Farmers' Association of The Pas strongly recommends adoption of credit granting policies which would facilitate purchase of farms and farm lands by young, would-be farmers. Of interest in this regard is the suggestion by spokesmen from the Manitoba Farm Bureau that these young farmer candidates be able to purchase farms from the MACC at 80 - 85 percent of the initial cost of the farm to MACC. It is our belief that this would help to stimulate and ensure the survival of the family farm.

In conclusion, it is felt by The Pas District Farmers' Association that all arable land, grassland, and lay lands in Manitoba should be retained for agricultural food production.

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

MR. ENNS: Thank you, Mr. Chairman, through you to Mr. LeSann. Is it a fair assumption from your presentation this morning, Mr. LeSann, that your association of farmers in The Pas district support the concept of private ownership of farm lands?

MR. LeSANN: Well, referring back to one of our points, Mr. Enns, we don't really discriminate between large tracts of land held by private owners who may be non-residents or out-of-province, and large tracts of land held by the MACC, to us they're both against the interests of the family farm concept.

MR. ENNS: Yes. Perhaps if I rephrase the question: Your brief comes out strongly in support of the family farm concept which, I take it, includes private ownership by that family farm. I think another phrase is used that we've heard in this committee from time to time is owner-occupied, in other words, owner-operator. The second question, you know, and that's to try and determine the difference between the foreign owner as to the absent owner. Does your association, do you, in your mind, separate the two? Is a large foreign owner, of which there are a number in the province that have caused this committee some concern, in any way different than a large owner, say, living in the City of Winnipeg or City of Brandon or maybe Toronto, if he owns a big block of land and is absent and is not farming that land directly, do you differentiate between those two kinds of owners?

MR. LeSANN: Our feeling would be that given a choice we would opt out for the non-resident provincially based large owner in preference to the foreign owner.

MR. ENNS: In other words, you would be prepared to recommend to this committee that we pass restrictive legislation preventing foreign owners from purchasing Manitoba farm lands?

MR. LeSANN: I would like to go back to what the problem is in The Pas, if I may, and that is, as we mentioned in Point 2, we have in the project itself, in the area of . . . 8 percent of the land is occupied by non-resident owners or non-owners, so to speak, or non-resident

MR. ENNS: Foreign or Canadian, if I could interject?

MR. LeSANN: They're Canadian. And our experience has been that that has to be of some detriment to our area because of the scale of that area again. It's too small, really, to be able to tolerate too much of that type of a situation. If any of the service industries in the town are to survive, farm-oriented service industries, then we have to have a decent, sizable farm population, and anything that goes against that is harmful to us, detrimental.

MR. ENNS: Just one further question. At the bottom of your brief you indicate that you have some information, or that you've been led to believe that the Manitoba Agricultural Credit Corporation is considering selling back to farmers - young farmers, I suppose, particularly - that have leased some of this land, and you quote figures of 80 or 85 percent of the initial cost of the farm to the Manitoba Agricultural Credit Corporation. And I'd like to ask you the question in this term: The American Government has recently passed legislation and reintroduced a Homestead Act in this day and age - you shake your head, so I assume you might be familiar with that - and that is very similar to the suggestion that you imply here. Under the American scheme, young farmers - the American Government in their interest to try to maintain the family farm are buying land and then selling it back to young farmers and allowing them a 25 percent credit. They call the term "sweat equity". In other words, if the fellow has proven out and worked at it he should deserve some kind of a break in a sense and encourage the ownership. Now the only difference between the two plans at the moment is that under the American New Homestead Act the young farmer has to buy, the contract that he goes into is that under the Homestead Act he shall purchase after seven years at this preferred rate 75 percent of the market value. I just solicit a comment from you. Is that the nature of the suggestion that you were making here? Would you endorse that kind of approach here to . . . ?

MR. CHAIRMAN: Order please, just for one minute. Mr. Graham Jeffrey wanted on the phone. Proceed.

MR. LeSANN: Yes, going back, Mr. Enns, I think that is the general type of a program that we would favour - the Association as a whole. My personal feeling is that I would very much like to see it go on, I would like to see it coupled with perhaps favourable interest rates for the beginning farmer as well. And perhaps if I even can go a little further on my personal feeling again - it's not the Association's here - I would like to see that farmer candidate who would apply for these preferred rates, I would like to see him be a holder of a certificate from a farm management course of some type to assure that he is at least knowledgeable and has had some grounding in farming techniques. These are personal feelings now.

MR. ENNS: Thank you, Mr. LeSann. Just one final question. You indicate that this suggestion, or at least you have heard of perhaps this kind of a program that's been entertained by officials of the Manitoba Agricultural Credit Corporation, can you elaborate on that? Is that just a matter of hearsay on your part or have you had any personal contacts with any officials of the Manitoba Agricultural Credit Corporation which suggests that this may be a course that they are considering?

MR. LeSANN: No, I haven't had any contact with them nor have I got any prior knowledge of what they intend to do, but I would be extremely pleased if they would announce policies along that line.

MR. ENNS: Thank you, Mr. LeSann.

MR. CHAIRMAN: Mr. Jorgenson.

MR. JORGENSEN: Mr. LeSann, your brief indicates that you are representing The Pas District Farmers' Association. I wonder if you could tell the committee whether or not this organization is affiliated with any provincial or national organization of farmers?

MR. LeSANN: No, it isn't, Mr. Jorgenson. Our association has been brought together to promote the welfare of agriculture in that area and we are completely apolitical, we don't have . . .

MR. JORGENSEN: You are strictly a local organization and composed of farmers from The Pas area? How many members do you have in that organization?

MR. LeSANN: We have in the area of 65 at the moment.

MR. JORGENSEN: Sixty-five. How many farmers are there in the entire area?

MR. LeSANN: Somewhere in the area of 90.

MR. JORGENSEN: I see. So you represent a good proportion of the farmers in that area?

MR. LeSANN: Yes.

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

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, you indicate that you would prefer some limitation on the size of farm units. Do you have a particular acreage figure in mind or what were you trying to suggest?

MR. LeSANN: No, I haven't. We would leave it up to the economists from your department to determine that. But I imagine any figure that would be stipulated or attached at this point would have to be flexible and in the future would have to be of the type that could be expanded, perhaps - I would imagine.

MR. USKIW: How many acres do you have in that particular area that is now used for agricultural purposes - in total? Have you any idea as to the total acreage . . . ?

MR. LeSANN: I have some idea of what the Manitoba Salt Survey Report indicates as acreage for the area, that's somewhere close to 120,000 acres; of that there are some . . . problems, I don't know if you can even refer to them as being potentially arable farm lands.

MR. ENNS: Would you know what percentage of that acreage is owned by absentee landlords at this point in time?

MR. LeSANN: Well going back to Point 2, where we did a fairly cursory survey of it, we identified about 50 quarter section land units owned by non-residents. The way we've worked it out, we took a good long figure of 100,000 acres within the area, then it would be 8,000 acres out of 100,000 for a total of 8 percent which to our mind is quite alarming in view of what the provincial levels are at now, and in particular again because of the isolation factor and the small scale factors that we're up against.

MR. USKIW: Who are the big entrepreneurs or absentee landlords that you're referring to? Where do they reside or where are they from?

MR. LeSANN: Well, a number of them are from across the line, from Saskatchewan, a good number of them.

MR. USKIW: Are they farming the land?

MR. LeSANN: Pardon me?

MR. USKIW: Are they farming this land or are they renting it to Manitoba citizens?

MR. LeSANN: If you use a pretty wide definition of the term "farming" you could call it farming, yes.

MR. USKIW: No, but are they the operators of that land or are they . . .

MR. LeSANN: Some of them are and some of them are renting it.

MR. USKIW: Are leasing it to Manitoba citizens?

MR. LeSANN: That's right, yes.

MR. USKIW: I see. You've also indicated in your submission that you are concerned about the amount of land being purchased by the Crown under the lease program. Do you have any idea as to the acreage that has been purchased?

MR. LeSANN: Not really. No. No.

MR. USKIW: The figure I have which is as of December 31st is 1,045 acres.

MR. LeSANN: I think the point to bear in mind here is that these are fairly recent activities, very recent, and I may be mistaken - this is my personal feeling again - I doubt if they have been processed through your departmental red tape to the point where they're finalized yet. In that way this would be a conjecture on my part.

MR. USKIW: Yes. What do you see wrong in the idea of the lease program facilitating one of your constituent farmers in the area?

MR. LeSANN: Nothing at all.

MR. USKIW: Oh, I see. I got the impression that you were concerned about that aspect of it.

MR. LeSANN: No. I think if it's a tool for transmitting the farm from one person to another and the farm is to be operated in a good husbandry way by the local farmer we would support it.

MR. USKIW: So your main concern then is foreign or out-of-province absentee owners?

MR. LeSANN: Yes. As we mention in Point 4, we have some fears that the lands being purchased by the MACC may - seeing as how they're concentrated in two distinct blocks within the area - they may over the years eventually fall into the same type of a situation as these large tracts of land held by these land owners.

MR. USKIW: But, of course, there has to be a willing participant to make that happen. First of all, you're assuming that a good percentage of the farmers would sell their land; secondly, you are assuming that potential lessees would never opt to purchase it. Those are very wide assumptions and I'm trying to draw out from you just wherein lies the problem in your mind, given those two areas, two observations.

MR. LeSANN: Well I think when we get back to the provisions of your land-lease program, and as we've mentioned, referred to in a way in one of our points here, the initial five years are given at a preferred rate and we fear that once those five years are up those tenants may well disappear with that favoured rate

MR. USKIW: Where would they go though, I mean, why should they not continue? And your contract is till age 65.

MR. LeSANN: That's right.

MR. USKIW: So that really they have a legal contract. Why would they disappear after the fifth year?

MR. LeSANN: Well why? Because they would be faced with a higher rental rate on their lands.

MR. USKIW: No, but, if they were . . . I'm trying to follow through here, if they were to go to the money market and arrange for a mortgage to buy those lands, their interest rates would also be there as well as principal payments and probably higher than what they are paying or would be paying under the lease arrangement. So that, how does that become the lucrative alternative in your mind? I mean, if it's interest charges that's going to chase them off the land after the fifth year, and assuming that the interest rate the province charges is going to be the current rate that the province borrows at, whatever it is from time to time, then obviously the mortgage rate would be higher than that and, therefore, how can one argue that on the one hand they would be deterred from continuing the operation because of high interest rates and yet your preference for mortgage financing would not deter them. I'm trying to figure that out in my own mind.

MR. LeSANN: I think the situation here and in The Pas is that, as you're likely aware of, is that the area is a developing one, there have been problems of all types in the area. I think these fellows who are in the process or are contemplating selling to the program, I think they would likely be retiring except for the fact that they are having a good deal really by this preferential rental rates on these same lands that they're holding. So rather than retire now, we envision them retiring five years hence after the expiration of the preferential rate.

MR. USKIW: Yes, that may be so, although we have had farmers retiring, I guess, for the last hundred years and someone always moves in to take their place, and therefore there's always the probability of a second person taking over the farm under whatever arrangement, lease with option to purchase or whatever, so that the continuity obviously is there. The only time continuity is not there is if the province were to decide to use the land for a different purpose, that is, alternate land use programming such as we have in Mines and Resources, for example, where marginal lands are sometimes bought up to assist farmers who are on marginal lands and those lands are turned to forestry or wildlife purposes or whatever. But apart from that, the continuity on agricultural land is always guaranteed, you know.

MR. LeSANN: Yes, you're right. I have to agree with you, it's an established fact. I'd just like to bring this back again. Our brief is quite parochial because we're concerned mainly with the area we're from, and with the problems we've experienced in that area that continuity isn't quite the same as back in the agricultural portions of southern Manitoba, it's more debatable.

MR. USKIW: Yes, but you've got other factors that have caused that problem.

MR. LeSANN: Oh, yes, we've got multi factors. This isn't the place to mention it, but it is a fragile continuity, it's debatable.

MR. USKIW: Yes, that's right.

MR. LeSANN: So I'd like to bring back to mind the fact that our concerns are quite

(MR. LeSANN cont'd) parochial here in this brief, and I feel quite strongly on this brief because it is from the area.

MR. USKIW: All right, let me then put to you the last question - I get some commentary on my right that they think I should be finished. The idea of restricting ownership, that is as against foreigners or non-residents, would you include a citizen of Swan River as being a non-resident if he were to buy land in The Pas? If you were to legislate against non-resident or against absentee ownership, you would define an absentee owner regardless of where he is from? Is that what you are saying?

MR. LeSANN: Well, now I wish to disassociate myself from the Association. I'll give you my personal feelings. Because I feel that the whole family farm concept is the very basis of the agricultural industry in the prairies I would have to say that I'd have second thoughts and I would have a tendency to discriminate. I would push, in other words, for total residency of the land owners.

MR. USKIW: All right. Are you telling me that your preference is that we work towards owner-operator type of arrangement, resident preferably.

MR. LeSANN: Correct.

MR. USKIW: That would be your preference?

MR. LeSANN: Yes.

MR. USKIW: Okay, thank you.

MR. DAVID BLAKE: The questions I had, Mr. Chairman, have both been answered, although Mr. LeSann made one point in his brief of showing, or indicating some concern of the tracts of land being purchased or reverted back or being taken out of agriculture. Would some of your fears be along the lines that these tracts of land may eventually become a wildlife habitat or a sanctuary of some type? Is this the basis for some of your fears?

MR. LeSANN: Well, Mr. Blake, we're a pretty fearful bunch up at The Pas, so I think there is some basis in fact for that, yes. There has been a strong feud so to speak, if you wish, between various disciplines and land use by these disciplines in the area. And again, I have to come back again and mention - I'd like to stress the fact that we're so small that we can't really tolerate . . .

MR. BLAKE: You can't afford it.

MR. LeSANN: That's right.

MR. BLAKE: If you lose any land, that's right. I also share your concern with someone who may farm the land very successfully and very completely, thoroughly, and then leave it after five years, and the next chap that has to lease it is maybe not going to be too keen on paying the full lease for the first couple of years until he gets it cleaned up again. That's fine. Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Graham.

MR. HARRY GRAHAM: Thank you, Mr. Chairman. Mr. LeSann, The Pas area has always interested me a great deal as a farmer, and you have mentioned the fact that there is a somewhat fragile ecology there. Is there in your mind any basic difference in the farming methods and the handling of the land there as compared to other parts of the country?

MR. LeSANN: Well, Mr. Graham, I'm a transplanted farmer from back south and I think likely you have to be a farmer plus a better farmer to be able to survive in that area. That's my own opinion. It requires quick adaptation.

MR. GRAHAM: I don't want to be personal here, but how long have you been there?

MR. LeSANN: Since 1961, Mr. Graham.

MR. GRAHAM: Well, you've had considerable experience in that particular area. During that 15 years that you've been there, Mr. LeSann, have you always had a reasonably fair return or have there been some years that it's been particularly disadvantageous to be in that area?

MR. LeSANN: There's been several associates, yes, where a farm income has to be supplemented by off-farm employment.

MR. GRAHAM: You have expressed a concern then about approximately 8 percent of that area is either owned or farmed by non-resident farmers. In that 8 percent area you said approximately half of them are operating the land themselves and probably farming in some other areas as well. Do you see this as probably a farmer trying to carry a little of his own insurance and not putting all his eggs in one basket?

MR. LeSANN: Yes, I think you have a good point there, Mr. Graham. I think that perhaps carries a lot of truths to it.

MR. GRAHAM: So that in one sense as a farmer you may commend the man for doing that and yet as a resident of the area you realize that it causes you some problems there having a non-resident farmer operating maybe across the fence from you.

MR. LeSANN: That's right. It harms us, it's deleterious but it's sound business, I suppose.

MR. GRAHAM: So in that respect - I just wanted to bring that out, that maybe some of the reason for this, what may appear to be a relatively high non-resident farming operation is actually an insurance scheme of some sort carried out by the individual farmer himself who is trying to cover up some of the possibilities that he wouldn't lose everything all in one year.

MR. LeSANN: That's right, not putting all your eggs in the same basket? If you review the history of the area it has been populated largely on that basis, that a lot of area farmers have purchased land in the area and in the meantime kept the other farm interests going to be able to finance, so to speak, development of these farming units. I'm going back to when the Pasquai Development Project was released for occupancy back in 1960-61-62.

MR. GRAHAM: I can tell you now, Mr. LeSann - and the reason I asked that question was because in the early 60's, I was one that went up and investigated the whole thing and decided against enlarging farm operations in that area. Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Minaker.

MR. GEORGE MINAKER: Yes, Mr. Chairman. Mr. LeSann, in answer to a question that Mr. Uskiw asked you with regards to whether you would consider a Swan River resident who owns land in The Pas as a foreign resident, you disassociated yourself with the Association. I'm wondering if you would care to comment on what The Pas District Farmers' Association feel about that question rather than your own personal one.

MR. LeSANN: No, I wouldn't care to.

MR. MINAKER: No, I'm not being facetious. It's just that you are representing the Association and for some reason in that particular question you disassociated yourself with the question, so it leaves myself personally in the dark as to how the Association feels on this question; and it is a fairly important question and will be when the legislation is brought forward.

MR. LeSANN: I would reply, maybe not directly, but I think and I feel quite certain that the Association would push for good land use, and if land use involved that situation they would favour it rather than have idle land laying unused.

MR. MINAKER: So then, Mr. LeSann, I would presume that the Association hasn't really discussed this particular subject of whether people in the relative area, whether it be 50 miles or 100 miles or 5 miles, if they're not living on a farm and farming it, would be classified either as foreign ownership or a non-resident. That hasn't been discussed then if I understand your answer.

MR. LeSANN: What I'd like to put across is that the Association believes in good land use, and in realizing the potential of the farm lands of the area. And given that situation, you know, that situation where it's one versus the other, I would believe that they would opt out for good land use as their primary objective and further considerations would be secondary.

MR. MINAKER: So that if a person lived in Swan River and happened to own the land and was leasing it out to, say, Mr. LeSann at a reasonable rate and you could farm it and so forth, then you would consider that not a major objection.

MR. LeSANN: That's right. If you go on that thesis where we're striving for . . .

MR. MINAKER: Good land use.

MR. LeSANN: Good land use, yes.

MR. MINAKER: The other area I wonder if you could elaborate on, was in answer to questions to Mr. Enns with regards to the concept of the family farm unit, you indicated that part of that would be private ownership by the owner-occupied principle. Then further on in, I think, Section 4 when you were answering a question put forward by Mr. Uskiw with regards to what is wrong with the MACC land lease system you said nothing, and I

(MR. MINAKER cont'd) was wondering if you might elaborate. In other words, are you saying in that section there where you say that large acreages held by Crown corporations or by large private corporations have a tendency to cause net outward migration, but you don't state a preference for either one, would you prefer the land to be owned by the Crown or would you prefer it to be owned by private ownership? And I'm now asking what the Association discussed on this particular subject.

MR. LeSANN: Well, going back to a description of our area, where, as I say, to remain viable we have to stress the fact that we have to favour the family farm as one of the top priorities and if the land lease program does stimulate the family farm, put a resident farmer on it, then it's to the benefit of the area.

MR. MINAKER: Did the association discuss this, or if not, I would like your own personal thoughts on this. Would you feel more secure if you had freehold title to your land rather than leasing it from the government?

The only reason I put that question forward was that there was some voice of concern from you, or at least I analyzed it as such when you were talking about the concern, that what happens in five year's time, will the lease rates go up, etc. So I was wondering, do you feel more security in owning your own land versus leasing it from the Crown?

MR. LeSANN: Now this is a personal answer. I'm not speaking for the Association, but I'll give you an answer - my feeling - yes, I would feel more secure with a title or a deed of land in my name than a lease program. But I'd like to stress that this is my personal feelings.

MR. MINAKER: Okay, thank you.

MR. CHAIRMAN: Mr. Adam.

MR. ADAM: Thank you, Mr. Chairman. Mr. LeSann, I'm concerned with Paragraph Five of your comments in your brief. I personally don't agree with the position of the legislation being introduced in the United States where 75 percent of this land would be sold or must be sold at the end of seven years at 75 percent of the value. You go a little further than they do in the legislation, where you say that while you don't go down to 75 percent, you say that it should be 80 to 85 percent of the initial cost - I believe the initial cost, you mean the land that was purchased by MACC. In addition to that, later on in your comments you suggested that the interest rates be lower than the going rate, and I feel that this would be putting a lot of farmers at a disadvantage, those who would be buying - young farmers who would, say, be buying from another farmer who would not be able to get these preferential rates. Would you say that we should pass legislation compelling private farmers to reduce their price to 75 or 80 percent of the value of that land? This is what you're suggesting here.

You're suggesting that the public pick up 20 percent of the initial price five years ago regardless of if the land value had gone up 20 or 30 percent in those five years. You're suggesting a reduction of 20 percent of the initial price plus subsidized interest rate, and my opinion is that this would put a lot of young farmers at a disadvantage, those who would not be able to go through MACC; and if they went to, say, a private farmer and said, "I want to buy your farm", he would want the current market price, and therefore he would not get this advantage of a 20 percent reduction as you suggest in your brief. I would like you to reflect on this very carefully because it seems to me that you would be putting a lot of young farmers at a disadvantage and nobody would want to buy from a private individual under those circumstances. They'd all want to go through MACC because there'd be such a wide differential there, and this is my disagreement with the U.S. legislation that they're trying to introduce at this particular time.

MR. LeSANN: That's right, Mr. Adam, it likely has a lot of wrinkles, this proposal likely has a lot of wrinkles in it. But our position would be that at the moment it's almost impossible for a farmer to begin farming - and I'm not talking about a young farmer who has his parents on the farm, who has financial backing if you want, security of some type, I'm talking about a farmer who would like to go it on his own, and I would see something like this even though it has a lot of wrinkles in it because some young farmers would benefit from this. At the moment, my opinion is that it's virtually impossible for the young farmer.

MR. ADAM: I agree with you on that part. The only thing is that, you know, I'm not sure that the constituents, like Mr. Barrow's constituents in Flin Flon or the constituents of the Member for St. James, Mr. Minaker, whether his constituents would want to

(MR. ADAM cont'd) pick up all this extra subsidy, because they would indirectly have to put up some of the tax moneys for that, and I'm not sure whether they would go along with it or not. -- (Interjection) -- I don't know whether Mr. Minaker could convince his constituents to go along with that. Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Barrow.

MR. BARROW: Thank you, Mr. Chairman. Mr. LeSann, going back to Point 5 again, I understood from No. 5 that you're in complete agreement of the government sponsoring young farmers to start farming, is that right? This is what you're saying in No. 5, or your Association's saying.

MR. LeSANN: Well, I'll accept that statement with one qualification - I don't know about the word "complete" in there. We are in agreement anyway . . .

MR. BARROW: Well, where else would you go to get financial help for young farmers if it wasn't the government?

MR. LeSANN: If it wasn't the government is what you're asking.

MR. BARROW: Yes.

MR. LeSANN: I don't know.

MR. BARROW: So the government is your last resort.

MR. LeSANN: At the moment I wonder if it isn't the only resort.

MR. BARROW: Well, just one more simple question because you've been here a long time.

I see the plan, and I'm not a farmer, I mined, you know, and we have a lot in common with farmers; they took a shellacking all through history as we did. The plan as I see it is a five-year lease plan for a young farmer to get his feet braced, he's going to start farming. At the end of the five years, he has the option to buy it or give it up, or whatever, or lease it for another five years or so. Do you think this is a good plan, a bad plan, or a mediocre plan?

MR. LeSANN: Well, I've got quite a choice there. It has good points and it has bad points.

MR. BARROW: Which are the bad points?

MR. LeSANN: Well, I can see this type of a situation happening where a would-be farmer, like you say, who likes to get his feet wet, qualified for the program, gets on it, is accepted, that's fine. His attitude may be a poor attitude but he's going to try it, he's going to go ahead with the attitude that perhaps he's going to be able to make a cent out of it, and in the meantime he's going to take all good husbandry practices perhaps that aren't involved in the conservation of that farm, of the soil, so to speak, and throw them to the winds to realize a sort of an immediate return from it. You know, that to my mind - and then after the five years dumping it - that to my mind is perhaps a weakness.

MR. BARROW: So he'll abuse the land to make a fast buck.

MR. LeSANN: Essentially, yes.

MR. BARROW: Well, isn't that the free enterprise system?

MR. LeSANN: It's a free enterprise system but I think that is something that might be more prevalent with that type of a program than it would be otherwise.

MR. BARROW: Thank you, Mr. Chairman.

MR. CHAIRMAN: There are no more questions? Mr. Jorgenson.

MR. JORGENSON: You mentioned that in the Le Pas area many of the farmers who - the so-called out-of-province people - are from Saskatchewan that purchase the land in The Pas area. Are you able to go into Saskatchewan and buy land?

MR. LeSANN: Yes.

MR. JORGENSON: Does not their residency clause prevent you from doing that?

MR. LeSANN: Oh, I'm sorry, I really don't know. I thought you were able to, but perhaps we - I don't know.

MR. GRAHAM: You can if you're within 25 miles of the boundary.

MR. LeSANN: Pardon me, Mr. Graham?

MR. GRAHAM: If you're within 25 miles of the boundary.

MR. LeSANN: Within 25 miles, eh.

MR. JORGENSON: Well, let's suppose you're 26 miles from the boundary, do you not think that that kind of a restriction tends to Balkanize this country? Would you like to see a country that prevented you from moving from one province to the other and buying and owning land? Now, I mean, you start out with land, you know - how far do you carry it?

MR. LeSANN: That's right. I can see the problems inherent in that type of a policy. But I have to come back and reiterate that this is a parochial brief and our problems are not common to the problems of perhaps the remainder of the province, and whereas I would abhor the idea of Balkanization by having provincial boundaries well defined by limitations, I still feel that if we have to work for the benefit of this The Pas area, we have to perhaps come out with something special.

MR. JORGENSON: Yes. To a certain extent you're already Balkanized in that area insofar as agriculture is concerned. But my question was a broader one, and perhaps you may not choose to answer it. I was more concerned about your general attitude towards the Balkanization of this country, because that is happening if we continue to suggest and recommend restrictions on the ownership of land simply because a person does not happen to live in that area or happen to live in that province. Do you not see some inherent dangers in the general application of that kind of a policy?

MR. LeSANN: Yes, I do. I can't deny it.

MR. CHAIRMAN: Mr. Barrow.

MR. BARROW: You interest me when you said a young farmer would actually rape the land for five years and then, you know, get out of it. This isn't possible in this plan.

MR. LeSANN: You don't think so?

MR. BARROW: No. No. If he signs a contract and this takes place he would lose his lease, and we'd hope that you'd watch him.

MR. CHAIRMAN: Mr. Minaker.

MR. MINAKER: Mr. Chairman, yes, through you to Mr. LeSann, and further to what Mr. Barrow said, do you feel that if there was a young farmer who owned his own land or was buying it, would he have a tendency do you think to rape the land and clear out in five years?

MR. LeSANN: Personally speaking, no, he'd have less of a tendency because his future is in that land, his money is in it, you know, to a larger extent anyway.

MR. MINAKER: Thank you.

MR. CHAIRMAN: Thank you, Mr. LeSann.

MR. LeSANN: May I make a correction please, Mr. Chairman? My name is Armand LeSann. should have corrected this earlier on. I'm sorry.

MR. CHAIRMAN: Armand . . . ?

MR. LeSANN: Armand LeSann.

MR. CHAIRMAN: How do you spell that?

MR. LeSANN: L-e- and a capital S-a-n-n-. I said I don't want to have Mr. Salmon responsible for my statements.

MR. CHAIRMAN: You see, this is the way - it's Ray LeSann?

MR. LeSANN: No, Armand, A-r-m-a-n-d.

MR. CHAIRMAN: Just a minute, one more question. Mr. Adam.

MR. ADAM: One more question to address you in your proper name, Mr. LeSann. I'm not sure whether you answered Mr. Uskiw on this point, but I wanted to be clear in my mind what your opinions were. As the land lease program has been one that has been discussed a lot in these hearings, I want to know whether you would want to have a young farmer have the option to lease as opposed to buying. Would you like to give that particular individual that's entering into a high risk game of farming every option as wide and as many options as possible?

MR. LeSANN: Well, he does have options at the moment.

MR. ADAM: He has, he has the option of leasing or buying. Would you like to see that continued, to have both options?

MR. LeSANN: Yes, definitely so, because going back to Mr. Minaker's question, I feel that if you do put your money in there, then I believe there's more concern to the welfare of that particularly . . .

MR. ADAM: But you want him to have the both options?

MR. LeSANN: Preferably so, yes.

MR. ADAM: You know, the U.S. legislation as it is now worded, says that the land shall be sold at the end of seven years, it shall be sold, and that means that the individual has to buy it. If he can't buy it they will sell it to somebody else, they'll kick him off, that's the way I read their legislation. So, you know, this is one thing that should be kept in mind as to whether you'd want the young farmer to have as many options as possible. So you agree with that?

MR. LeSANN: Essentially yes.

MR. ADAM: Okay.

MR. CHAIRMAN: Thank you, Mr. LeSann.

MR. LeSANN: Thank you.

MR. CHAIRMAN: We've got it correctly. Just for the benefit of those people who are transcribing, that they will take note of this and put the correct name before they start the transcript.

Mr. Clayton Scott. There was another gentleman that was supposed to be presenting the brief with Mr. Scott, but the secretary didn't get the name correctly and it isn't down here. Are you the gentleman that is going to be presenting the -- (Interjection) -- which one? Mr. Scott. I see. -- (Interjection) -- Fine.

Mayor Walter Perepeluk, is he present yet? -- (Interjection) -- J. G. Livingstone, Parkland Regional Development Corporation. You may proceed, Mr. Livingstone.

MR. J. G. LIVINGSTONE: Mr. Chairman and members of your committee, Parkland Regional Development Corporation welcomes the opportunity to appear before your committee and discuss the views of the people of the region relating to the land use and ownership.

The Corporation represents such communities as Rossburn, Russell, Roblin, Grandview, Gilbert Plains, Dauphin, Ste. Rose, McCreary, Winnipegosis, Ethelbert, Swan River, Bowsman, Minitonas, Birch River, Benito and surrounding territories. There are 36 rural municipalities, incorporated towns and local government districts in the region.

By way of explanation to your committee, the Corporation was originally established as an industrial development corporation whose major objective was to establish industry in the region and to provide jobs to maintain the population. Parkland has changed its role from a basically industrial development organization to concerns of regional development. The development of the total potentials of the region is now the objective. At the same time it is endeavouring to involve as many people as possible in the decision-making processes that affect them.

The Corporation has been heavily involved in the preparation of submissions to the Hall Commission on rail line abandonment and in assisting local communities and member municipalities in the preparation of their submissions. There are at the present time four days of hearings of the Hall Commission under way in this region. Therefore we have not had time to provide information and to discuss the issues involved in land use and ownership in public forums in the region.

A role of the Corporation is to assist communities where they are being confounded by different levels of government for whatever reason, and to assist them where they are unable to help themselves. One of these situations is the lack of development of the recreational potential of the Shellmouth Dam area. We understand the Shellmouth Dam area was originally built as a flood control project and later the matter of water conservation was incorporated in to the program. However, it is our belief that it has tremendous potential to bring millions of dollars and hundreds of jobs into the region if the existing plans for recreation and tourism are developed.

We know that the government is aware of and concerned about population declines in rural areas and about maintaining existing communities. We hear a great deal about the "rural stay option". We are aware of the government's desire to identify programs that support the rural stay option. However the communities in this area have a great deal of difficulty reconciling the above attitudes with six years of delays, frustrations and being referred from one government department to another, about the hoped for development. In addition to delaying the development, the indecision has deprived the area of income in the form of taxation due to the loss in land assessment -(approximately \$78,000 in the municipality of Shellmouth, at the 1968 level or \$131,000 at present day levels.) It is true that nominal revenues from hay and grain leases have been received in lieu of taxation, and figures are available for that.

In light of this situation and in considering the tremendous sums being spent in other regions (Interlake, Norman) in Manitoba we wonder where the Parkland Region stands on the government's list of priorities. Government inputs into development in the Parkland Region have failed to match expenditures in other regions. In the Shellmouth Dam one of our major potentials for development has been stymied because of inter-departmental, jurisdictional struggles, which after six years have not yet been resolved.

(MR. LIVINGSTONE cont'd)

Mr. Chairman, we welcome the opportunity to present this submission to your committee and hope the difficulties between the departments will be resolved and that action will be taken. May we be advised of such action?

And with me, with your indulgence, I have Reeve Edgar Mench of the Rural Municipality of Shellmouth present; the former Reeve, Mr. Keay, along with their Secretary-Treasurer, Mr. Paterson. If there are any questions I would like to have them referred to our Corporation Manager, Mr. Cooper, who has a full dossier on previous correspondence that relates to this very important subject. I thank you.

MR. CHAIRMAN: Thank you, Mr. Livingstone. Mr. Uskiw.

MR. USKIW: Yes, I'm rather interested in your observations about the lack of coordination between departments to get a project under way in the Shellmouth. Could you indicate to me the nature of the problem or jurisdictional dispute or what seems to be at issue? Do you understand the problem or . . . ?

MR. LIVINGSTONE: Mr. Minister, I think that perhaps through Reeve Mench the history of the differences that have occurred between Water Resources Branch and the different departments within the government that have apparently been passing the buck. . .

MR. USKIW: Is there a conflict as to the use of the facility, the Shellmouth Dam, as between departments or what are you really suggesting?

MR. LIVINGSTONE: That in itself hasn't been resolved but I would like perhaps at this time to ask for indulgence to have Mr. Cooper answer that question.

MR. USKIW: All right. Perhaps what we should do is then go through the questions that I have for you, sir, and then at the end we'll bring Mr. Cooper if that's satisfactory to you.

The other observation you made was the fact that there seems to be considerable amounts of money allocated to other regions of the province and I would like to draw out from you just, you know, how you look at these as being somewhat favourable as compared to the Parklands region. What particular projects or programs are you referring to with respect to the Interlake or the NorMan region? Have you anything in particular in mind that you are pointing your finger at where the government has put in excessive amounts of money or . . . In drawing the comparison is what I'm trying to . . .

MR. LIVINGSTONE: Yes.

MR. USKIW: Are you referring to the FRED Program in the Interlake?

MR. LIVINGSTONE: In the area pertaining, as far as the Shellmouth is concerned directly involving tourism and recreation, we leave the other areas out but in the area of tourism and recreation the input into other areas has been considerable relating it to what has been given in the Parkland area.

MR. USKIW: Would you use as an example the FRED Program in the Interlake as being the case in point as far as the Interlake is concerned?

MR. LIVINGSTONE: That could be.

MR. USKIW: Yes. All right. I just want to indicate to you on that point though that that was a Regional Development Program launched in 1965, and for a very good reason; that was one of the most depressing areas of the province incomewise, lack of opportunities, and which resulted in two levels of government, both federal and provincial, launching a 10-year program to redevelop the region. For example, I would presume that you have completed your consolidation in the school program and so on in your area.

MR. LIVINGSTONE: Yes.

MR. USKIW: Well in that particular area I'm not sure if it is yet complete, there's been such a catch-up to undertake in the Interlake, so that what you may have taken for granted in your region, you know, was really not available to those people in that region, and therefore, it's obvious that there had to be some attack on the disparities inter-regionally in Manitoba, and certainly Northern Manitoba falls into the same category.

For example, you know, we've enjoyed medical care and hospital services for a number of years in this province. But ponder for a moment the person living in an isolated community, who even though may have had some need for medical or hospital care was unable to get the services for lack of transportation, not being able to travel to a doctor or a hospital. So that the moneys and the inputs made to Northern Manitoba, especially the remote communities, something that we have done in Southern Manitoba

(MR. USKIW cont'd) 40 years ago, we are just now doing in Northern Manitoba. So that while it may appear that there is particular attention being paid to the northern area of this province it is in a nature of opening up a new area, it's a very pioneering approach, and I would hope that we don't lock horns on the question of whether we should open up that area for those citizens of Manitoba so that they can enjoy what we have enjoyed for so long. That isn't what you are suggesting?

MR. LIVINGSTONE: No.

MR. USKIW: Yes, okay.

MR. CHAIRMAN: Mr. Enns.

MR. ENNS: I take it then that Mr. Uskiw wishes to pursue some further questions with Mr. Cooper perhaps later on.

MR. USKIW: One only that's specific.

MR. ENNS: Yes, thank you, Mr. Chairman, through you to Mr. Livingstone. I think while it's been some time, that we can all recall and appreciate the fact that the Shellmouth Dam together with the large projects in the Red River Valley, namely, the Winnipeg Floodway and the Portage Diversion, were initially recommended by a Royal Commission to the then Government of Manitoba to be built essentially as a flood protection measure. I think your brief underlined that.

On the second page of your brief you talk about existing plans for recreation and tourism development. My first question to you, Mr. Livingstone - that implies that reasonably specific plans are in existence, is that the impression that you're leaving us?

MR. LIVINGSTONE: Yes.

MR. ENNS: They have been developed with the help of the branch of Tourism and Recreation, the Parks Branch, other services of government?

MR. LIVINGSTONE: Yes.

MR. ENNS: This may be a technical question, you may wish to call on Mr. Cooper. These plans take into consideration the fact that - I suppose the stability of the water level is of prime importance in terms of developing it from a tourism and recreational point of view, and that I suppose is where the conflict lies, from the water engineers point of view, who continue to talk about the necessity for unstable levels in its operation of that facility as a flood protection measure.

MR. LIVINGSTONE: It's not unreasonable to believe that the water level is a factor, but in the opinion of the people in the Rural Municipality of Shellmouth, it's quite unreasonable that they're unable to resolve some of, what appears to them to be relatively minor conflicts of one department over another.

Now as you are probably aware, the Parks Branch has quite an extensive program for the development of the Duck Mountain Resources and that was initiated in the area of three years ago and it is difficult to identify very much that has been developed in that area, and that is possibly the area of thinking in terms of the difficulties the people in this area of Shellmouth find themselves in. Where the land has been taken away, the municipality has been deprived of taxation from the use of the land and now they have the alternative use in the area of tourism and recreation and they would like whatever the difficulties are resolved as quickly as possible.

MR. ENNS: Yes, I may just by way of observation point out to you and to the people generally in the area, that that's not a localized situation. We have similar pressure, the Government of the Day has similar pressure on other projects such as, for instance, the Winnipeg Floodway. We from time to time are entertained with suggestions about making greater use of that facility year round, either maintaining a level of water in the floodway to be used as a seaplane base or for recreation; it would make an ideal course to develop better canoeists or something like that, for pleasure and for games. You know, associated with these big projects there is this additional pressure. I agree with you that every effort should be made to make them multi-use if possible. I suppose from your point of view and from a recreational point of view it would be best to consider the dam and to establish a desirable water level and then to have your developments that you speak of or that you envisage, operate around that level. I just want to understand that you are aware of the flood control measures that that project has to provide, and it is your judgment, having looked at some plans, that within those two uses that Shellmouth Dam has to provide, there is room for substantial tourism and recreational development. Is that the position of the Parkland?

MR. LIVINGSTONE: We use the words "tremendous potential"; well it's a wonderful potential, it has much to add to the recreational life of all Manitobans and others from without.

MR. ENNS: This contention on your part, in your brief, is borne out by actual existing plans that have been developed over the past number of years?

MR. LIVINGSTONE: Yes.

MR. ENNS: Thank you, Mr. Chairman.

MR. CHAIRMAN: Possibly if Mr. Cooper would like to come forward he can sit down beside Mr. . . . Yes, that's fine. But, Mr. Cooper, you may come up in case there is a question that . . .

MR. ENNS: If Mr. Cooper comes up I would like to just ask him a direct question. What kind of confrontation have you had with the Water Control people on this subject matter; I'm sure you have talked to Water Control about your hopes and aspirations in terms of developing tourism and recreational facilities, can you tell me, sir, that some of the plans that you have can and are acceptable to what the engineer looks at, the way the engineer looks at that facility, from the responsibilities that he has in terms of operating that dam and that structure as a water control measure?

MR. CHAIRMAN: Mr. Cooper.

MR. COOPER: Thank you. In answer to your last question the Regional Development Corporation has been involved for approximately seven years; I guess since 1969, you know, going on seven years. At that time the manager met with the municipal representatives down there in the area and worked with them in setting up the Roblin Planning Commission. As far as the technical aspects and the difficulties involved with the engineering considerations go, we feel that with the Municipal Planning Branch involved as the professional planning agency of the government working with the local people, the Roblin Planning Commission being the municipal authority, we felt that the technical difficulties would be worked out within the planning jurisdictions - and I am not fully comprehensive of all of the technical aspects involved.

I realize there are some erosion problems which affect, for one thing, the fish life, I realize that there are problems with establishing a water control line, which has been a very difficult thing to do, and while all of these problems are inherent in that type of a development, the thing that we are trying to express today is the frustration of the local people in trying to accomplish a worthwhile development objective in that area, and if I may, I would just like to give you some idea of the history of that situation.

The Roblin Planning Commission was formed in - well they started working on that area in about '66 actually, and they came out with the Roblin Shell River Planning Scheme in 1968; so they've been working on it with a planning scheme in the picture since 1968, and there have been numerous meetings, and this is just a brief accounting of the history of it and I won't go through all of the details of it. But it's ironic that it took until 1972, which was six years from the time that they first started doing the local plan down there, it took six years for the government to inform the local people that the water line would have to be established before any development could take place. So the kind of frustration that the people are experiencing in trying to do some significant, meaningful work in developing their area is reflected in that kind of action.

Now, the water line has been established - I've been informed by the planner, the Municipal Planning office in Dauphin that the water line has now been determined and that the only thing that could hold up development - the development plan exists as well - so the plan exists, the water line is established, so I assume the technical problems are dealt with; the only thing that could prevent development from taking place this year apparently would be transferring the jurisdiction from one department to another, and my understanding is that that could take a year, which would mean it would be 1977 before we could hope to see any development take place. Now that's our concern, that's the problem.

MR. ENNS: Mr. Chairman, I really do believe that as a committee we should be prepared to, you know, examine this at some length. We have a situation where, you know, a massive project is in place involving many millions of dollars, a certain amount of concern and frustration is being expressed by the people around that and involved in that area regarding land use, and that's what this committee is all about. In this case, you're

(MR. ENNS cont'd) dealing with the people directly who are responsible, at the moment, for the land use in the Shellmouth area and the Shellmouth reservoir.

I know that foreign ownership of farm land and land lease programs have tended to take priority in some of the dealings of this committee. I would certainly, Mr. Chairman, entertain the suggestion that, as was indicated, that we have I think the secretary, Mr. Paterson, of the municipality here, or the former Reeve, Mr. Bill Keay and the present Reeve, Mr. Edgar Mench, you know, to feel free to come and join us in the front row here and discuss what to me is a very important aspect of land use in this area.

Just one final question from me and I'll leave it go. In your judgment, gentlemen, and I ask it to either of you, is the question then twofold, one of transferring that jurisdiction that you spoke of; secondly, is it a question of dedication of funds, I think Mr. Livingstone dwelled on to some extent? You seem to leave us with the impression that plans are there, the will is not there, is that a fair assumption to make at this time?

MR. COOPER: Mr. Chairman, in attempting to give Mr. Enns a clearer picture of the situation that we present to you today, we don't want to leave any identity of the problem as one that does not relate to the land use for agricultural purposes. It certainly does. With the flooding that took place it removed from actual use much land that had been very productive in the farm area. It also has produced good hay land in certain areas. So I would think that we would ask you to bear the thought that this is a recreational development that will supplant the lost revenues to the municipality and to the area surrounding the development of this large body of water and remove the difficulties . . . the jurisdiction that is so jealously guarded by one department over another. Would that identify any clarity to the situation?

MR. CHAIRMAN: Mr. Johnston.

MR. JOHNSTON: Mr. Livingstone and Mr. Cooper, you talk about a jurisdictional struggle between one or two or several departments. Has at any time one of the departments, for example, Tourism and Recreation, ever - are they actively assisting in the planning and the acquiring of getting towards your goal, or is this strictly a Parkland organizational operation? In other words, do you have the feeling you're working against several departments, none of them are on your side, or is there one department helping out?

MR. COOPER: The staff of the various departments have generally been very cooperative and have come to several meetings in the area. I would say that it's not so much a matter of lack of co-operation as possibly some internal drag within the government operation itself that is just, for some reason, holding up the works.

I can give you an example. Back in 1972 the planner with - I believe it was Mines and Resources - said that the master plan could be completed by mid-1973, so obviously the department had the resources and the capability of completing the plan and assisting with it to completion by mid-1973. Mr. Winston of the Lands Branch said that he had budgeted for cottage development for 1972, and this is 1976 and there's still no development.

MR. JOHNSTON: If you were to direct an appeal to the government at the present time, which department is the department that you feel could be most helpful if they either changed their attitude or supplied the answers that you want?

MR. COOPER: It's hard to say.

MR. JOHNSTON: Or departments.

MR. COOPER: We have had the best response from Municipal Planning Branch because the planner is in Dauphin and has worked closely with the local planning commission - the planning commission, you realize, now is defunct due to the new Planning Act and so it doesn't exist any more, and this causes some more anxiety up there.

The Department of Tourism and the Parks Branch planners met with us in 1974. I chaired a meeting out there in April of 1974, and we assumed at that time -- well, we were told at that time that the Parks Branch had taken over the jurisdiction for that land use. Now I'm told that it could take another year before any development approvals can be given.

MR. CHAIRMAN: Mr. Bostrom.

MR. BOSTROM: Thank you, Mr. Chairman. I would like to just comment briefly on the brief and by way of question, wonder exactly what the brief and the Parkland

(MR. BOSTROM cont'd)Regional Development Corporation means when they are asking where the Parkland Region stands on the government's list of priorities.

I realize there is a particular problem with this Shellmouth Dam and that it's one that relates to probably one or two government departments, and I think it's something that could be directed specifically to those departments and cleared up.

I don't know if the committee here today can answer your questions, but I'm sure the government members here will carry your concerns forward and try to get an answer for you.

But just on a statement you make in your brief where you state that you are aware that the government is concerned about population declines and about maintaining existing communities, and that we have a policy of stay option, I'm wondering why you would be wondering in this region whether or not you are high on the government's list of priorities?

Just speaking from memory, and I'd like you to correct me if I'm wrong on any of these things that I've listed here, but just to give an indication of some of the things that have happened in this region as a result of the New Democratic government's efforts in this region. There are Vet Clinics at Dauphin, Roblin, Swan River, Ethelbert, Grandview, Ste. Rose, as my colleague on the right reminds me. More recently there is some millions of dollars in the beef income assurance plan that have been directed to this region. The Shellmouth Dam that you refer to in your brief alone represents an expenditure of some \$10 million.

The RCMP attachments at Grandview have been increased in staff in the past few years. Just in terms of regional development, I'm sure you're aware that there are a number of firms in the area that are in receipt of Manitoba Development Corporation loans; there are nursing homes in Dauphin, Grandview, Roblin, Swan River, Ste. Rose that have been established since 1969.

There's public housing in Dauphin, Swan River, Grandview, Gilbert Plains, Roblin, Ethelbert, Ste. Rose, and there are probably others that I'm not aware of here that I'm sure you are aware of.

This region has been singled out as the region for the experiment in the Guaranteed Annual Income Plan which represents an expenditure of some \$17 million over three years.

There's been a pilot project in this area for libraries which resulted in a gross expenditure of many thousands of dollars.

The Highways Department has decentralized their operations with a paint shop in Dauphin, and I'm sure you're aware of the government's efforts in trying to assist communities and towns in the development of water supply.

I'm just throwing these out because these are areas of expenditure in government investment and efforts to assist this region that represent expenditures that are not short of other areas in the province. In fact other areas of the province such as the Interlake or NorMan may argue that this area has received more than they have received.

We were at a meeting in Thompson just last week and there one of the complaints they have is that there are not enough recreation facilities. They feel that there should be more spent on recreation.

MR. ENNS: Point of Order.

MR. BOSTROM: So my point is . . .

MR. CHAIRMAN: Order please. Yes, your Point of Order, Mr. Enns.

MR. ENNS: Mr. Chairman, we're here as a Land Use Committee sent out at the taxpayers expense to solicit information, to have the people in this area have an opportunity to speak to us, tell us about their problems, and I really believe, Mr. Chairman, it is out of order for any of us to, at great length, describe the largesse of any particular government or what we want to do.

I invite any and all of you to come to the opening of the legislative session which starts this Thursday and I'm sure you'll hear many glowing political speeches made by either side as to what we have done or what we intend to do, or what has happened in the past. But I would just remind you, Mr. Chairman . . .

MR. CHAIRMAN: What is your Point of Order, Mr. Enns?

MR. ENNS: The Point of Order is, our job here is to solicit information from the people that we've come to see and to ask those questions that further clarify briefs that have been presented to us.

(MR. ENNS cont'd)

That surely is the purpose of this committee, Mr. Chairman, and I would ask you to call any of us to order when we stray from that path. . .

MR. CHAIRMAN: Well, I could have called a number of people to order a number of times, including yourself, Mr. Enns. However, I believe Mr. Bostrom is coming to a question.

MR. ENNS: Well, that's fine. If he's going to ask a question, that's fine, that's all we want to know.

MR. CHAIRMAN: Mr. Uskiw, on a Point of Order.

MR. USKIW: Yes, I simply want to register my objections to the comments of Mr. Enns because the whole of the brief virtually ignores the question for which we are here today. It deals very much with regional development, industrial development, tourism, but not with the question of land use and ownership, therefore, the member who was on the floor speaking, Mr. Bostrom, was quite in order, if indeed the brief in itself was in order; and if there's a question of order it should have been raised in the brief itself.

MR. CHAIRMAN: Mr. Uskiw, I should like to point out to you that we're also dealing with recreational use of the land. Mr. Bostrom, proceed.

MR. BOSTROM: Well, to continue, Mr. Chairman, the question was raised in the brief and I quote directly from the brief, "We wonder where Parkland Region stands on the government's list of priorities," and my listing of a few things that I recall from memory as to expenditures of government in this area leads me to ask a further question in light of these kinds of expenditures in this area.

MR. ENNS: He hasn't asked the first question yet.

MR. BOSTROM: Does the Regional Development Corporation still believe in light of that kind of information that this region is suffering on the government's list of priorities.

MR. LIVINGSTONE: Mr. Chairman, in making an initial reply to the Minister's question, it wouldn't be our intention to negate the list of input the government has had through Veterinary Clinics and the shuffling of the RCMP in this area, we think that that type of development has taken place throughout the province. I think it's like, you know, roads and bridges and schools and hospitals and that. We're not being singled out as being the only recipients of these developments.

The priority that has been given, the West Central Region has quite obviously been enjoying some of the advantages of the rest of the province but not to the extent that programs injected into the economy - and we gave the Interlake as one which the Minister of Agriculture responded to, the NorMan which has also been mentioned, but very little has been said of many of the programs that have been enjoyed up there that are not applicable here, and we wouldn't expect them to be, but we do think that some response from the government to indicate the priorities that will be afforded this region would be a reasonable request.

MR. COOPER: If I could refer to Mr. Bostrom's comment where he suggested that we go directly to the departments involved, I can show you from our files copies of letters and replies directed to Premier Schreyer, the Honourable Len Evans when he was Minister of Mines and Resources, the Honourable Larry Desjardins when he was Minister of Tourism and numerous letters, more than you could probably count on two hands, the efforts of the corporation to set up meetings with the ministers with the local people and these have not resulted in any satisfactory action in that particular situation, and what we are expressing here today is the frustration of the local people in trying to get some indigenous development going in that area.

There are people who would like to do development in the area, ready to spend money, and the question, of course, is over the Crown land. At one time in the history of the Roblin Planning Commission they understood that the publicly owned land would be made available for private development at some time, once the guidelines had been established, and then they were informed, of course, that that wouldn't be so, that it would remain publicly owned.

MR. CHAIRMAN: Well, Mr. Cooper, your comments are dealing primarily with development; the purpose of the committee hearing here today is to hear your views on land use and recreational use. Your arguments are actually with those particular

(MR. CHAIRMAN cont'd) departments which you feel frustrated because they have not responded as readily as you would hope them, but it seems that you should be directing your brief and presentation, Mr. Cooper and Mr. Livingstone, to the purpose for which the committee was established, and that is your ideas on what should be done on the question of land use and recreation.

Mr. Jorgenson.

MR. JORGENSEN: Well, Mr. Chairman, I was under the impression that the witnesses were doing precisely as you have suggested.

My understanding is that you are interested in seeking some developments along the Shellmouth Reservoir for recreational developments?

MR. COOPER: That's right.

MR. JORGENSEN: And I assume from the answers that you gave to the questions that were posed to you by Mr. Enns that most of the difficulties have been now ironed out. I know there's a conflict between recreational use and flood control and the watering of livestock. Am I to assume that those conflicts now are ironed out and you are ready to proceed with that recreational development?

MR. LIVINGSTONE: There are technical conflicts but, Mr. Chairman, I'd like to just make it very very clear, your terms of reference do entitle us to make such presentation here.

MR. CHAIRMAN: I am not arguing as long as we . . .

MR. LIVINGSTONE: I was happy to hear your remarks to the Honourable Minister to identify that we indeed were justified in making a presentation on behalf of this very interesting development of the western part of our province. I don't think there's any question, there's none in mine, that we have a very justifiable part to play in the task that has been given you and your committee.

The input that we have relates to a specific area and to perhaps one area of your terms in which tourism and recreation will play a very large part, but it does not divorce itself from the fact that it was arable land and in farm use.

MR. JORGENSEN: Mr. Chairman, I gather from your remarks that this particular Parklands Region is very interested in developing and encouraging tourism in this area, you feel it can play an important part in the well-being of this particular part of the province. That intrigues me because we have heard from one section of the province in which the spokesman said that they were attempting to discourage tourism and I'm glad to hear that there are some parts of the province that still will welcome tourists.

MR. LIVINGSTONE: We think it's a very important part of our economy and a very important part of our life; we think that we have a resource here that is worthy of action, not in the years ahead but commencing as soon as it is possible to do it.

MR. COOPER: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Graham. Mr. Cooper.

MR. COOPER: Mr. Chairman, if I could just comment to that. Basically what we have had in the Shellmouth area is the freeze of productive land when the flooding occurred and that productivity has been dealt with to some degree with haying and so on, but what we'd like to see is that land put into its most productive use, and we feel that is tourism development in that area, and it is a matter of land use.

MR. GRAHAM: Well, Mr. Chairman, my questions may more properly be directed to the Reeve of Shellmouth municipality and the Secretary-Treasurer, I wonder if it's possible if . . .

MR. CHAIRMAN: Well, you did mention that they were part of your brief.

MR. LIVINGSTONE: They are present.

MR. CHAIRMAN: If this gentleman would like to come forward, there are a couple of chairs here you can . . . I would mention for the benefit of the audience that it is our intention to adjourn at 12:30 and be coming back at 1:30. The committee will reconvene this afternoon at 1:30.

MR. LIVINGSTONE: Mr. Chairman, Reeve Mench and Secretary-Treasurer Paterson of the R.M. of Shellmouth. -- (Interjection) --

MR. CHAIRMAN: Mr. Graham, proceed.

MR. GRAHAM: Mr. Mench, have you been involved for any considerable length of time in the negotiations that have taken place on this recreational project?

MR. MENCH: I was elected as a delegate to the Roblin Planning Commission. I didn't spend my full time at it because it was all volunteer.

MR. GRAHAM: And I understand you have the ex-Reeve here of the municipality as well, was he involved to any great extent . . .

MR. MENCH: That is correct. He was also a delegate and we'd change off whenever either one of us couldn't attend the Planning Commission meetings.

MR. GRAHAM: Was there another municipality or municipal jurisdiction involved in this project?

MR. MENCH: Yes, the Rural Municipality of Shell River, and the Town of Roblin is also involved in this.

MR. GRAHAM: With the new Planning Act now coming in, your planning commission now is sort of swept by the board, is that right?

MR. MENCH: This is the way we understand it.

MR. GRAHAM: Is this causing a great deal of concern to your people?

MR. MENCH: Well, we as a municipal body are concerned just as to what role to play now.

MR. GRAHAM: In the six years that you have been working towards this full recreational development and utilization of the land along the Assiniboine River there, you have mentioned, or it has been mentioned in the brief that you have run into numerous stumbling blocks and jurisdictional disputes. Could you identify the various departments where you seem to have had considerable difficulties.

MR. MENCH: To start with, we were given the understanding that we could not proceed with any development on the Assiniboine Reservoir unless we joined the Roblin Planning Commission. This was done by the past reeve and the council and we were taken in as a member of the Roblin Planning Commission. We attended meetings and we were referred from one department to another on questions that we asked, and the last one that was a stumbling block was to establish a severance line, and this was between Water Conservation, Department of Tourism and Department of Mines and Natural Resources, and I am given to understand, but I haven't attended a meeting since that time, that they have established a water and severance line now.

MR. CHAIRMAN: Well, I believe, Mr. Graham, this line of questioning is repetitious. The questions have already been dealt with and answered, but proceed. Do you have any other questions, Mr. Graham?

MR. GRAHAM: Well, there was reference made to a master plan. Was this master plan drawn up by the Department of Mines and Natural Resources or the Department of Tourism or the Department of Municipal Affairs, just where did the master plan develop?

MR. CHAIRMAN: Mr. Graham, again I believe the question was answered and Mr. Cooper did volunteer the answer at the time, that it was by the Department of Mines and Resources. -- (Interjection) -- The Municipal Planning Branch of Mines . . .

MR. MENCH: Mr. Chairman, just to comment on that question. To date, there is no master plan.

MR. GRAHAM: Then we are to assume that after six years we still have no master plan for the recreational use in this area? You are still hopeful, though, of at some time making use of the land to the maximum benefit of the people of Manitoba, in that area, is that your ambition?

MR. MENCH: If I may say so, Mr. Chairman, as a municipal body we are concerned in the loss of tax dollars, and the understanding of the people living in the area was that the recovery would be made by the development of the reservoir to a certain extent. Up until today there has been absolutely no recovery made.

MR. GRAHAM: Has this put a serious load on the other taxpayers in your municipality - has your mill rate had to increase dramatically in the last six years?

MR. CHAIRMAN: Mr. Graham, I believe we are dealing with recreational land use. I don't know what you're leading up to on the question of assessment, I believe that should be directed to other than this committee.

MR. GRAHAM: Mr. Chairman, if I may, I think that it is important that any decisions that are made in the use of land has to be done in light of the input and the effect that it has on the local people, and if decisions are made that dramatically affect

(MR. GRAHAM cont'd) the lives of people in the immediate area, I think those concerns should be voiced.

MR. CHAIRMAN: Mr. Graham, I believe Mr. Enns already pointed out similar ideas in the Red River Floodway, the Portage la Prairie Diversion and the Assiniboine Valley Shellmouth Dams.

MR. ENNS: On the point of order, I don't wish to prolong the line of questioning any further than necessary but I think it's important that we establish very clearly that still seems to be in some doubt in your mind, Mr. Chairman, that the whole brief and the question that we are discussing is a very legitimate question that this committee should be dealing with.

We've been told that X number of acres of productive farm land has been taken out of production, that land essentially is lying idle; we have heard other representations in other areas, in Virden; just the other day in Thompson we talked about the problems of idle land, whether it's held in private speculators hands or whether it's held in Crown land by government. What these gentlemen are telling us here . . .

MR. CHAIRMAN: What's your point of order?

MR. ENNS: Well the point of order is we keep getting static from you, Mr. Chairman, about the validity of the line of questioning. We are concerned about the use of this particular piece of land, namely the Shellmouth Reservoir. Our terms of reference as a committee involve recreational use, farm use, urban sprawl, are indeed very wide, and I would hope, Mr. Chairman, that you would afford members of the committee the latitude that they feel is necessary in developing their line of questioning on this subject matter.

MR. USKIW: Mr. Chairman, on that point of order . . .

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

MR. USKIW: I wish to draw to the attention of the committee that it is not the use that has been in dispute, it was whether or not development on that land would take place on which use has already apparently been agreed to. So that is why I chose to raise the question of whether this committee has the authority and confidence to consider development. We are not here to consider anyone's development, we have no authority to do so.

MR. ENNS: Mr. Chairman . . .

MR. USKIW: I think it's fair enough to say . . .

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

MR. USKIW: . . . that we don't mind receiving the submission, that is fine, if we want to extend ourselves to do so. But I don't believe that it is proper to discuss the regional development of the Parklands area, that is building of factories, building of cottages; we should be talking about land use and its ownership and the rights of the same. That is really the terms of reference of this committee. We haven't hardly touched on that. We've touched on the question of lack of development on land whose use has already been determined.

MR. ENNS: Mr. Chairman, I'll just close . . .

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

MR. ENNS: . . . on the same point of order. If the Honourable Minister is telling us, and these gentlemen in particular today, that the use of that land has been determined, that a master plan exists, then I'm sure that they are receiving that information with a great deal of enthusiasm and welcome that statement. But just a moment ago, we were led to believe that no master plan exists, that confusion and frustration exists instead.

MR. CHAIRMAN: Mr. Enns, I believe when the land was flooded the use was determined at that particular time.

MR. ENNS: No, it wasn't. The flood control plan was . . .

MR. CHAIRMAN: That was proved. Any further questions, Mr. Graham?

MR. GRAHAM: I believe I asked the question that the witnesses have not had the chance to answer yet, and that is, has your mill rate gone up dramatically in the last six years because of that loss of revenue?

MR. CHAIRMAN: Well, Mr. Graham, I still would like to know how is that dealing with the land use and recreational use?

MR. GRAHAM: Mr. Chairman, if it affects the lives of the people of the area it is a pertinent question.

MR. CHAIRMAN: That issue I think was settled in 1966. Mr. Mench, do you wish to comment on that?

MR. MENCH: Mr. Chairman, as a municipal body, land use to us means taxation, and if it is used to benefit us as taxpayers this is what we're interested in. And we were given the feeling that the development there would eventually reimburse us for the loss of the taxation that has occurred since the land was taken up for the reservoir. And figures I do not know because I am a new reeve, but I know the secretary-treasurer has them.

MR. CHAIRMAN: Mr. Paterson.

MR. PATERSON: Mr. Chairman, the position of the R.M. of Shellmouth, I came in just about the time the land had been all taken away and we are in the process of taking ground and move taxes. I must say that our municipality was in a very solvent position when I took over as secretary-treasurer. Over the years with the loss of the assessment on the Shellmouth Reservoir, with the loss of the abandonment of elevators, which is no concern to the Commission here, the municipality has been able to hold the line on taxation. In the last seven years through wheeling and dealing our assessment mill rate has gone up 1.5 mills. And if you look at schools and everything else, you'll know that that is almost impossible, but it has happened. But our municipality today is looking at a great increase in municipal taxes this year. We are only able to hold the line due to our surplus, but we are now forced, and after all the promises that we had that development would definitely take place to compensate, and it has one-tenth the compensation to date, but we are definitely today facing increased taxation in the municipal . . .

MR. GRAHAM: No further questions, Mr. Chairman.

MR. CHAIRMAN: Mr. Johannson.

MR. JOHANNSON: Mr. Chairman, my questions will be quite brief and they will be directed to clarifying the brief. You have, I believe Mr. Cooper mentioned the fact that communication had been made some years ago with a number of ministers. Now, Mr. Green, for example, has been Minister of Mines for five or six years; have you communicated this problem of departmental conflicts, jurisdictional conflicts to Mr. Green?

MR. COOPER: We've been dealing through the Director of Mines and Resources in the region.

MR. JOHANNSON: So in the five or six years that Mr. Green has been the Minister responsible in this area you have not communicated to him this concern?

MR. COOPER: No, we have been working with the Director of Mines and Resources in the region, and the Director of Municipal Planning. Tourism did not have somebody in that capacity in the region for us to work with and that's probably why the corporation at that time dealt with the Minister.

MR. JOHANNSON: I see. Okay.

MR. CHAIRMAN: Mr. Minaker.

MR. MINAKER: Thank you, Mr. Chairman. My question is to Mr. Livingstone. Earlier in the questioning from Mr. Enns you indicated there were some marginal agricultural land that was going to be taken out of production for this recreational development and we have had some presentations, particularly in the Virden area I think we had four or five presentations where the people presenting the briefs and the association strongly recommended that any arable land would be used as agricultural producing land, and I'm wondering if you could possibly comment on how many acres might be involved in this and also your views on this type of thinking. I might add that I don't necessarily endorse such thinking, in fact, one of the briefs one of the ladies presented even went to far as to say that we should pull up the headstones on the cemetery and plow over it and seed it if it was arable and agricultural land. And it's interesting to hear from you people that you feel, I would presume, that this land would be better used in recreation rather than in

MR. LIVINGSTONE: Mr. Chairman, I'm sure most, if not all, are quite familiar with the project that was undertaken to control the waters of the Assiniboine and in the control by the very necessity of impounding many many hundreds of acres of water the valley of the Assiniboine was used to contain the waters and in so doing the agricultural land that had been used and was being used right up to the decision of impounding the water, the building of the dam, etc., much of it was very arable and very productive. As to the number of acres involved, I'm not familiar.

MR. MINAKER: Mr. Chairman, my question relates to the amount of acres that would be developed now, or taken out of use as hay meadows, say, for your recreational development.

MR. LIVINGSTONE: None whatsoever.

MR. MINAKER: There would be none taken out?

MR. LIVINGSTONE: No.

MR. MINAKER: Thank you. So there is no conflict at all between the agricultural department say in the development of this.

MR. CHAIRMAN: That concludes the questions on this submission. Thank you very much, gentlemen.

MR. LIVINGSTONE: Mr. Chairman, I might just make one comment. I say that we appreciate very much the hearing that we've been given. I make reference to your report and I would dearly love to have you convince the Minister that this presentation was a valid presentation, and I read to you number four of your recommendation, that your Special Committee on Land Use and Ownership 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. And words almost fail me to understand why anyone doesn't include the recreational efforts of our people in the use of the land. Thank you very much.

MR. MINAKER: We do, we do.

MR. CHAIRMAN: Thank you very much, gentlemen. Mr. Livingstone, you are the president or you're speaking on behalf of the Parkland Regional Development Corporation.

MR. LIVINGSTONE: Yes.

MR. CHAIRMAN: Okay. Thank you, gentlemen. Committee rise.

* * * * *

1:30 p.m.

MR. CHAIRMAN: Order, please. We shall proceed with the meeting. Mr. Sigurdson. Mr. Potoski, President, Parkland Regional Development Association, Reeve of the R.M. of Dauphin. Is this presentation on behalf of the Parkland Regional Development Planners, Reeve, or is it a personal brief?

MR. JOHN POTOSKI: It's a personal presentation.

MR. CHAIRMAN: A personal presentation. Proceed.

MR. POTOSKI: Mr. Chairman, Special Committee of the Legislature on Land Use, Ownership and Property Rights in the Province of Manitoba.

I welcome the opportunity to appear before the Committee and to present my views on land use.

1. Recording land ownership:

I would support the recommendation of your Committee that the necessary changes be made to permit the changing of methods of recording land ownership so that we have a more accurate and complete information on land ownership in Manitoba.

2. Foreign ownership:

While this is not a major problem in this region at this time, nevertheless, I believe that the time to make necessary adjustments in legislation is now, before major problems arise. While realizing that the regulations re foreign ownership may result in lower prices for land to those persons wishing to sell and while I believe in as much freedom for individuals as possible, nevertheless, because of the implications of foreign ownership of a majority of the farm land in this region, I believe that some controls on foreign ownership are necessary. I am not opposed to purchases of land by foreigners who intend within a reasonable length of time to become resident operators and citizens of Canada.

3. Non-resident ownership:

I am also concerned about increasing amounts of good farm land that are purchased and held on a speculative basis by people living outside the community.

(MR. POTOSKI cont'd)

4. Land use:

I believe that we must take the necessary steps to retain good agricultural land for the production of food. While this is not a major problem in the area - no major cities are located here - communities are expanding their boundaries and small holdings are being established on the periphery of some of our communities. This means that communities are encroaching on good agricultural land.

5. Transfer of ownership of farm land from generation to generation:

I believe that means must be established for better transferring land from one generation to the next. Many farmers are not aware of existing practises which enable them to gradually turn over the ownership of their farms to younger generations. This and other complications lead to difficulty in the transfer of a farm from father to son. I hope that your committee will study and make recommendations in this area.

Respectfully submitted, John Potoski.

Now, Mr. Chairman, may I explain that this is just a short brief, I had made a more comprehensive brief presented at Dauphin hearing last year and while I didn't expect to be here because I had other commitments, nevertheless the meeting which I was to attend was cancelled and I made just a short brief here.

Mr. Chairman, an observation or two which I wish to make and want to refer to a development of European financing that has taken place just north of Dauphin on the north shore of Lake Dauphin. Now this group has purchased originally about 2,000 acres, we're informed that they are having about 3,000, they have already expanded to 3,000 acres and we have reliable information that their plans, their maps at the present time calls for ten square miles of development as years goes on, as soon as they can get the land acquired. Now should this take place I think such practices and such developments are most detrimental to our community and I hope that legislation will be introduced shortly to prevent this type of practice.

I had referred, Mr. Chairman, also to transferring of land from father to son and keeping it with the family. I am of the very strong opinion that a family farm is the most desirable type of ownership in this region and also in this whole country, and while I must commend the government on the many programs which they have initiated in making it possible for young people to get started in farming, I do want to bring the attention to the committee of the gift tax.

Now as I had mentioned, if we take the proper procedure, those that look far ahead, they can transfer land from father to son and have forgiveness, I believe it's \$2,000 a year, and if it goes to the son and a daughter or the son and his wife, they can up it to \$4,000 a year and so forth. Now I had resorted to this practice and half of my land is transferred to my family in this way without any danger of any gift tax. However, situations do arise where sometimes, at one time or another, the father decides to sell his property to his son or have it transferred, and the gift tax there is quite substantial.

Now, on a hundred thousand dollar farm, the gift tax would be \$22,500; on a \$150,000 farm, the gift tax would be \$41,250; on a \$200,000 farm, the gift tax would be \$63,750. Now I'm just wondering, Mr. Chairman, if this could be modified or at least that could be looked into, I think it could be an obstacle in transferring land in certain cases.

I do believe that succession duties are quite normal. I don't think there is any hardship there unless the amount is quite substantial, but normally I think the succession duties are acceptable. And that is another observation, Mr. Chairman.

MR. CHAIRMAN: The sound is not on again, but Mr. Bostrom, you have a point of order?

MR. BOSTROM: Just on a point of clarification. I believe there is - and I stand to be corrected if I'm wrong - but that there is a \$250,000 exemption, that there is no gift tax on the first \$250,000.

MR. CHAIRMAN: No, no, it's succession duty, \$300,000.

MR. POTOSKI: I got my information from the Department of Agriculture office, this is what they gave me.

MR. CHAIRMAN: Well you are correct, I believe the gift tax is the federal jurisdiction. -- (Interjection) -- Succession duty.

MR. BOSTROM: I'm sorry, Mr. Chairman, I thought he was referring to succession duties and that's what I was referring to.

MR. POTOSKI: Well succession duties, as I had mentioned, they are quite substantial. I don't think there's a problem there as far as my information goes, but on gift tax I think there is a problem.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: John, the only time there's difficulty is if you choose to lump a gift by way of a large amount on any given year, but that is not the traditional way in which farms are handed down to the next generation. The traditional way is by way of inheritance, in which case we do have a very substantial exemption, namely \$300,000 for the preferred beneficiaries. So that it's a matter of choice. If one chooses to hand over one's assets by way of a gift tax, you're correct, but one doesn't have to choose that route, one can will, or whatever, your assets to the next generation without having to pay any succession duties or gift taxes whatever.

MR. POTOSKI: But that must come to the point of death . . .

MR. CHAIRMAN: Mr. Uskiw, I was going to mention the fact that we are dealing with land use, not with the question of succession duty and gift tax at this particular time. I think you've brought up the point and you have received some answer possibly that might satisfy you. I think we should proceed with the questions on your brief.

MR. USKIW: On Point 4 of your submission you express a degree of concern over the utilization of agricultural land for urban communities, and in that connection I would like to get a clarification in that most towns and villages, cities, in Manitoba are now located on agricultural land, and, therefore are you suggesting that we not add another single lot to the development of a city or town that now exists, or what is your point in raising that issue?

MR. POTOSKI: Well, I am suggesting that there could be areas within those large cities which is sub-marginal and that should be initiated for development.

MR. USKIW: Well if you take the Town of Dauphin as a case in point, it seems to me that no matter what direction you want to develop that town you're going to be on agricultural land, and in that context I would like to know what the alternative would be.

MR. POTOSKI: Well you can go one mile west of Dauphin and you'll get into sub-marginal land, and you can go one mile east of Dauphin and get into sub-marginal land. Now if major developments are going to take place surely, you know, . . .

MR. USKIW: I'm talking about the normal growth of a town. Would you freeze the growth of a town in favour of building a new town somewhere or would you add to the existing town?

MR. POTOSKI: Well, I think in an existing town if a development such as commercial developments, industry or so, should come out and develop on those areas which are sub-marginal, not right adjacent to the town, which is happening right along, they're taking the very best of land.

MR. USKIW: What about the subdivisions themselves, housing subdivisions?

MR. POTOSKI: Well they can be established. You go two miles east of Dauphin, we've got quite a housing establishment there working very well, and that could also take place west or any other direction. At the present time we have housing developments 10 miles south on the Riding Mountain National Park which is suitable for nothing else, and we have made an application to the Municipal Board to have this subdivision approved, and that is what I believe that we should be more concerned about and get more recognition that way. We've had a subdivision on the north side of Riding Mountain under consideration for two years, it is still not approved. These people are waiting for this development otherwise they're going to locate right next to the Town of Dauphin or take up the best of land if they're not going to get this subdivision approved.

MR. USKIW: That's not the point I'm getting at, sir. What I'm asking you is whether you feel that there should be legislation preventing the Town of Dauphin or the Town of Swan River from adding one additional home to their town from here on in. That is the question that I want to make here.

MR. POTOSKI: Well I don't think you can make it that restrictive.

MR. USKIW: But that's the point I'm trying to clear up.

MR. POTOSKI: I don't think you can make it that restrictive, but I think we should look towards a program which will ultimately phase out into these areas. We can't just

(MR. POTOSKI cont'd)say tomorrow, you're not going to build another house on the edge of the Town of Dauphin or Swan River, but ultimately we should work towards this.

MR. USKIW: The question though is one of practicality. Every community that is growing, and not all of them are, but every town that is growing usually allows growth to take place immediately or adjacent to its boundaries, or within its boundaries for that matter, but in the case of Swan River or Dauphin, many other communities, all of the growth actually takes place on agricultural land, and, therefore, if you want to take a hard position on it you would virtually have to bar any future subdivisions. Do you think the towns that now exist would accept that, because there is a natural growth factor every year of some 20, 30, 50 homes or whatever. Would you bar that growth, or no?

MR. POTOSKI: You're quite right there, and as I mentioned, we must phase out the development in a long distance term, and developments that are being proposed on sub-marginal lands should get immediate consideration and acceptance rather than to keep putting them off and off.

MR. USKIW: I accept that as a principle if you're building a new community, but if there is an existing community that, you know, planned or unplanned is growing, would you legislate against that growth?

MR. POTOSKI: Well not strictly right at the moment, but I think as I mentioned that that matter should be looked into because . . . I know that this is a problem, and it's a problem that's not easy to solve, it's a problem that was created by the establishment of communities on the very best of lands Winnipeg, Dauphin, wherever you have.

MR. USKIW: Well it's history that we're living with, yes.

MR. POTOSKI: Right. And, of course, it is a problem. But, however, I think we could work towards that solution.

MR. CHAIRMAN: Mr. Johnston.

MR. JOHNSTON: Reeve, last year at Dauphin you presented a brief on behalf of your council, is that not correct?

MR. POTOSKI: No, that was my personal brief.

MR. JOHNSTON: That was a personal brief. No doubt I think members of this committee that know you know you're wise enough not to present personal briefs that go counter to the wishes of most of the members of Council, so I would take it that you've talked this over with Council and they're somewhat in agreement with the points you make?

MR. POTOSKI: I'm sorry, at the time I presented that brief I never referred it to the Council, I did not refer it to the Council.

MR. JOHNSTON: Have you since found out that . . .

MR. POTOSKI: I should have.

MR. JOHNSTON: What I'm trying to get at is, are you expressing a feeling, you're an elected person and so is your Council, are you expressing a feeling in today's brief that is not only your own views but also the views of many of the people you've talked to about the problems?

MR. POTOSKI: Oh, very definitely. Yes, these are concerns that are being discussed in Council and with other citizens of the area as well and very much going on this thinking, very much.

MR. JOHNSTON: Your Point 2 about foreign ownership, that's fairly clear, I can understand, but when you talk about non-resident ownership in the next paragraph, how would you define a non-resident? The only definition you give here is someone that isn't farming but he buys to speculate. Would you want government to make legislation that would stop Saskatchewan or Ontario residents from owning land in Manitoba?

MR. POTOSKI: Well, of course - I think Saskatchewan has similar legislation, have they not? They're preventing Manitobans from going to buy land in Saskatchewan.

MR. JOHNSTON: Give us your ideas of how you would define legislation. Supposing a farmer retired and moved to Victoria but he maintained ownership of his land, would that bother you?

MR. POTOSKI: Oh, I think he should retain that ownership. As a matter of fact I think ownership of families - for instance, if a family farm goes down to the son or daughter and if they happen to be in a profession just in the next town or wherever they may be, so long as it was a family farm and retained in the family, regardless of whether

(MR. POTOSKI cont'd) they live there or not they should retain that ownership, definitely.

MR. JOHNSTON: Are there any other groups that you would qualify ownership on. For example, a large farmer that lived in Dauphin or Brandon but hired people to work his land, would that constitute non-resident ownership in your view?

MR. POTOSKI: No, not if he's operating the land, if he's working the land and he has an interest in the land. I think that's good stewardship and husbandry in land where an owner operates it, whether he lives on the land or not, so long as he's operating that land.

MR. JOHNSTON: Because Mr. Green isn't here, I'm inclined to ask a question that he always asks. Would it bother you if the person that owned the land lived in Minnesota, rented it out at a reasonable price and he wasn't holding it for speculation, but he did have the land, would that bother you?

MR. POTOSKI: No, not if he had the land, he farmed there and so forth and then retired to Minnesota or wherever he wishes to go. No, so long as he developed that farm and it was a farm that was at one time owned and operated by that individual.

MR. JOHNSTON: To come back to the foreign ownership problem in your municipality of this one company or a group, what are their long term intentions as far as you know; do they intend to come here to farm the land or is it strictly speculation by a foreigner?

MR. POTOSKI: Well, of course, they are carrying an operation down there on a very very high level and high scale which no individual could go and put in the kind of money and input and everything else, but I believe it's purely speculation.

MR. JOHNSTON: They have no intention of coming here - the owners?

MR. POTOSKI: No, no, there's absolutely none. As far as we know there's no intention of any owners coming to reside on this land, it's purely speculation.

MR. JOHNSTON: Really your concern is a foreign speculator.

MR. POTOSKI: Right, I'm concerned by all speculators, foreign or even Canadian speculators. I don't think land should be subject to speculation, I'm thoroughly convinced on that issue.

MR. JOHNSTON: Well that would include a person from Swan River that bought some land five miles out. Would you term him a speculator or someone that's doing something harmful?

MR. POTOSKI: Well, you know, if he's doing it purely for speculation, but, nevertheless, I still believe that land should be farmed as a family farm.

MR. CHAIRMAN: Mr. Minaker.

MR. MINAKER: Mr. Chairman, through you to Reeve Potoski; I'm very interested in your statement on transfer of ownership from father to son. From the contents in your brief you endorse the stay-option program and you seem to encourage it, that you feel it would be useful to the agricultural industry in Manitoba. Is that correct?

MR. POTOSKI: Right, correct, right.

MR. MINAKER: I wonder, Mr. Potoski if you could elaborate on . . . if you were able to give to your son- say you have three sections of land and you had three sons, do you think it would be more advantageous to Manitoba and to the farming industry and to your farm to be able to, say, transfer portions of that land to your sons as they grew up and were going to farm it and you were still alive, do you think that would be more advantageous to encourage the young people to stay on this farm and to keep farming?

MR. POTOSKI: Oh, very definitely. I've done that in my own case, I've transferred half of my land to my family. The boy is growing up, I gave him an interest in the land and that gave him an anchor. That is one way we can get away from gift tax if people would take that long range view.

MR. MINAKER: Now I'm not that familiar with the gift tax system, sir, but I understand that I think, I would hope you'd correct me if I'm wrong on this, that I believe you can only make one gift of, I think, \$10,000 in a lifetime and then it's \$1,000 a year up to \$4,000 every year that is tax free. Is that correct?

MR. POTOSKI: Well that might be correct as regards to, say, a money gift, but if you transfer a \$100,000 farm and then you keep on you can forgive \$2,000 a year to one person, but if a son and his wife buys it jointly you can forgive \$2,000 to each, which is \$4,000 a year. And as years roll by you can forgive it all.

MR. MINAKER: So that if we use your example then, sir, that if you were transferring \$100,000 worth of land to your son and you started today, that after 50 years he'd get all the farm. Is that correct?

MR. POTOSKI: Right.

MR. MINAKER: I'm asking you now; if I follow your reasoning, and I don't support the succession duties or the estate tax principle because I think that I endorse the idea of transferring your properties down to your son in private ownership, wouldn't you think that possibly if the succession duties and the gift tax was changed on land such as this that it would be better than trying to go through this red tape?

MR. POTOSKI: Yes, I do believe that.

MR. MINAKER: So that possibly we should look into really the succession duties and also the gift tax when it comes to land transferring.

MR. POTOSKI: Yes, as I've mentioned, I think the succession duties are quite substantial at the present time but gift taxes are not.

MR. MINAKER: But you have to die first which . . .

MR. POTOSKI: Yes, that's right; you have to die first, right.

MR. MINAKER: I think it would be kind of nice to live on your farm and watch your sons farm it and know that they were owning it.

MR. POTOSKI: I think it would, I think it would, that's right.

MR. MINAKER: Reeve Potoski, I wonder, too, and maybe you could correct me on this or I'd like your views on it, do you set any limit to the ownership that somebody should have with regards to sizes of farms, because right now I believe the estate tax exempts, I think it's \$250,000 or is it \$200,000. . . \$300,000, and I know probably land in this area is worth what? - \$150 an acre, some of the good land - \$200?

MR. POTOSKI: Somewhere in that neighbourhood.

MR. MINAKER: And if you have, say, three sections of land - I'm sure many of the farmers around here, or some of them, do have it - do you feel that they should have the same right to transfer their property to their sons to farm, or do you set a limit on this?

MR. POTOSKI: No, I think they should have a right to transfer.

MR. MINAKER: Everybody should have the same limit?

MR. POTOSKI: No, to transfer all the land that they have.

MR. MINAKER: Yes, regardless of whether they had three sections or five or whatever.

MR. POTOSKI: Right, very definitely.

MR. MINAKER: Okay. Thanks very much, Mr. Potoski.

MR. CHAIRMAN: Mr. Blake.

MR. BLAKE: Thank you, Mr. Chairman. Reeve Potoski, I was interested in your remarks on the development north of Lake Dauphin, you mentioned foreign ownership. What type of foreign ownership, is this European or American?

MR. POTOSKI: European, right, European.

MR. BLAKE: Is this sub-marginal land? Is this . . .

MR. POTOSKI: No, no it's the very best.

MR. BLAKE: It's good farm land.

MR. POTOSKI: It's the very best, right on the mouth of the Mossy River, that is the outlet of Mossy River, it's the very best location in the Province of Manitoba. It does encompass some sub-marginal land but mostly the very best of land.

MR. BLAKE: And they're farming this under lease now, they're not actively farming it themselves as a corporation?

MR. POTOSKI: Well they are developing there, they have a foreman down there, they have some staff down there, they are developing.

MR. BLAKE: How many would they employ?

MR. POTOSKI: Oh, I'm not too sure just what they . . .

MR. BLAKE: You have no idea how many they might employ in the future.

MR. POTOSKI: Two or three right now, possibly something like that.

MR. BLAKE: So the number of acres that they're farming doesn't increase the population as much as if you had family farms located there. Would they be viable family farms, would people move in there and farm a section or a section and a half as a farm unit?

MR. POTOSKI: Oh, very definitely, they were viable farms. At the present time I think it's the price attraction that - as a matter of fact in two or three cases it was bachelors that owned the land and, of course, you know as long as they can get a good price for their land . . . But they were viable farms. As a matter of fact the first farm that they bought was a most viable farm.

MR. BLAKE: Do you think that they left the farm just because of the price they got for their land?

MR. POTOSKI: It appears that way, it appears that way.

MR. BLAKE: What age group would these people be in, would they be older farmers or . . . ?

MR. POTOSKI: Well the father died, and the young person that took this land over, oh, I'd imagine he'd be about 35 years old.

MR. BLAKE: But he must have had some other attraction. He either didn't like that life or found that he could do something else and still have the money. He . . .

MR. POTOSKI: Well, he did very well. He was in good financial circumstance as far as we know, but it looks as if it's just the money attraction that . . . I guess the interest that he would get on his money, he would not have to work the rest of his days, or something like that.

MR. BLAKE: He retired pretty young then . . .

MR. POTOSKI: That's right. Retiring young.

MR. BLAKE: Sort of like winning the sweepstake.

MR. POTOSKI: Yes, as a matter of fact they had offered to hire him to run the farm.

MR. BLAKE: How do you feel, how would have him dispose of this land if he decided he didn't want to farm anymore? Do you feel this land should revert to the state at some arbitrated price or who should decide that price - how should he leave the farm if he decided to leave the farm, in your view? How would you get him off the farm and replace him with somebody else?

MR. POTOSKI: Well, of course, the practice that has been carried on in the past, you know, there is always . . .

MR. BLAKE: He would sell the land.

MR. POTOSKI: Yes.

MR. BLAKE: But should he not be able to get the best price that he could get for it?

MR. POTOSKI: Well that is the big question. Are we going to keep our land in a price which will be possible for those young people to get for agriculture production or are we going to put it on a commercial level and speculative levels? That is a question that you gentlemen must decide.

MR. BLAKE: That's right. It depends whether we're competing in the money markets of the world or whether we're competing against our own tax dollars with the state buying it.

MR. POTOSKI: I personally feel that land should be kept at the same prices which you can operate successfully in agricultural production.

MR. BLAKE: That's right, that's a good point, but how would you do that? I'd like to hear your views on how you would propose to control the price of land. That's an interesting point. I agree. I don't think raising cereal crops that you can pay any more than, what? - \$300 an acre would be the outside because you can't produce enough to pay for that land.

MR. POTOSKI: Right.

MR. BLAKE: But how would you keep the land at that price?

MR. POTOSKI: Well that is a big question. I don't think I can answer that. If I could, I'd be the biggest mathematician in the country.

MR. BLAKE: We are looking for that answer on this committee and I don't think we're going to find it either, but thanks very much for your views.

MR. POTOSKI: Okay.

MR. CHAIRMAN: Mr. Johannson.

MR. JOHANNSON: Yes, to Reeve Potoski. Your fifth point, transfer of ownership of farm land from generation to generation, I believe you said that you really don't have

(MR. JOHANNSSON cont'd)any concern about transferring your own land to your son or your sons. You have either transferred all of it through gift or you are in the process, well on the way. Is this . . .

MR. POTOSKI: I've transferred a good half. I have two sections of land, I had transferred one section. Whatever I have now for the rest of my days, when it goes it will not be affected to any degree by succession duties.

MR. JOHANNSSON: That's what I was going to ask. The present exemption level for a preferred beneficiary is \$300,000, so your son would not be taxed at all.

MR. POTOSKI: That's right.

MR. JOHANNSSON: So in other words the present gift tax, the present succession duty enables you to transfer to your son your farms, your two sections without paying any gift tax or any succession duty at all?

MR. POTOSKI: Right. Right, the mechanism is there if you take a long range view. But . . .

MR. JOHANNSSON: In other words, if you exercise a little bit of management of your own land, you can achieve this?

MR. POTOSKI: Right. Right. But starting at an early stage. You can't do it when you get going on in years but you can do it at an early stage, right.

MR. JOHANNSSON: A lawyer appeared before our committee last year and he informed us that out of some 7,000 estates that were settled, 22 farms had been subject to succession duty, to any succession duty at all. Now out of 7,000 estates, when 22 are taxable, does this appear to indicate that there is any great problem or any great hardship involved.

MR. BLAKE: Because before land went from \$50 to \$300 an acre.

MR. JOHANNSSON: Mr. Chairman, I believe Mr. Blake had the floor a moment ago and . . .

MR. CHAIRMAN: Mr. Johannsson, I would say that we are getting away from the purpose of the committee, and that is to deal with the question of land use, we're not dealing with the question of succession or gift tax.

MR. JOHANNSSON: Mr. Chairman, I was merely trying to clarify the fifth point in this particular brief. But Reeve Potoski has clarified that in his own case there has been no particular hardship involved in transferring his land to his son.

MR. POTOSKI: Right.

MR. JOHANNSSON: I was going to ask you another question, Reeve Potoski. The MACC, of course, has a Land Lease Program which involves . . .If there is a young leasee who is starting up farming it involves providing him with the option of leasing at least some of his land through this program. Can this be a help to some young farmers in getting established as farmers?

MR. POTOSKI: Oh yes, very definitely. I think a lot of the MACC operations, I think it has kept a lot of young people on the farm.

MR. JOHANNSSON: Would you say it loud please.

MR. POTOSKI: I may repeat that . . . I think the MACC is a very good operation. It has helped many families to remain on the land.

MR. JOHANNSSON: Okay. Thank you.

MR. POTOSKI: I think the intent is good there. I do think it is.

MR. CHAIRMAN: Mr. Adam.

MR. ADAM: Mr. Potoski, I'm still not clear on your position on foreign ownership as opposed to Canadian absentee ownership. I'm not sure of your position, I couldn't get a clear picture and I wish you would clarify that for me. You have made quite a bit of the fact that foreign ownership is a problem.

MR. POTOSKI: Right.

MR. ADAM: What difference do you see between these interests in Germany, I believe, that have land that you mentioned around Lake Dauphin and say Sid Green in Winnipeg, or some person in Newfoundland owning the same land, what difference would that mean to the municipality of Fork River where that land is situated? What difference is there between German interests or someone in Noyes, Minnesota or Newfoundland, what difference does that make to the community, what difference does that make. If we could stop the rabble on the right side we'll continue.

MR. POTOSKI: Well of course the difference would be that . . . be it Sid Green or

(MR. POTOSKI cont'd)anybody in Manitoba or anywhere in Canada, at least he would be more closer to the land. He'd be a citizen of this country and he'd be quite concerned with the citizenship of this country and the future of this country much more than someone in Europe. They're buying this land because they feel this is a most secure place to invest money and therefore, you know, regardless of what happens they haven't got the same concern as the citizens of Canada would. But actually, in essence, the difference whether he lived in Winnipeg or Berlin, there isn't much difference.

MR. ADAM: There's no difference?

MR. POTOSKI: No.

MR. ADAM: That's what I'm trying to get at. I wanted to get your position on that, because you wouldn't prevent me to go down to the States and buy land there, would you?

MR. POTOSKI: Beg pardon?

MR. ADAM: You wouldn't prevent me or want to prevent me or anyone else from going down to the States and buying land, would you?

MR. POTOSKI: No, I wouldn't. Well I wouldn't resent you . . .

MR. ADAM: Of course if we prevent Americans or Germans from coming here to buy land, we can expect the same treatment when we want to buy land in some other areas, would we not?

MR. POTOSKI: Of course, again you're getting into the residency and you're getting into the use of land, you're getting into the question of speculation, which I say is most undesirable.

MR. ADAM: That's right. That's what I'm trying to get your views on.

MR. POTOSKI: I don't believe land should be subject to speculation.

MR. ADAM: So absentee ownership would be that, wouldn't it?

MR. POTOSKI: Right.

MR. ADAM: Okay.

MR. CHAIRMAN: Thank you, Mr. Potoski. Mr. Jorgenson.

MR. JORGENSON: Mr. Potoski, you made the statement that you're opposed to speculation in land, that is you wouldn't want a German to come in here or a foreigner to come in here, buy the land at \$200 an acre and sell it for \$300. You're opposed to that I take it.

MR. POTOSKI: Right.

MR. JORGENSON: And you'd want some legislation to prevent that?

MR. POTOSKI: Right.

MR. JORGENSON: Would you also want legislation to prevent the person who comes in here and bought land at 300 and then lost a \$100 an acre and sold it for \$200?

MR. POTOSKI: Well of course now you're getting into a different area altogether, you're getting into a different area there.

MR. JORGENSON: That's all, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Potoski.

MR. POTOSKI: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Dave Sokolowski and Derek Jones. Is Dave Sokolowski and Derek Jones here? Mr. Sigurdson. Proceed, Mr. Sigurdson.

MR. SIGURDSON: Thank you. I'm not going to read off the names of those sitting at this Special Committee because a number of them are absent. So I'll start by suggesting that our brief is pretty well our own brief. We anticipated that the questioning and the proposals laid out would be pretty much as they are so we're just a little different. But in all cases I would like to suggest what we are proposing and what we're talking about pertains to soil and soil use, and if we get bogged down in a little bit of controversy over meanings, I wish they would keep them until after I'm through talking.

MR. CHAIRMAN: Proceed.

MR. SIGURDSON: Mr. Chairman, ladies and gentlemen, in attempting to contribute something of value to the subject under discussion at this session, namely a land use policy for Canada also the effect and consequence on Manitoba residents, as our land or soil values do affect all our people, but specifically farmers, we suggest the following ideas. And I'm going back quite a ways now. Going back to the 1930 depression period,

(MR. SIGURDSON cont'd) the writer of this paper suggests that much of the land in Manitoba, based on what happened before, during and after the depression showed very plainly what can happen and what did happen.

In the Swan River valley in the period of 1920 to '29, an average quarter section of land could be purchased for around \$3,000. This same land during the depression could be purchased for \$250 to \$300 from some mortgage companies to avoid having to pay the land taxes thereon; and now in this period of inflated prices is being bought and sold in the neighbourhood of \$20,000 or more per quarter section. Yet this same land even with better prices for the production thereon does not give the farm operator too much more long term security. For the older farmer who has lived and developed his farming enterprise, conditions at the time of writing this are not too bad. But take for instance a young farmer who would have to borrow enough money to purchase land and equipment and live at today's prices, it would be hopeless to attempt even on a 25 or 30 year agreement to start up farming with the assurance that he would be able to pay back the borrowed capital and interest. The reason being no stability in market or price. Our feeling is that something must be done to see that our land as such is available to young farmers either by a rental system - "lease" I have in brackets - or at prices in case of sale that enable the purchaser to repay the monies advanced. Unless this is done, today's young farm people will drift into cities and towns to live as training to do other jobs has become more available and jobs for our younger people are for more short term security than farming at this time. The present trend of our young people leaving farms in ever increasing numbers unless checked by some method of safer land transfer will eventually lead to fewer farmers and larger farms, the majority of which could be in the hands of large corporations whose main interests would be profits which in turn would be costlier foods to Canadian people.

I would venture to say that our present farmers are probably about 60 percent 60 years of age, and unless replaced by younger people who have knowledge, ability and the love of the land, to get maximum yields, and at the same time to protect the land for future generations, we're going to have difficulty in feeding ourselves and the hungry world in general in the not too distant future.

The Agricultural Institute of Canada states that every time our people increase by 1,000, between 300 and 1,200 acres of farm land are lost to urban use. Canada has 170 million acres of arable land but only 14 million acres, not even three percent of Canada's land area are in a climate suitable to top food production. It is estimated that the Canadian population could increase by 12 million people in the next 25 years, as estimated by Statistics Canada, and our most productive land could be cut in half as much of this land could be susceptible to urban sprawl.

Another factor to be considered is that food production costs are considerably higher on poor quality soils. This again would result in higher food costs to our people. For many years land has been considered a commodity to be bought and sold speculatively. This must change. Agricultural land must be regarded as a vital Canadian resource to be protected.

In looking at our country, particularly western Canada, one sees our cities, all of which started a long time ago, built on prime agricultural land, lost as far as food growing is concerned. It seems to me that had we known what was going to happen, the smart thing to do would have been to build our cities and towns on our poor land. Also, in our opinion, buildings should be built in high-rise rather than spread out on large concrete one-level slabs, thereby saving more land for production of food.

Too much of our land is being sold to non-residents as contained in Table No. 1, as per working paper In Search of a Land Policy for Manitoba, page 17, with reference to information contained on pages 15 to 19. We would assume that the information contained therein regarding non-resident ownership is correct and that profits from the production of agricultural products on this same land is in many cases drained off and sent back to build up the countries or areas where the non-resident owners live, to the detriment of our country. Too much of the above type of transfer of real wealth has been sent to the United States, West Germany, etc., to multi-national corporations and others who own all or part of our natural resources of different types.

And further to the above, our rural communities, small and large towns, are

(MR. SIGURDSON cont'd) suffering from the shift caused by land transfer. The social life has changed from what we knew as a close knit fellowship in the old days to a centering of activities in our towns which are gradually giving way to the larger towns and centres, because our farmers are getting fewer and our farms larger.

Then there's the quality of a dedicated, and what is sometimes referred to as the born farmer, or the farmer with a green thumb. This type of farmer should be referred to as a professional as he knows instinctively what to do with soil, what to grow and when to sow, so to speak. This type are not too plentiful but are noticeably in evidence in contrast to some who just farm as a way of life.

In forcing our young people raised on a farm to leave the farm just because there's no security of tenure, no price stability and no real encouragement for them to work at what they should be best equipped to do, is a great loss to our country.

Another study related to a land use policy is the methods used in cultivating and cropping our soils, namely, summer fallow versus continuous cropping. Dr. Rennie, Saskatchewan's soil scientist was quoted as having said: "Summer fallow was the most singular mismanagement practice that has been involved since this country was opened up some 70 years ago." He has presented evidence of the devastating effects the summer fallow can have on the spread of salinity or salt, and the loss of nitrogen from our soils.

Another factor, when summer fallow is used extensively there is the loss of the production of the land in that year which means loss of income, cost of working or cultivating said land, land taxes for a non-productive year.

Summer fallow means the breakdown of fibre and the holding qualities of our soil leading to erosion by wind and water. Continuous crop requires fertilizer over and above what is needed for summer fallow in the way of nitrogen, both require ammonium phosphate to ripen the crop in about the same quantity.

Erosion with both wind and water is arrested by trash cover, by working out in the stubble and the straw from a growing crop, this also helps maintain fibre and also supplies considerable plant food for succeeding crops.

One might go on for a long time writing down their views, and I think our introduction as laymen should suffice, and we would jot down a few suggestions as we see them.

1. The Canadian Government should adopt the policy that prime agricultural land be officially designated for agricultural use.

2. More equal distribution of land among our farmers. Having said the above, we would say that economic reality has made it necessary for farmers of today to enlarge their holdings in order to earn a reasonable standard of living, and mechanization has enabled farmers to better utilize their energies and soil.

3. That it be basic with a yearly assessment of the proper relationship of cost to farm production, and that this be the basis on which to calculate the ultimate price for farm production rather than having prices set by others who exploit either the producer and/or the consumer. Let's take the gamble out of the fruits of our soil and toil.

4. Some method of handling the non-resident owners of farm land. It is suggested that a time limit policy be enacted allowing non-resident owners two or three years to settle on his farm as a farmer or be prepared to sell the land to the government at an arbitrary price.

5. That the government place this same land in a land bank to be leased out in rental to young farmers, with or without an option to purchase, when they have proven themselves as capable and trustworthy.

6. This is a little different again but it still pertains to the soil. Fertilizers and weed chemicals have become very much a part of our tilling of the soil and ensuring maximum returns by the way of crops. Therefore, we suggest that it be the responsibility of government to ensure that fertilizers and chemicals are available for use on our soils at fair prices, to grow this much needed food. It could be much later than we think. Thank you.

MR. CHAIRMAN: Thank you, Mr. Sigurdson. Are there any questions? No questions? Thank you.

MR. SIGURDSON: Thank you.

MR. CHAIRMAN: Do you have copies of your . . .

MR. SIGURDSON: Yes, we have. I can give you one copy at least.

MR. CHAIRMAN: One will be fine.

MR. SIGURDSON: We can make that available.

MR. CHAIRMAN: Mr. Dave Sokolowski and Derek Jones, are they present?

Mr. Clayton Scott, Mayor Perpeluk, LGD of Lynn Lake. I believe Mr. Perpeluk has set out the brief and this will be made available to the committee.

Is there anyone else present who would like to make a presentation to this committee? Hearing none, I wish to thank you very much. Committee rise. We meet on Wednesday at ten. Thank you very much.

The following brief was distributed, not presented, to the committee by the Mayor and Council of The Local Government District of Lynn Lake.

This brief does not intend to deal strictly with agricultural land or recreational land. Rather, it will deal with lands within Local Government Districts and how the local councils are affected by their use and control.

Because we have no agricultural land, I will stay away from that area, but all of the Local Government Districts north of 53 have much good recreational land and also other lands that are being used for either residential or industrial purposes.

All of the lands outside the townsite but within the Local Government District are leased to the user. This leasing is usually done by or through the Department of Mines, Resources and Environmental Management for a yearly rental fee.

Such lands are not only subject to a lease fee, but also to an assessment by the Local Government District. However, because the Local Government District does not issue the lease or is even consulted by the government department prior to the lease being granted, the Local Government District in many instances does not have the knowledge of who the lessee is or the location of the leased area until some time after it has been granted (over one year in many cases).

We, as an LGD do not want to discourage the leasing of land. We do not want to have the final say in who is going to get the lease but we would like to be kept informed at least, or better still, consulted with before any lease is issued. And when the lease is issued we would appreciate having full knowledge of its lessee and location.

Another area of bother is in the cancellation or transfer of leases. Because the leased lands in the LGD are subject to taxation, and change of ownership of the lease made a change in the tax roll, information regarding the transfer of a lease is vital to our records. Again, sometimes it is well over a year before this information is made available to us.

Regarding the cancellation of leases or non renewal of existing leases by the lessee, we have found ourselves trying to collect back taxes three or four years after the lessee has left.

On summer cottage land this does not represent a large amount but on an industrial or commercial lease this can amount to a substantial figure. In one instance, in the Local Government District of Lynn Lake, we were informed of a non renewal of a lease four years after the fact and are still trying to collect taxes of over \$1,500.00. In the meantime, anything of value on the property has been removed and we have no recourse except to write off the amount.

Our recommendations are:

1. Before a lease is issued for either recreational, commercial or industrial land in an LGD that the LGD be consulted and that the Department of Mines, Resources and Environmental Management notify the LGD immediately the lease is issued.
2. That in the event of a transfer in ownership of a lease that the LGD be immediately informed.
3. That in the event a lease is cancelled by the Department of Mines, Resources and Environmental Management or is not renewed by the lessee, that the LGD be immediately informed.

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The Committee Meeting of February 11, 1976, for consideration of the Report to the Legislature will not be transcribed due to recording system failure.