



Legislative Assembly of Manitoba

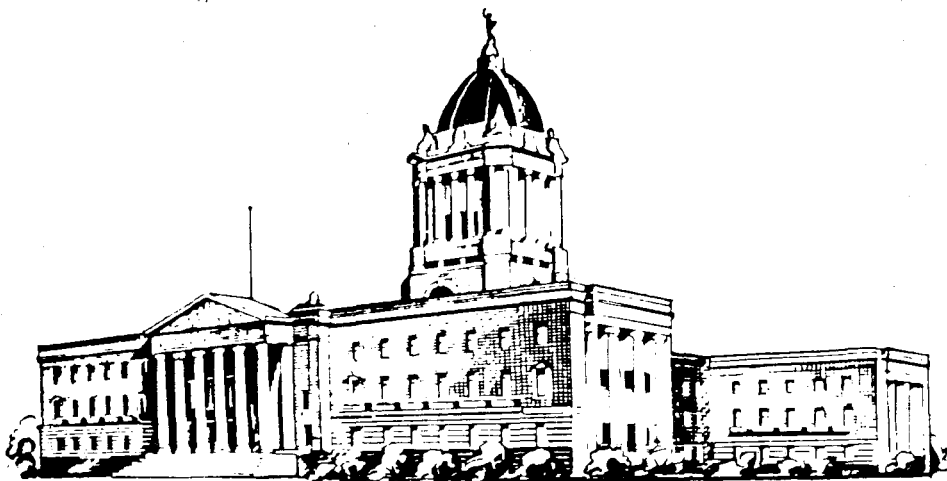
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HEARINGS OF THE SPECIAL COMMITTEE

ON

LAND OWNERSHIP

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



Arborg — Monday, February 10, 1975

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
 FOURTH MEETING OF SPECIAL COMMITTEE  
 ON LAND OWNERSHIP - ARBORG  
 FEBRUARY 10, 1975

Chairman: Mr. Harry Shafransky.

MR. CHAIRMAN: We have a quorum. We may proceed. I have two people on the list indicating that they will be presenting briefs. Is there anybody else who will be presenting a brief this morning? Mr. Johannson.

MR. WALLY JOHANNSON: Perhaps it might be in order to introduce the members of the committee to the audience.

MR. CHAIRMAN: I shall do that, Mr. Johannson. Thank you very much. Once the people are settled down and I have the briefs, I will proceed on that basis.

Is there anyone else here who will be presenting a brief? If not, before I proceed I would like to introduce the members of the committee.

Starting on my left: Wally Johannson, Member for St. Matthews; Harvey Bostrom, the Member for Rupertsland, the Minister of Co-operative and Renewable resources; Tom Barrow, the Member for Flin Flon; Pete Adam, Member for Ste. Rose; Ken Dillen, the Member for Thompson. On my right: Warner Jorgenson, the Member for Morris; Harry Graham, Member for Birtle-Russell; Jim Ferguson, the Member for Gladstone; Dave Blake, Member for Minnedosa; George Henderson, Member for Pembina; Gordon Johnston, Member for Portage la Prairie; Sid Green, Member for Inkster, Minister of Mines, Resources, and Environmental Management; Sam Uskiw, the Minister of Agriculture. And I'm Harry Shafransky, Member for Radisson.

We have Terry Eyjolfson, Manitoba Cow-Calf Producers Association; and Donna Steinthorson, a rancher's wife.

Mr. Eyjolfson . . .

A MEMBER: Maybe there are others.

MR. CHAIRMAN: Is there anyone else? Mr. Palamarchuk, Donna Steinthorson; and you are from Silver. Mrs. Steinthorson, you may come forward please; you can take the chair there.--(Interjection)--Yes, you may proceed.

There are some copies that have been distributed; I don't believe there is one for every member, but you can share it.

MRS. DONNA STEINTHORSON: Mr. Chairman, Members of the Board, Ladies and Gentlemen: I'm Donna Steinthorson, Registered Nurse, of necessity, presently employed at Eriksdale Hospital, as well as being a rancher's wife. I represent a group of ranchers from Siglunes Municipality.

The Working Paper "In Search of a Land Policy" is a rambling document contrived with one goal which is to prove that the real salvation for agriculture is government-purchased land leased back to the individual farmers. In typical fashion only the positive side is shown through argument and statistics, but the very basic and easily distinguishable follies of such a plan are ignored totally.

While no one can state that there are grave problems with the present system in agriculture, we must also freely admit that any government intervention over the past 30 or 40 years, be it federal or provincial, has had dismal results.

The federal dairy quotas, the program to take land out of grain production, the incentive programs to enlarge cattle herds, and finally the Egg Marketing Board, will prove to any unbiased observer that governmental agricultural policies have been short-sighted, lacking in perception, usually carried out by people totally lacking in true insight into agriculture, and always disastrous to the agricultural sector that they are supposed to benefit.

Are we not headed for the most colossal blunder imaginable, the takeover by the Provincial Government of all farmland. If this sounds strongly worded it would still seem the likely outcome of any land purchase scheme. While the arguments presented for such a system may at first glance seem to be very rational, those who have lived on farms can understand the economic situation, those who manage farms can understand the economic situation, and those who manage farms and must do so efficiently to stay viable, quickly see the weak and impractical side of government ownership.

(MRS. STEINTHORSON cont'd)

History teaches us lessons and one gain from the middle ages is that tenement farming leads to subjugation of those renting the land. While we do not be so extreme as to draw a total comparison between today's mechanized farming and the feudal system, yet some of the natural outcome would be an opportunity for the government of the day to lord it over the individual, to display favouritism in allocating land, to make final decisions in land use detrimental from an agricultural standpoint but rather controlled by recreation or commercial consideration. We feel that this is putting a lot of power into the hands of a few people. This power would be controlled by people to whom farming is an alien way of life.

The Working Paper states on Page 62 that "owner" rather than "operator" captures all of the major part of the benefits of economic rent. This applies to government ownership but it applies to other areas of ownership. What would make it different? After the 20-year period of five percent rental, rentals would represent the profits to government while the tenement farmer would finance all investments, improvements and expenses, and take all the risks from weather, world markets and general economic conditions. The variables of such thinking become boundless when we attempt to project what the distant future of the land policy might be. Governments come and governments go. What type of leadership will we have by the year 2000? Can anyone predict the ideology or actions of those empowered to govern our province. Land ownership could become no longer a vehicle to enable farmers to get started and be viable but instead a means to control production both to quantity and type. . . manipulating holdings to extremely large to very small farms, and in general wrestle any freedom from the agricultural populous. A natural lack of incentive would follow such restrictive moves and the farm community would not be able to produce to full extent. This lesson is also taught to us by countries now employing state owned farms.

During a recent speech here in Manitoba, Agriculture Minister Eugene Whelan, expressed the opinion that private ownership was the greatest incentive to food production. No amount of arguing can disregard that our farming industry has been superior to all others in efficiency. We have over-produced and thus have created a poor economic climate in such areas as beef. In our particular industry, beef cattle, long hours of hard work are necessary. The general populous is unaware of the rugged life we on farms must in most cases endure. Apparently about five percent of the population are farmers. It would be very easy then for a government to neglect such a numerously small percentage of the population in decision making. Our contention is that since by all reports the farm community rejects government ownership almost 100 percent, it is most unfair to implement such a policy. Why not apply such a policy to small businesses, in city lots and dwellings. All your arguments presented in the Working Paper could be applied equally to these segments. We feel that purchasing a home in the city, a business, hotel, small store, etc., is no different than buying a farm. Why distinguish in human rights. Only by owning our property will we have any bargaining power.

We respectfully suggest the government follow the lead of other provinces in going slow in making final decisions. A government land takeover would be against all wishes, making it discriminatory. A freeze should be put on all foreign ownership until the situation has been clarified. More time is definitely needed to form a true picture. We do not deny that a land use policy is necessary but we feel that a more complete study is very important; before decisions are made wishes of those directly involved must be considered.

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

MR. USKIW: Mr. Chairman, I would like to ask Mrs. Steinthorson how she assumes that government is proposing to take over all the land in the province. That seems to be an assumption built into the submission, and on what basis - that's not what the paper said, the Working Paper does not indicate that, it merely draws comparisons between foreign ownership, private ownership, public ownership, etc. How do you draw the conclusion that the paper suggested there be a policy that the government buy out all the farms in Manitoba?

MRS. STEINTHORSON: Mr. Uskiw, I believe that some of your own figures from your government offices have stated that government purchased land in the last 15 months has been somewhere in the 63,000 acres. Is this not true?

MR. USKIW: Are you familiar with the program?

MRS. STEINTHORSON: I can't say that I am completely familiar with the program, no. That I am going partly by some of the facts that I have got and partly by some of the things that I have read.

MR. USKIW: Yes. All right. So obviously you don't know the purpose of the government involving itself in land acquisition. Perhaps maybe it might be appropriate then for me to indicate to you that that is a voluntary program wherein people who wish to sell land to the Crown may do so and people who wish to lease it back may also do so, but no one is compelling them to do either. That is optional to both parties. And the people that are using the program are people that otherwise could not either expand their farm holdings because of lack of financing, the inability to raise mortgage money, or a young person who is just starting out and can't accumulate enough assets on which to borrow money; these are the kind of people that it's meant for.

Now there is an option to purchase eventually, after five years, under the lease arrangement. Therefore how do you draw the conclusion that those lands become public properties for ever and a day? It really depends on the individual who is using the program as to whether they are going to buy those lands or they're not, or whatever. You're obviously not familiar with the program then I take it?

MRS. STEINTHORSON: I have admitted that I am not completely familiar with the program; I have also stated that I have some knowledge of it, and the conclusions that I have come to on it are that the government is buying the land, you can lease it back or you can purchase it back - not back from the government, you can purchase it from the government. That are there not other ways in which the government could help a young farmer to get started in farming rather than taking the land and owning the land and really taking away the incentive to buy the land. You don't, I believe, in your policy state when the agreement is entered into what the purchase price would be at the five years - the purchase price, I believe is the price that it would retail for at that time. There is no established price.

MR. USKIW: The price of land at any given time, yes.

MRS. STEINTHORSON: There is no established price.

MR. USKIW: Yes, that's correct. Let me then ask you this following question: If you were the owner of a large block of land and I was leasing it from you for five years with an option to buy it, would you write in five years in advance the value at which I would buy that land - or would you say well whatever the market value is at the time, that is what the price will be?

MRS. STEINTHORSON: In other words, according to that I gather that the government is speculating when they are taking over this land.

MR. USKIW: But you see you're saying taking over, the government is not forcing anyone to sell the land.

MRS. STEINTHORSON: I retract that statement. When the government is purchasing this land, they are speculating then. Am I not correct?

MR. USKIW: No, the government responds to a request from someone who wishes to sell land, as to whether the government is interested in buying it. On the other hand, it responds to a request from someone that wants to lease land, and therefore it's a response mechanism. We are not banking land hopefully to get enough lessees to use it, we aren't buying it indiscriminately. In fact we've turned down about 59 percent of the people asking government to buy their properties. I think we're buying about 41 percent of the offers.

MRS. STEINTHORSON: May I ask why you are buying that percentage, what makes the difference . . .

MR. USKIW: The lack of agreement on price, etc., there's no agreement that's all. In other words, we're not that hungry for land that we are prepared to offer any price in order that the government get control of land; it has to be within reasonable market value. And it has to be a need that is demonstrated through someone who wishes to sell and someone who wishes to lease. At that stage we become the vehicle for those two individuals. And it could be a father-son arrangement for example, where the father wishes to retire but needs his money for retirement purposes, can't afford to give his farm to his son, and therefore the Crown pays the father, leases the land to the son who can at some point in time buy it if he wishes to.

MRS. STEINTHORSON: This to me is another reason that the farmers are in trouble right now; that you have just stated that the father cannot afford, after a lifetime of working, to be able to retire.

MR. USKIW: That has nothing to do with land policy though . . .

MRS. STEINTHORSON: Anything to do with land policy has to do with agriculture.

MR. CHAIRMAN: Mr. Henderson.

MR. HENDERSON: Could I say something, on a point of privilege. I don't think that Mr. Uskiw means to do it, but when he was giving the information, not only to the witness but as to the crowd, he said is at market value at that time. I have a lease in front of me here and it says "the higher of either of the two". And when you were speaking to the crowd you said "at market value".

MR. USKIW: Yes, what the lease says is that the Crown will not lose money; that in other words, the Crown could not be bound to sell land at a given time when the market is low no different than a private individual who may not want to sell land at the time that the market is down in land. In other words, the Crown is not going to make a loss. So they are saying either we get our money back or at the market value, which ever is the highest.

MRS. STEINTHORSON: In other words they are speculating.

MR. USKIW: And that means that we are not going to use taxpayers' money to subsidize the program - that's all that means; we are not going to risk taxpayers' money to subsidize the program. We are insuring to that contract that if land prices went down to zero because of some catastrophe that at that point in time we would not be prepared to give up our land for nothing, and we would want to wait until the land values were back where they should be. So we are protecting the public purse in making that division.--(Interjection)--

MRS. STEINTHORSON: To the government.

MR. CHAIRMAN: Mr. Graham--(Interjection)--I'll put you on the list and you can, otherwise it does not mean very much on the transcript.--(Interjection)--Yes I shall.

MR. USKIW: The other point that you raised, Madam, is, why the discrimination; why aren't we involved in the urban sector, home ownership, business, entrepreneurship, and so on. Are you not aware that the Province of Manitoba has been involved in the expenditures of, oh I would say in excess of \$120 million in the last four years, or five years in building low-rental homes or apartment dwellings for people who can't afford to buy their own home. What I'm saying is, that we are doing it in other sectors; you are saying, why aren't we? I'm just making the observation that we are.

MRS. STEINTHORSON: Well I would disagree with you on that; that is not a business.

MR. USKIW: Pardon me?

MRS. STEINTHORSON: That is not a business. Farming is a business, is it not?

MR. USKIW: No, but home ownership is also, government-ownership of the home and a rental arrangement, and that's the parallel that I'm drawing there; where people can't afford to buy a home, or a piece of property with a home, they have the option of entering a low-rental unit through the Manitoba Housing and Renewal Corporation. It's analogous to that extent.

MR. GREEN: See, you have referred to it.

MR. USKIW: In your paper you have referred to it.

MRS. STEINTHORSON: Yes. Right.

MR. GREEN: . . . a private dwelling, the same way private dwelling . . . home in the city.

MR. USKIW: So we are doing that and have been doing it for five years.

Now the next point you raised had to do with government involvement in agriculture generally. Do I take it from those comments that you would prefer that government not be involved? You have very negative comments on government involvement and you make some point of the egg marketing system and a few others where you feel that government shouldn't have a role there. What are you trying to say, that government should completely divorce itself from the agricultural community?

MRS. STEINTHORSON: I'm saying that in the agricultural sector that the government should be more careful who is going to be benefitting by the incentive programs which you put out; whether they are really to benefit the people in agriculture, or if they are for a cheap food policy, which seems to be both a world, federal and provincial policy.

MR. USKIW: You mention in here specifically the egg marketing situation. What do you mean by that? What is the importance of mentioning the Egg Marketing Board's operation. I mean, how do you see the operation that you raise as a problem to you?

MRS. STEINTHORSON: It's a problem to me?

MR. USKIW: Yes, in your brief you mention that there's a very serious problem in the egg industry and it's because of government involvement, and I would want you to illustrate

(MR. USKIW cont'd) . . . . for me, what is the nature of the problem, or why is it, in your opinion, a serious problem? What is the problem in the egg industry as you understand it?

MRS. STEINTHORSON: That the farmers just certainly aren't making their fair returns on their investment.

MR. USKIW: Oh, I see, you're of the opinion that notwithstanding the setting up of a national marketing board, that that has done nothing to stabilize prices; is that what you are saying? You're saying it has done the farmer a disadvantage? See, the reason why I ask you that is that the opposite is true, that the controversy over egg marketing was because of the dumping of eggs rather than the lowering of the price of eggs to the farmer; and that to me says it was a successful venture from the standpoint of protecting the farmer's investment.

MR. GRAHAM: That's not true.

MR. CHAIRMAN: Mr. Graham, would you like to intervene at this time and make your comments so we can understand and have it on the record what you mean by it not being true.

MR. GRAHAM: If I may, please.

MR. USKIW: Well, Mr. Chairman, I think . . .

MR. CHAIRMAN: Order, please. Order, please. Mr. Graham, do you wish to be on the list at this time? You seem to be interrupting. I will put you on the list and Mr. Uskiw you can wait until Mr. Graham explains what is not true so that we can all understand it.

MR. USKIW: Right.

MR. CHAIRMAN: Mr. Graham.

MR. USKIW: Mr. Chairman, I don't believe that Mr. Graham should have the floor at this point. I'm not through with my . . .

MR. CHAIRMAN: Okay. If you do not wish to yield, then proceed Mr. Uskiw. I'll put you on the list, Mr. Graham.

MR. USKIW: Is it not a fact that despite over-production of eggs in Canada, that the producer of eggs have enjoyed a high price which normally under an open marketing system would have been a disaster price, under those surplus conditions?

MRS. STEINTHORSON: It's just that I think like in many other instances it's rather controversial and according to the facts and figures they can be made to read as you want them to be made to read.

MR. USKIW: No, but it is a statistical fact; I mean it's not something we're pulling out of the air, the egg producers of Canada have done very well price-wise, but because the prices were so good they also did a bit of cheating, they produced more than they were allowed to in accordance with their quotas. And it's the over-production that's been the controversy; it wasn't the fact that the price was wrong to the producer. So to that extent they were successful in the pricing side but obviously they had a great incentive to over-produce and that has been the problem, magnified by the fact that we count eggs in singles now rather than in dozens. We like to dwell on 28 million eggs, which is about two days production in Canada, or something like that.

Is it true then that your impressions are based on sort of the image rather than the facts on those points that you raise, that it's really impressions that you have rather than factual information?

MRS. STEINTHORSON: Mr. Uskiw, I rather object to your line of questioning on some of this because obviously you are in a much better position, you do this type of thing quite frequently. I've come here with a disagreement that we have; we are very serious in our disagreement on the land use.

MR. USKIW: What are we disagreeing on, if you would tell me?

MRS. STEINTHORSON: You feel that it's all right for the government to be taking over 63,000 acres - or not taking over, pardon me, I retract that - buying 63,000 acres . . .

MR. USKIW: On the request of those that want to sell and want to lease - the response.

MRS. STEINTHORSON: This is true, but it is also the fact that we disagree that the government should not own the land . . .

MR. USKIW: All right. Then if that is so . . .

MRS. STEINTHORSON: . . . and if this is the policy that it should be given a longer look-at before it's agreed on.

MR. USKIW: If that is so, then you would agree with me that the right to purchase, which is built into the agreement, is a good provision, that ultimately the lessee can take the land back into private ownership . . .

MRS. STEINTHORSON: Definitely.

MR. USKIW: . . . if they choose to do so.

MRS. STEINTHORSON: I definitely agree that farmers should own their land.

MR. USKIW: All right. So if that is true, then how do you continue saying, on what basis do you continue putting the idea that government is retaining the ownership of land? That would only be true if there was no option to purchase.

MRS. STEINTHORSON: Because to be able to buy the land you have to be able to make a profit before you are going to be able to have the money to buy it.

MR. USKIW: That's correct. That's correct whether you're buying it from the government or whether you're buying it from your neighbour . . .

MRS. STEINTHORSON: Right.

MR. USKIW: . . . that doesn't change the picture. But is it not true that the only way government could end up owning all of the land through the lease program is if there was no option to buy, but in fact there is an option to buy and therefore that cannot happen unless, unless all of the people in Manitoba that lease land don't exercise that option.

Now I should like to illustrate for you that in Ontario the option to buy is not for ten years, ours is after five; and in that sense we are more liberal on that question, or, shall we say, open on that question than our counterparts in Ontario.

MR. CHAIRMAN: Mr. Ferguson.

MR. USKIW: I have one last question, Mr. Chairman.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: You then in your summation here suggest that we freeze land sales to foreigners. Why do you object to someone outside of Canada owning land? Or at least you're not objecting, you're saying let's not sell anymore for awhile, let's legislate a freeze until we know what we want to do; that's really what you're saying. Why do you feel we should do that.

MRS. STEINTHORSON: Because I think that it's something that warrants taking a longer look at before we let anymore of our land go to people who do not live in our country.

MR. USKIW: Do you feel that there is something wrong if someone from outside of Canada owns land in Canada?

MRS. STEINTHORSON: And does not live in Canada and spend their money in Canada.

MR. USKIW: You feel that is a bad thing?

MRS. STEINTHORSON: Yes I do.

MR. USKIW: I see. Why? What . . .

MRS. STEINTHORSON: This is my personal opinion.

MR. USKIW: . . . what problems does it create for Canada when that happens?

MRS. STEINTHORSON: Well I would say mainly that the money from agriculture there is going out of the country.

MR. USKIW: Well let's assume that somebody in Australia owned all the land around Arborg, what would be wrong with that from your point of view?

MRS. STEINTHORSON: If he didn't live in Arborg?

MR. USKIW: No, he would live in Australia but he would own it here and lease it to you and your neighbours. Or do nothing with it; maybe he wouldn't do a thing with it, he would just let it go back into its natural state. What would be wrong with that, from your point of view?

MRS. STEINTHORSON: From my point of view, it seems to me that agricultural land is supposed to be used to produce food and if foreign ownership, if they did not produce food on our agricultural land, that Canada as well as other countries are going to be going pretty hungry.

MR. USKIW: Well how would that be different from a Canadian who bought all the land around Arborg and let it go back into its natural state. What would be the difference? I mean you said that if the foreigner owned it and didn't make it produce agricultural products that would be bad because the world needs food; but if I owned it all and I didn't produce any food, what would be the difference between my ownership and the owner in Australia?

MRS. STEINTHORSON: Well I don't think there is really that much difference. I feel that agricultural land should be used to produce agricultural products.

MR. USKIW: There's no disagreement there. We're only talking about the foreign ownership question.

MRS. STEINTHORSON: What is the disagreement then?

MR. USKIW: That's what I want to know from you. So far we're in agreement.

MRS. STEINTHORSON: Then I am stating that a freeze should be put on all foreign ownership until the situation can be clarified for our land use in general. If you agree with me, what is the point of the question?

MR. USKIW: No, I've agreed with you that agricultural land should produce food, it shouldn't be idle. The problem I have is in understanding why you think the Australian should not own it and a Manitoban should own it, even though neither of them are producing food. --(Interjection)--

MRS. STEINTHORSON: If Mr. Green has a question, I would appreciate hearing what he has to say, too.

MR. USKIW: No, I think he simply points out there could be the situation where the Australian might be producing food by leasing it to you and your neighbours, by leasing the land then you would be producing it, and a Canadian may not, a Canadian may decide that we won't put this land into production, we want to have it for hunting, or build some ponds on it for some ducks. You know, you have all sorts of possibilities.

MRS. STEINTHORSON: Definitely.

MR. USKIW: So that wherein lies the reasoning that somehow there should be something said against the foreigner who wants to own land, since either can misuse it. Aren't you really talking about the misuse of land now rather than who owns it?

MRS. STEINTHORSON: I'm referring in here to the foreign ownership in our land and also that the owner of the land is the one who captures all of the major part of the benefits of the economics then.

MR. USKIW: Yes. Right.

MR. CHAIRMAN: Mrs. Steinthorson, you do not have to answer the question if you feel that you don't wish to get into it because of others involved. You're not obligated to answer questions. That is all, we'll just proceed to the next person.

MR. USKIW: All right. Then my last point. If all of the economic rent accrues to the foreign owner, why is it bad that the economic rent should accrue to the foreigner and good that the economic rent should accrue to my friend who lives in the City of Winnipeg who wants to own all the land in Arborg? What is the difference?

MRS. STEINTHORSON: The person that lives in Canada usually spends their money in Canada. Isn't it better, isn't it usually better for the economy of Canada. Now I feel that I am out of my depths here by arguing with you on a point that - I am a rancher's wife, I am not a politician, I am not a lawyer, and I feel that you're trying to draw me into an argument on something that I do not have the facts and statistics to answer . . .

MR. USKIW: I appreciate that and I'm not trying to put you on the spot, I simply want to . . .

MRS. STEINTHORSON: I feel you are.

MR. USKIW: Well I want to draw from you why it is you have these opinions, because unless I can get that from you then your brief has no substance; it really means that we can't take recognition of the reasoning in your brief, other than some intuition, or perhaps you've been sold on an idea, that you're not really sure why you feel that way, whether it's an image thing. You know, if you have real concrete reasons why you make these strong points about foreign ownership versus Canadian ownership, then it's good for the committee and for the record to know what in your opinion is a bad thing about foreign ownership, what is a bad thing about absenteeism ownership in Canada, if it exists, or whether it is, and so on. So it's from that point of view that we are trying to elicit from you the opinion - we're not trying to put you on the spot.

MR. CHAIRMAN: Mrs. Steinthorson, I must say that we are trying to get information and when you appear before a committee, we are asking questions in order to get that type of information to get your ideas on the record so that we can consider. There has not been to my knowledge any type of legislation prepared and it is on the basis of these meetings that we are hoping eventually to derive at some type of conclusions on the question of land use. This is the whole purpose. So when the questions are being asked, if you cannot answer - I believe you stated you feel - well there is nothing to be embarrassed about the fact, but we are trying to get some dialogue in order to get some understanding what it is - the whole question what the problem is in deriving a policy on land use. Mr. Graham, on a point of order.

MR. GRAHAM: On a point of order, Mr. Chairman. Am I to understand the Minister of Agriculture correctly, that if he doesn't get the answer he wants from a witness that the brief will not be considered in any way.



MR. USKIW: Mr. Chairman . . .

MR. CHAIRMAN: Mr. Graham, I've just explained the whole situation and I do not believe that that has been the type of dialogue that was being discussed here.

MR. USKIW: Mr. Chairman, on a point of . . .

MR. GRAHAM: Mr. Chairman, on that point of order, I would like that question answered.

MR. USKIW: Mr. Chairman, on a point of privilege. That is not the proposition I put forward, I said that what I wanted was clarification so that we as a committee can properly understand the views of the people making their representations here today; and unless we have an exchange of questions based on their material we are not going to be equipped to give their brief any consideration, because the brief itself, this particular one, does not tell us why the individual is opposed or in favour of certain positions. That is the important part of our consideration, is to determine the reasoning behind the brief, and certainly the more clarification we get on the record the better position the committee will be in to make its final recommendation. So I suggest, Mr. Chairman, that the intrusions of my friends to the right are unwarranted.

MR. CHAIRMAN: Mr. Graham.

MR. GRAHAM: Further on that point, Mr. Chairman; then am I to assume that all written briefs that have been submitted are not going to be considered at all because they haven't had the chance to find out why?

MR. CHAIRMAN: Mr. Graham, that is not what you are to assume; there has never been any indication that that has been the position taken. There have been presentations made and there are questions of clarification in order to get the meaning of that brief on the record, Mr. Green, on a point of order?

MR. GREEN: Yes, I wish to speak on a point of order. I think that each committee member saw within himself to take whatever position with regard to a brief or whatever position with regard to whether it contained substance or doesn't contain substance as any other member, and I know that Mr. Graham is not suggesting to him that Mr. Uskiw can dictate to Mr. Jorgenson, Mr. Graham, Mr. Ferguson, Mr. Blake, Mr. Henderson, Mr. Johnston or any other member of this committee, as to how he will deal with a brief. So therefore, unless I misunderstand Mr. Graham, that he now thinks that Mr. Uskiw can dictate to him what he shall think, which I never understood to be Mr. Graham's position; he is not making a valid point.

MR. CHAIRMAN: Mr. Uskiw, you may proceed.

MR. USKIW: I've completed my . . .

MR. CHAIRMAN: Mr. Ferguson.

MR. FERGUSON: Yes, thanks, Mr. Chairman. Mrs. Steinhorson, I have only a couple of questions I'd like to ask you. The first would be: in your immediate area how many takeovers or how many farms have the government purchased, shall we say, in the past 15 months? Roughly, I mean you don't . . .

MRS. STEINTHORSON: This is something that I have not got the knowledge of, I believe in the In Search of a Land Policy for Manitoba you have stated it is very difficult for you to find out who the true owner of land is, so I don't really think that you should expect me to know who owns the land in our area.

MR. FERGUSON: No, what I meant was in your immediate area, neighbours and friends possibly that you knew about transactions. This is fine. And has it been your experience at any time that MACC have been bidding against local people in buying of this land?

MRS. STEINTHORSON: I have heard this but I have no facts or figures on it so I would prefer not to make any statements on that.

MR. FERGUSON: Okay.

MR. CHAIRMAN: Mr. Graham.

MR. GRAHAM: Really, Mr. Chairman, my argument was with the Minister and as far as the person who has presented this brief . . . I would like to ask one comment though. When Mr. Uskiw was talking about the higher price which a person could purchase at, in the purchase after a five year lease, we do know that there have been no leases that have run the five years yet so we can only assume what is going to happen at the first period when these things will happen. But I believe he stated that it would be at the "higher price" of either the market value or the original purchase price. So that really would you not agree that there is no way

(MR. GRAHAM cont'd) . . . . the government will be losing money in this deal?

MRS. STEINTHORSON: Yes, I would definitely agree with you on that.

MR. GRAHAM: It would more or less mean there would be a guaranteed profit for the government?

MRS. STEINTHORSON: Yes, I would agree with you on that.

MR. GRAHAM: In this winner-loser deal then, it would probably be the farmer that would be the loser; is that right?

MRS. STEINTHORSON: In my estimation I feel that it likely would be.

MR. GRAHAM: That's all.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mrs. Steinthorson, I am very interested in some of your positions with regard to generally public intervention in the agricultural economy, because I must admit that I am a city person and I try to interest myself in rural matters, particularly within the last 13 years or so, and I have always had the impression that the rural people are very much interested in the public having an involvement in their affairs, and if that's wrong then I want to sort of have my views on this shaken because I don't want to have views about the rural population which are not correct.

You say that over the last 30 years government intervention has had dismal results. Of course our government has only been in existence five years, so you're saying quite a few things about other governments and being partisan I'm very happy that you are criticizing them, but some of the things that they did I thought were pretty good. For instance, do you think that the cash advances on farm stored grain were bad for the farmers? It was a program of Mr. Diefenbaker.

MRS. STEINTHORSON: Not having been a grain farmer and not really knowing that much about this I would decline to answer that.

MR. GREEN: You say that any government intervention over the past 30 or 40 years, be it federal or provincial, has had dismal results, but you wouldn't include in that, any government intervention, cash advances on farm stored grain?

MRS. STEINTHORSON: I did not say that, I said that I did not have an opinion on that specifically.

MR. GREEN: So then you wouldn't include it as being one of the ones that had dismal results?

MRS. STEINTHORSON: No, I did not say that. I said that I would not say whether it was for or against because I did not have definite information on that specific thing.

MR. GREEN: I'm really trying to find out what your position is because you say any government intervention has had dismal results. Now, would you call cash advances on farm stored grain a government intervention? --(Interjection)--Oh, no but she's talking about . . . --(Interjection)--

MR. CHAIRMAN: Order please.

MR. GREEN: You know, this woman, to me, is far more intelligent than the people to my right, I find her brief to be much more helpful than the answers I'm getting from the people to my right, and therefore I want - because she did not refer to ranch policy, and land use policy in many cases has nothing to do with ranchers, in many cases it's grain farmers, and this woman speaks very well on agricultural problems as a whole, and you people don't have to protect her, she's doing fine.--(Interjection)--As a matter of fact she's giving me much more help than you are - or have ever given me.

I'm dealing with your statement that the present system in agriculture, and you're not talking about ranching; we must also freely admit that any government intervention over the past 30 or 40 years, be it federal or provincial, has had dismal results. Now I'm suggesting to you that in my mind - and maybe I'm wrong about this - cash advances on farm stored grain was a government intervention that was wanted by the agricultural community in Canada. Now do you agree that that is a government intervention?

MRS. STEINTHORSON: I have already stated that this is something that I don't have knowledge of.

MR. GREEN: All right. Then when you say "any government intervention" you were not referring to cash . . .

MRS. STEINTHORSON: I was not being specific, and you are.

MR. GREEN: Well exactly. Mrs. Steinhorsen you would not want me to just ignore that. If you were able to tell me for instance, that cash advances on farm stored grain had dismal results, that would shake my thinking and I would want to hear from you. But you are not able to tell me that.

MRS. STEINTHORSON: Possibly there is someone who has helped me prepare this brief who has more knowledge of grain farming . . .

MR. GREEN: Mrs. Steinhorsen, I'm really not trying to do anything other than find out - some of the things that I believed were good, I'm trying to find out whether they were good. For instance . . .

MRS. STEINTHORSON: Then why will you not allow me to call someone who has . . .

MR. CHAIRMAN: There is no objection . . .

MR. GREEN: I want to deal with you, and I will have no objection to asking and being informed by any person here, but I'm asking you because you presented a brief that said "any government intervention has had dismal results".

I have believed that cash advances on farm stored grain was a government intervention, I did not think it had dismal results and I was trying to find out - and if you don't know, that's fine, I won't pursue it.

MRS. STEINTHORSON: I am stating that - you will notice that I represent a group of ranchers. Now I presented this for them and if there are some who are with me that have any better knowledge specifically on this I would request that I be allowed to call them and they can . . .

MR. GREEN: Certainly. They will be able to come up afterwards . . .

MR. CHAIRMAN: This is allowed, and you may call on any of your people who helped in the presentation you may call them to assist you. There has never been any objection to that.

MR. GREEN: Absolutely. I think that you are doing better, by the way, than possibly some others who have come so you shouldn't feel so defensive about your own capability, I think you are doing very well. But we can say that when you presented a brief on behalf of those people that you did not specifically relate it to cash advances on farm stored grain?

MR. CHAIRMAN: Your name, sir? You are going to . . .

MR. GREEN: Now in 1957 the Diefenbaker administration paid every grain farmer, I believe it was, an acreage payment of \$1.00 per acre, up to \$200.00, which I believed was an intervention by the public in agriculture, and although I didn't think it was the best thing, it was certainly better than nothing, in my opinion. Do you consider the acreage payments by the Diefenbaker administration to have had dismal results?

MRS. STEINTHORSON: Would you please repeat that?

MR. GREEN: Between 1957 and 1958, no it was between '57 - I believe it was just before the '58 election - that the public, the Diefenbaker administration, Conservative administration, because there was a problem with regard to price in agriculture, made an acreage payment of \$1.00 an acre up to a maximum of \$200.00 to all grain farmers. I thought at the . . . --(Interjection)--

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

MR. GRAHAM: I think Mr. Green is trying to interpret the decisions that Mr. Diefenbaker made at that time . . .

MR. CHAIRMAN: Oh, Mr. Graham . . .

MR. GRAHAM: . . . and he's perfectly entitled to put whatever interpretation he wants on them, but I think Mr. Diefenbaker can well . . .

MR. CHAIRMAN: Mr. Graham, that is not a point of order, that is not a point of order.

MR. GREEN: Mr. Chairman, I sincerely - you know other members of this committee will not believe me, but I would like to really have some information as to how this public involvement has hurt the farmers in this country, and if this woman can provide me with that - I did not really believe in the acreage payments but they were better--(Interjection)--no, I want the young lady to help me. You know, Mr. Jorgenson and I have discussed it on many occasions and I really did not get help from him, but now I have a--(Interjection)--No it's not I who am in difficulty, Mr. Jorgenson; the problem that I have is reconciling the statement - and this is a young lady who says that over the past 30 years only five of which - never federal New Democrats, only five New Democrats provincially here - there have been government intervention in the agricultural economy with dismal results. She is therefore giving me some fuel

(MR. GREEN cont'd) . . . . with which I can attack the Conservative administration, although thus far I still agree with Diefenbaker and not with her - thus far - but I am trying to find out whether Mr. Diefenbaker was in fact wrong with the acreage payment program.

MRS. STEINTHORSON: Would it be permissible for my colleague to answer?

MR. CHAIRMAN: Yes, what is your name, sir?

MR. STEINTHORSON: Lorne Steinthorson.

MR. CHAIRMAN: Lorne Steinthorson. Okay, Mr. Steinthorson. Proceed. You may answer.

MR. STEINTHORSON: In answer to your question as to whether the acreage payment was beneficial, I would say this was a very short-term policy, a crash policy, more or less to save the western economy.

MR. GREEN: I agree with you. Did it have dismal results . . . I agree with you. That's what I've been telling Mr. Jorgenson.

MR. STEINTHORSON: I think what Mrs. Steinthorson is trying to get across is the fact that some of these long range programs for instance - and she's not implying that it's a total reason for what we are faced with today, but it is a prime factor - that anything that creates a false economy has dismal results in them at the marketplace.

MR. GREEN: Then I'd like to know, I hope . . .

MR. STEINTHORSON: When any industry is in real trouble that really affects the total economy and the welfare of all in the country, I see nothing wrong with any government doing something to save the economy after all. But you know something that's long range, for instance, that will affect the people directly involved should be considered very closely before it's administered as policy.

MR. GREEN: You know, I agree with you entirely, I don't disagree; I only take from the brief, you know, and I have to go with what has been presented to me and what I have been told by rural people all over in the last 20 years. . .

MR. STEINTHORSON: Yes.

MR. GREEN: . . . and it says, "any government intervention over the past 30 or 40 years, be it federal or provincial, has had dismal results". Now I gather that you don't mean "any government intervention" because you say that the acreage payments . . .

MR. STEINTHORSON: I'm just saying that the particular subject that you chose to speak on was a crash program . . .

MR. GREEN: I dealt with cash advances on farm stored grain, I dealt with . . .

MR. STEINTHORSON: . . . because the economy was in such a state.

MR. GREEN: Well, Mr. Steinthorson, are you aware of any agricultural community in Western Europe, United States or Canada that doesn't have as a long-range program public intervention, such as the Benson program in the United States which guaranteed prices to farmers, such as the programs in France, and in Germany and in Italy which guarantees price stability and tariffs to farmers to protect the viability of the rural economy; are you aware of any places where these do not exist? Perhaps maybe in some of the Asian countries they existed for many years, but I don't think that it profited greatly the Asian farmer as I saw it.

MR. STEINTHORSON: Well would you consider that agriculture on a world-wide basis is good?

MR. GREEN: Mr. Steinthorson . . .

MR. STEINTHORSON: You have the information . . .

MR. GREEN: Let me put it to you this way. That where the public has been involved in agriculture and in dealing with agriculture, it has not been worse than where they have not been involved. That's my opinion, but I would welcome you showing me where I'm wrong. In other words, you have said that this is incorrect, and I would welcome . . .

MR. STEINTHORSON: What we're mainly concerned with, as a small group, and like my wife said, possibly not that well-informed because after all - but I'm not trying to find excuses for being not involved, or not knowing better, maybe we should, but I'm merely saying that in our society anytime that there is a false economy created--(Interjection)--No, I'm not knocking anybody but I'm saying just what affects us as citizens in the cow-calf business, because this is what we are in, that it does affect us and you will have to admit that when you create a false economy by dumping money into the hands of the individual that this is exactly what it creates, and whoever does it in governments that is neither here nor there as far as we were concerned.

MR. GREEN: Well, Mr. Steinhorson.

MR. STEINTHORSON: I don't know . . . It seems to me we're getting off the subject, maybe I'm wrong.

MR. GREEN: It seems to me that you are getting off the subject. I'm willing to accept, and I respect it because I have sort of firm beliefs one way or the other, and I respect firm belief coming the other way, but when the beliefs are based on misunderstandings of fact, then I'm trying to find out whether that is so. I think it's quite legitimate for people to believe that the least government involvement the better, that is a legitimate belief which I respect. There are others who believe that more public involvement to the benefit of everybody is a better thing, and I would ask you to respect my belief in that question.

So when we say - now then we start coming to the specifics, I want to find out which government intervention has had dismal results, and I know of, you know, the following government intervention, which we didn't start; the cash advances on farm stored grain, the acreage payments, the Federal Credit Corporation, the Manitoba Agricultural Credit Corporation, all of which I thought have been some benefit, and which have been used, by the way, the Manitoba Agricultural Credit Corporation and the Federal Credit Corporation have been used by people in this area to a great extent, and if they are having dismal results for the people in this area and they don't want the ARDA programs and the FRED programs and the Agricultural Credit Corporation programs and the cash advance, then I want to know if that is the view of the people in this area. I've always thought it to be the contrary.

MR. STEINTHORSON: I would say that when you implement a program that it should be, very sincere thought put into the long-range effects of anything like that. Like, for instance, if governments - when I use the plural form, I just mean just that . . .

MR. GREEN: Mr. Steinhorson, I am going to try and cut you short because . . . I am going to try, I mean I really just wanted answers to the questions because the philosophy that you are putting, you know, I think is well presented by the representation in the Legislature and I perfectly understand the difference in belief. I would like to stick to the brief and ask questions if you don't mind. If you do want to continue with a general discussion on the philosophy I'll listen but I'd like to stick to the brief and ask questions because we don't have all year. May I continue with my questions?

MR. STEINTHORSON: Yes.

MR. GREEN: Okay. I have recently been advised that the beef producers are asking the Manitoba Government for a grant - is that correct? - of \$100.00 per head for all of the beef producers in the province, the cow-calf producers. Do I gather that you would consider this to be a government intervention with dismal results and that it should be ignored by the Minister of Agriculture?

MR. STEINTHORSON: You fail to recall my answer from previous was that when the economy is at stake, and we were talking about long-range programs.

MR. GREEN: Okay. That's fine. Then you say that this is okay on a short-term basis but the long-range should try to avoid such programs, and I would agree with you.

MR. STEINTHORSON: I'm just looking at it from an economic standpoint what the long-range program would do; if it's good, it's good, but if it's not I think anybody should be able to admit that.

MR. GREEN: Now I have a long-range program, this is a long-range program which is called, "Targets for Economic Development"; it was prepared in 1969 by the Conservative administration. This was filed in the House by the Conservative administration as a policy document, prepared under the auspices of the Minister of Industry and Commerce, then Mr. Sidney Spivak. Here is a long-range program and I want to ask you whether I should worry about this program and try and do something about it. He says, "Because of the uncertainty about how many non-commercial farms there will be by 1980, the target for 20,000 commercial farms should be set but it should not be a matter of concern if farm numbers as defined by the census are higher."

Now in 1969 my understanding is that there were approximately 40,000 commercial farms, and the target for economic development is that there should be 20; which means that there should be half the number of the commercial farmers in the Province of Manitoba by 1980 than there were by 1970. Now I have felt that that is a problem that we are reducing our farmers by 50 percent, and this is long-range. Do you think that I should be concerned with that problem, or do you not consider it a problem?

MR. STEINTHORSON: Well, it all depends just what overall government policy would be regarding the importance of agriculture, and if the farm numbers, the farm communities suffer, I think economics is the big reason for . . .

MR. GREEN: It would not then be of concern.

MR. STEINTHORSON: If you are concerned to have the farm numbers up, does that mean there will be more production, or what is the aim, what would be the aim for . . .

MR. GREEN: Yes. I have to tell you that I believe that it is better rather than worse that there be a greater number of people living on the farms, producing, and producing more, than that there should be a lesser number of people on the farms.

MR. STEINTHORSON: Yes. I think there should be a happy medium arrived at there. I don't know exactly where it would be; I'm not knowledgeable . . . Do you know where it should be?

MR. GREEN: Well, let me put it to you this way: if somebody told you that between 1970 and 1980 the target was to reduce the farm population by 50 percent, or the commercial farms by 50 percent, would you consider that a problem?

MR. CHAIRMAN: Mr. Jorgenson. Point of order.

MR. WARNER JORGENSEN: On a point of order. I don't know. I'm not sure that Mr. Green is doing this deliberately, or whether he is just misinformed, but he refers to a reduction of 50 percent. I'd like to point out to him that in 1966, which was the census year upon which these figures were based, the figures that he refers to in the "Targets for Economic Development", the number of census farms that particular year was 39,747, while the commercial farms were 27,372. Now I want to make the distinction between the commercial and a census farm. A census farm is a farm with one acre or more, with sales of more than \$50.00. Now everybody knows that a farm with sales of \$50.00 is not a commercial farm, that nobody's endeavouring to make a living on that farm. A commercial farm is also a census farm with sales of over \$2,500.00. You don't reach a commercial farm until the sales from that farm is over \$2,500.00. And at that time there was only 27,000 of those farms, not 40,000 as Mr. Green suggested.

MR. GREEN: I thank Mr. Jorgenson because I don't want to use a statistic that is incorrect, and if it is 27,000 to 20,000, then I regret having used the term 40. I would then think there would be an equivalent, if not even greater, reduction in statistics in the non-commercial farm, because the non-commercial farm if economically in greater difficulty would disappear faster than the commercial farm. But in any event, I'm happy to have a statistic corrected.

You say that the economics of the situation should govern and if there is a required reduction in the farm population that that is not something that should be the key factor, the key factor should be the economic viability and the number of people who are producing it.

MR. JORGENSEN: Quality of life.

MR. GREEN: In order to have a quality of life you have to have the life to start with. I think that the gentleman is not saying quality of life, I think that he is saying economics should be the governing factor. That may be right but he's certainly not saying quality of life.

MRS. STEINTHORSON: Is there not a pretty close comparison between quality of life and economics?

MR. GREEN: I believe so. I thought it was your husband who - then I misunderstand him, I thought it was your husband who said that the economic factor should be the one that should govern. If that's not correct, then I take it back. I thought that's what he said, that we shouldn't be concerned with the fact that 7,000 people who have had the quality of life of being engaged in commercial rural farming disappear, that that's not the problem, the problem is the economics of the farming viability. I agree with you, not with your husband. I mean, are you now disagreeing with your husband?

MR. STEINTHORSON: I thought it was just normally understood that you couldn't have quality of life without a reasonable income.

MR. GREEN: Then we have to agree, yes. Would you consider that it would be better if 27,000 commercial farmers had a good income, and therefore a good quality of life, rather than 20,000 commercial farmers with a good income and a good quality of life?

MR. STEINTHORSON: Yes, but how are you going to implement this?

MR. GREEN: Let's assume, yes, that's really the question. You do agree it would be better?

MR. STEINTHORSON: Yes, I would say so.

MR. GREEN: Then what we as your elected representatives should be doing, would be trying to implement good economics for the people who are now engaged in agriculture so that they could enjoy a quality of life, rather than having some of them disappear so that the others could enjoy a quality of life. Do you agree with that?

MR. STEINTHORSON: Would you agree . . .

MR. GREEN: I agree with you too, yes. I mean, you agree with that? Well that's one of the things that Mr. Uskiw's paper is trying to deal with - and then I want to get to Mrs. Steinthorson because she was the one who raised it. Mr. Uskiw says, or the Department of Agriculture paper says, "that one of the problems facing agriculture is that there are going to be more non-resident land owners." He's worried about the same thing as you are, he says, "a tenant farmer is not going to be the best possible situation"; he says, but more and more people are owning land who are not on the farms and they are going to rent it out and this is going to create a lot of tenants. Now would that be a problem to you? Because when you talk about history teaches us a lesson and one gain from the Middle Ages is that the tenant farmer leads to subjugation of those renting the land, now would I be correct in saying, that the tenant farmer in the Middle Ages was always renting from a feudal or other private land-owner, that it was not a tenant farmer of the public? And if Mr. Uskiw thought that we were tending in the direction of having huge landlords, private landlords, leasing out all of the land in Manitoba to tenant farmers, would you consider that a problem?

MR. STEINTHORSON: Just repeat that again, please.

MR. GREEN: Well, Mr. Henderson says it would be no worse than having a public landlord. You know, that's his opinion. My opinion is that the problem is that there are going to be tenants, that there are going to be huge landowners, like Mr. Henderson, that there will be fewer and fewer of them, and that there will be more and more tenant farmers, which is what you say is the problem and where we are going to the Middle Ages. And what Mr. Uskiw says is that if there are going to be tenants, and we are not going to try to create them, but if there are going to be tenants it is better that there be tenants who have a role to play in what the landlord says, that is tenants who can have a role in the government, rather than tenants who can only speak to Mr. Henderson. That's the difference.--(Interjection)--Well, Mr. Henderson says that they are better speaking to him, but I can tell you that I would rather have my tenant as the public who I could throw out than be a tenant to Mr. Henderson, who have nothing to say about it.--(Interjection)--No, I can't throw Mr. Henderson out; he is going to be the owner of that land like the feudal landlord who says that you will be my serf; whereas the public I have a right to throw out the representatives, I have the right to beat them in an election . . . --(Interjection)--

MR. CHAIRMAN: Mr. Henderson, please . . .

MR. GREEN: No, not at all. Mr. Uskiw says that one of the problems that you are going to face is non-resident landlords who are going to rent out to more and more tenants; which you say is a bad thing. Now should he not then be concerned with having some control over these landlords; and he says that the public as a landlord is controlled by the people.

MR. STEINTHORSON: Yes, but isn't it a fact when land owned by a landlord, like you say, or private individuals, you say there's a danger of them owning too much land. Are you saying that they wouldn't be competitive? Let's say the economy of farming gets to the point that you can't pay 5 percent, or you can't - let's say the rent goes up to 9 or 10 percent and the economy just can't stand it, so you go to your landlord and say - well, what do you say, it's just too high I'm not paying that fee under this contract, and he won't accept this, so I pack my bags and I leave--(Interjection)--just a minute, just a minute, can I finish?

MR. GREEN: I'm sorry.

MR. STEINTHORSON: That's bargaining . . .

MR. GREEN: You're not getting answers to the question.

MR. STEINTHORSON: Well I'm giving you the same answer the same way as you asked it, with an explanation.

MR. GREEN: Go ahead, I believe, Mr. Chairman, that Mr. . . .

MR. CHAIRMAN: Order, please.

MR. GREEN: . . . and these gentlemen are not getting the answers they want.

MR. HENDERSON: No, you . . .

MR. CHAIRMAN: Order, please. Mr. Henderson, I believe you are trying to cramp

(MR. CHAIRMAN cont'd) . . . . the type of answers--(Interjection)--Yes, I'll put you on the list.

MR. GREEN: That's right. And you said to get the man to answer the question.

MR. STEINTHORSON: Well, I'm trying, if I were given a chance, an opportunity.

MR. GREEN: Go ahead.

A MEMBER: There's too much interference.

MR. STEINTHORSON: This is what I mean by bargaining power. To me, I feel it would be hard for me to compete with government owning land because it could become vacant then I suppose, but a private individual he more or less has to get something out of the land. So if I went to him and said I can't pay 8 or 9 percent he might come down to 4 or 5 or 6 or 7, that I could maybe bargain depending on the position or the way the economy was in that particular product. Maybe I am wrong. This is my feeling.

MR. GREEN: I will not say that you are right or wrong, I will only tell you that you like to say that history has taught you things. I would say that history has shown that a tenant farmer in Ireland did exactly what you say; they tried to bargain with the private landlords, they tried to remove themselves from the land and not pay, and the government put them in jail. That is what happened. The government came to the assistance of the private landlord and put them in jail. They put a member of parliament in jail, Mr. Parnell, because he organized a tenant's league to try to bargain with the landlords.

MR. STEINTHORSON: I know nothing about . . .

MR. GREEN: And you should be aware of it.

MR. CHAIRMAN: That's history and that is history referring to . . .

MR. GREEN: I really have no more questions, Mr. Chairman.

MR. CHAIRMAN: Mr. Johannson.

MR. STEINTHORSON: Mr. Green, I would like to make a comment on that. You said that the government put this man in jail because he tried to bargain for the landlord?

MR. GREEN: No, he tried to bargain with the private landlords. The land was owned by private landlords, there were Irish tenants on it, the tenants formed a land league to try to bargain with their private landlords, and the government, which was in the hands of the land-owners, put Mr. Parnell and others in jail for forming a conspiracy to injure the landlords. Which governments have done in protection of private interests. The landlords owned the government. And they will own the government here too . . .

MRS. STEINTHORSON: Could they not have been voted out of power then too?

MR. GREEN: . . . if you let them own all the land.

MR. CHAIRMAN: Mr. Johannson.

MR. JOHANNSON: Yes. Mrs. Steinthorson, you express a concern about takeover of all land by the Provincial Government and you indicate that you feel that the Working Paper is a justification, or attempts a justification of government ownership of land. Now I'm interested in finding out why you have this concern, that you feel that the Provincial Government is trying to take over all farmland. I'm concerned because I find it a bit difficult to understand. I know that Conservative politicians have been running around the province claiming that we are trying to do this, but I'd like to find out, you know, why you feel that we are trying to do this. Now you cited the fact that in 15 months MACC had purchased 63,000 acres. I think actually the figure is 66. Do you feel that this is an indication of an aggressive policy to try to take over all farmland?

MR. STEINTHORSON: It seems to me that it's quite a bit. That divided into the number of acres available for agriculture, I don't have statistics, I don't know the figures as to how many years it would take to own all the land at this rate. There is nothing in there that tells me that it won't happen or that it will happen, but at that rate how long would it take, you have the statistics probably, how long would it take to own all the agricultural land at that rate.

--(Interjection)--

MR. JOHANNSON: Mr. Chairman, I'm being interrupted here by one of my members. That figure 66,000 represents one-third of one percent of the farmland in the province, and at that rate - and that's making some assumptions, it would take well over a hundred years to purchase all of the land in the province. And that assumes a couple of things: it assumes (1) that lessees will not take up the option to buy; and it assumes (2) that the farmers who you say are 100 percent opposed to government owning the land, will be willing to sell. Now I don't expect to live that long, but do you consider that a very aggressive policy to buy up farmland - to take over the land?



MR. STEINTHORSON: Well what in comparison with other of those large land owners that we should be concerned with, what would be the comparison with that?

MR. JOHANNSON: One point three million.

MRS. STEINTHORSON: Over what period of time?

MR. USKIW: Twenty-five percent of that in the last 30 months.

MR. STEINTHORSON: Beg pardon?

MR. USKIW: Twenty-five percent of that figure in the last 30 months.

MR. CHAIRMAN: The figure was stated as 25 percent, being in the last 30 months.

MR. JOHANNSON: Mr. Chairman . . .

MR. USKIW: I think Mr. Johannson has the chair.

MR. JOHANNSON: Mr. Chairman, can I proceed? Now to me . . .

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Just so that I will be able to do it, Mr. Johannson, I just want to make sure of the statistic, if I heard it correctly. Three tenths of one percent is the amount that has been purchased?

MR. JOHANNSON: Yes, one-third of one percent.

MR. GREEN: Well one percent would take 100 years, so I gather three-tenths of one percent would take 300 years. Unless I'm wrong.

MR. JOHANNSON: Oh, I'm sorry, I'm wrong, yes. It would take 300 years. Now some members of our party wouldn't consider our Minister of Agriculture a very flaming socialist if he is moving that slowly. Now do you think that's an aggressive policy?

MR. STEINTHORSON: Well compared with other types of purchases, how does that compare with, let's say foreign ownership.

MR. JOHANNSON: Well I understand that recently foreign ownership has amounted to one percent in roughly an equivalent period, but I'm not really concerned about that aspect right now. What I'm concerned about is your fear that the government is trying to take over all the land, and I would like to see what evidence there is that we're trying to do this. And my reading of this would be that this sounds like an extremely conservative government.

MR. STEINTHORSON: I think the disagreement in our paper, it was decided, was more that we felt the government shouldn't own the land, it should stay in the hands of the farmer. I don't think you can argue the fact that we can't produce the way we are now. Why would by government owning land do you suppose that we would get more production, or what is the ultimate reason other than to try to help farmers get going. And if it was only to help farmers to get started in business, or young farmers, or whatever it is, that if there was some alternative method that could be used rather than owning the land.

Now if owning the land was the only way that is different, that is absolutely different; and if that was the case I would not oppose it. But it seems to me that that is maybe going a little bit too far for government to own the land, because to a farmer, as I understand it talking to my Dad who is getting to be a real old man, has farmed all his life here in Manitoba, that I think that owning the land meant something to him and I think there's something to patriotism and so on. I don't know, maybe I'm wrong, this is my own personal feeling.

MR. JOHANNSON: Mr. Steinthorson I consider myself a person who believes in some principles but I don't consider that I'm totally dogmatic. For example, I don't totally disapprove of - I don't disapprove in principle of private ownership, I don't disapprove in principle of public ownership. I think that sometimes you have to be pragmatic. And I understand one of the primary reasons for this program, the land lease program which involves government ownership and leased back to young farmers is to enable young farmers who haven't got collateral to put up to banks to be able to start in farming. Now this is my understanding that this is one of the major reasons for this program and that it is one option of a number of young farmers, and this option is designed principally for this group.

But I want to get back to this question, this worry of yours about public ownership. Again, the MACC as I understand it, makes no approach to farmers to buy land, they don't go out trying to buy land, they only accept applications. As I understand it . . .

MR. CHAIRMAN: Order please. I have checked it out.

MR. JOHANNSON: The MACC does not go out to farmers trying to buy their land, it only takes applications, and it has only accepted about 40 or 41 percent of those who have applied to sell their land. Now does this sound like a terribly aggressive campaign to buy up all the farmland?

MR. STEINTHORSON: No, that doesn't sound aggressive, but this is not the question that's in my mind.

MR. JOHANNSON: You're totally opposed to any public ownership of farmland?

MR. STEINTHORSON: My own personal brief, I don't speak for everybody that we were discussing this brief with, but personally I don't think that public ownership of land in our society as it is today is really going to solve that much. I think productivity and so on - as far as getting a young farmer going in business, if there isn't an alternative or a different method - like possibly when he first gets going, it's the first five years no doubt that give him the hardest time to buy, and it's yet to be seen if he can possibly afford to buy the land off MACC in five years time. I mean, we've got to wait and see.

MR. JOHANNSON: But if your concern is productivity, surely if a young farmer doesn't have - in those first five years if he doesn't have to put a hundred thousand or two hundred thousand dollars to buy land and he can put the capital that he has into machinery, into whatever else is needed to make the land productive, doesn't this make him a more productive farmer?

MR. STEINTHORSON: I agree with that, if this were the only way that it could be done. I'm just merely saying that if this were the only way then it's fine, but there's a possibility that it isn't just the only way. Now I'm not going to argue that point.

MR. JOHANNSON: I wouldn't say it's the only way either. I agree with you there.

MR. STEINTHORSON: Yes. Well okay then we're in agreement. Okay?

MR. CHAIRMAN: Mrs. Steinthorson.

MRS. STEINTHORSON: I think I'd like to make a point here, if you don't mind. We have stated here that we do not deny that a land-use policy is necessary, but we feel that a more complete study is important, and we feel that before the decisions are made wishes of those directly involved must be considered. This is mainly the point of our brief.

MR. CHAIRMAN: Thank you. This is why we do appreciate having you present a brief, and I think it has been a very interesting discussion. Mr. Dillen do you wish . . .

MR. KEN DILLEN: I just have a couple of questions. You know, oftentimes people get into discussions on questions of government policy regardless of where it happens to be, whether it's in a meeting of some sort. Where did you get the impression that the government was attempting to buy up all of the available agricultural land in the province - how did you arrive at that?

MR. STEINTHORSON: Well it appears to me that after speaking to the gentleman at the far end of the table that it's going to take 300 years and seeing as how I don't really believe that owning the land is the only way to get a farmer started in business, that government ownership of land is like I said before, if that was the only way to get the young farmer going that's fine, and this is evidently what you claim is what this is all about. But it's not. This is also land use, eh?

I believe that agricultural land should be used for agriculture, and as these dangers arise, that I think there should be legislation with a lot of thought to guard against any land that is capable of producing anything should be maintained at all costs, because agriculture land when you - and it says right in this book that we only got so many acres of that in the world, and when you hear of starvation, I am in full agreement, like it says at the end of this brief, that we do not deny that a land-use policy is necessary. And I repeat that that was really unanimous and I think if there is anybody that feels any different has got to take a second look at what's going on in the world around us. But how it's done, how it's implemented - like for myself, I feel like I'm a very small minority in our society today, and is there anybody here that can deny that, that we don't represent very many people, and therefore I am much more concerned than possibly an urban dweller because I know in our society that the votes count and this is why, the biggest reason that we are really concerned, that we don't really count when it comes down to the vote. Like you might say if we don't like a policy kick us out. We are not in that position, and we realize it, there's no use kidding ourselves. I don't know if I answered your question. I get a little emotional on this, but I do feel worried on this account.

MR. DILLEN: I have some figures here that state foreign and absentee ownership in the province amounts to 1.3 million acres as compared to the province's holdings at the present time of about 66,000 acres.

MR. GREEN: I think Mr. Dillen that wouldn't be correct either, I believe that that is

(MR. GREEN cont'd) . . . . the purchases. I gather that we would have more public holdings than just those . . .

MR. DILLEN: Oh, that's what we have purchased.

MR. GREEN: . . . and furthermore, 75 percent of the land in the province of Manitoba thank God belongs to you and me and the general public; 75 percent of the land.

MR. STEINTHORSON: That is a fact, is it?

MR. DILLEN: That's the total land mass of the province. And 25 percent of that 1.3 million has been obtained in the past 30 months. So the amount of non-resident ownership in the province has increased in the last 30 months by much more than what the province is involved in - I could get you those figures but . . . Does that not pose a greater threat to you as an individual farmer to have that amount of foreign or absentee ownership as opposed to the small amount that the government has?

MR. STEINTHORSON: I believe if you check on the second last paragraph, we have stated a freeze should be put on all foreign ownership until the situation has been clarified. In other words, we thought that this needed a lot of further study before we allow any more of our land - I'm not saying that it's good or bad for foreign ownership because I don't think that we're right now - at least the general public is not right now in a position to decide. I think that this is something that before we do lose it, because if we do lose it out of the country, it's going to be, I think, more difficult to buy back than if its by a Canadian citizen. This needs to be looked at a lot more closely before any more is sold out of the country.

MR. DILLEN: Okay.

MRS. STEINTHORSON: I could be wrong on this but these are my personal views on it, that it should be studied very carefully.

MR. DILLEN: If you had the opportunity of disposing of your land, if you felt that you wanted to dispose of it now and you had a choice between a foreign buyer from Florida, or the Province of Manitoba, what would your reaction be to choosing the person who you would sell your land to, given that the prices were equal?

MR. STEINTHORSON: And they're all offering the same price, is what you say? I'd sell it to a resident buyer, if it didn't mean . . .

MR. DILLEN: Well, there's no resident buyer that can meet the price, we'll use that . . .

MR. STEINTHORSON: I beg your pardon.

MR. DILLEN: We'll assume that there is no resident buyer, or neighbour, or somebody in the vicinity who can meet the price, that the only two people that can meet the price are the Province -- (Interjection) -- or somebody from out of province.

MRS. STEINTHORSON: MACC or out of province, from Florida, or MACC.

MR. STEINTHORSON: I suppose to be fair we'd have to have an auction sale. I mean, I don't think that I should choose.

MR. DILLEN: Then you would say that the price should be bid up?

MR. STEINTHORSON: Well according to that, I wouldn't want to be unfair, I wouldn't want to . . .

MR. DILLEN: You see, I'm trying to arrive at a problem that has puzzled me for some time.

MR. STEINTHORSON: No. I think you're trying to put me on the spot here.

MR. DILLEN: No, no.

MR. STEINTHORSON: You want me to lose money to be patriotic, or something. I don't know.

MR. DILLEN: Well now you're getting close. See when we're dealing with land policy and land use . . .

MR. STEINTHORSON: That's exactly what we're dealing with, is land use and I think we should stay within that right now.

MR. DILLEN: Today we're dealing with agricultural land and I have to be clear in my mind whether we should consider the use of agricultural land any differently than we would consider the use of recreational or wooded areas, or whatever. I'm talking, you know, particularly of the northern part of the province.

MRS. STEINTHORSON: Do you mean to say that you really feel that - I call this recreational, that's for fun. Right?

MR. DILLEN: Yes.

MRS. STEINTHORSON: Okay. Now don't you . . .

MR. DILLEN: But it's going to provide a return to the owner.

MRS. STEINTHORSON: I beg your pardon?

MR. DILLEN: It's an investment in that developed recreational land will show a return to the owner.

MRS. STEINTHORSON: Yes, but doesn't agriculture, feeding the country, hasn't that got priority?

MR. DILLEN: Yes.

MRS. STEINTHORSON: And would it have always if - you're dealing with human beings, people with faults, and if you put people with faults in control, I am afraid that I am just not all that trusting that I want to gamble on something as important as that to possibly - as I stated in here, this power would be controlled by people to whom farming is an alien way of life, and it's in the hands of too few people.

MR. DILLEN: Okay. Can you clarify that a wee bit.

MRS. STEINTHORSON: What would you like specifically for me to clarify?

MR. DILLEN: Well to elaborate a little bit on what you mean by this - oh, something to do with not trusting. Are you saying that you distrust the public as an owner?

MRS. STEINTHORSON: I'm saying that I don't trust when a lot of control is put in the hands of a few people. It takes a while to vote a government out, doesn't it? And if a few people, such as in agriculture are concerned, we really don't have too much power, do we?

MR. DILLEN: I think you underestimate yourself . . .

MR. STEINTHORSON: Let's say the pressure; I tried to explain that to you, and it's such a fact that we are such - I said this before - we are such a small minority that if it comes to politics, we don't even count but all we can rely on is the real fairness and the understanding from our agricultural people. How can we use a political threat? This is impossible, and we don't kid ourselves, at least I don't, maybe some of the other farmers do but I don't. I realize that the power is in the other 95 percent of the voting public. Right now I realize we are in a position where we have to rely - and you cannot deny this, this is a fact, and we have to pretty well rely on the big-heartedness of our direct representatives and of the whole province, and of the whole country for that matter, and I think if it was worldwide, I think it's all the same.

MR. CHAIRMAN: Thank you.

A MEMBER: Mr. Chairman, how many briefs do you have now?

MR. CHAIRMAN: We have one more, Mr. John Palamarchuk. Mr. Jorgenson,

MR. JORGENSEN: I hesitate to impose on the witnesses, they've been here a long time, but I would like to ask a couple of questions, and let me say at the outset . . .

MR. CHAIRMAN: Mr. Jorgenson, proceed.

MR. JORGENSEN: . . . let me say at the outset, we farmers understand one another; I know we have some difficulty getting these city slickers to understand the farmer's point of view. I can understand what you mean when you say you have some fear about government ownership. That, I think, is inherent in a good many farmers, and I'm not going to question you on that. I accept what you say in your brief without any serious reservations. I may have some questions about clarification, or something like that, but when a person comes before this committee and presents a brief whether or not I disagree with it I accept his point of view, and I don't intend to cross-examine you at any great length on that brief.

What I understand, if I read your brief correctly, you make a clear distinction between ownership and land-use. You have separated, as far as I can see, the question of land-use, which I think is very important, as opposed to the question of foreign or absenteeism ownership.

MR. STEINTHORSON: That's right.

MR. JORGENSEN: That's right. And you do have some reservations about foreign ownership, although I don't think you're entirely opposed to it you do suggest that there should be a freeze on farm ownership. I would want to pursue that by asking you how you propose that we can do that because we have two statutes that are very clear, one of them is contained in the Canadian Citizenship Act, which says that foreigners or aliens have the right to purchase, to own, and to dispose of property in this country in the same way as a natural-born Canadian citizen. And we have a statute right here in the Province of Manitoba, "The Law of Property Act", Section 2 of that Act, which says almost precisely the same thing. Now in order to impose a freeze, as you suggest, on farmland you would be contravening these two

(MR. JORGENSEN cont'd) . . . . sections, or if you were to deny these foreigners from purchasing land in this province you would be denying the provisions of these two Acts. I wonder how you would suggest that we could circumvent these two statutes in order to give effect to the suggestion that you make.

MR. STEINTHORSON: If foreign ownership is proven to be a problem, if this is what it is, I myself, due to the fact that I am a Canadian citizen and I am a patriotic Canadian, that if foreign ownership has any detrimental effect on our great country - this is why we put this in - till the time that it is established one way or the other without any doubt in anybody's mind, that we put a freeze on it and I don't think it would insult anybody.

MR. JORGENSEN: But you don't have that fear now, you don't feel that that problem has been created right now?

MR. STEINTHORSON: It seems that we read a lot about it and in this White Paper it does . . .

MR. JORGENSEN: Foreign ownership represents less than 1 percent of the total farmland in the province. Do you consider that a serious problem?

MR. STEINTHORSON: No. No, not . . .

MR. JORGENSEN: When would you suggest that the problem becomes serious?

MR. STEINTHORSON: With world situations as it is today, for instance, we don't want to - what else does the country sell to, like foreign ownership. I wouldn't want to see them sell some of our rights to our natural resources, probably invest money in them but I wouldn't want to see them buy.

MR. JORGENSEN: I don't think there's any danger of that since most of our natural resources are located in areas that are owned by the Crown in any case.

MR. STEINTHORSON: What we're really concerned with is land use and if somebody were to buy land I would suggest that he should farm that land as long as there is people around to eat the product. As long as he can get a fair return then we should be able to have a standard of living comparable to other people in this society.

MR. JORGENSEN: Now, Mr. Steinthorson, I understand, and this was evidence that was given before this committee on our first meeting in Winnipeg on the 20th of January. It was suggested to us there by legal counsel who had been handling a good many of the transactions of sales of farmland to German interests in Germany that 75 percent of those Germans were in the process of taking out citizenship or had already, were in the process or already applied for Canadian citizenship and had intended to come into this country and farm the land that they're buying. Do you have any serious objection to that?

MR. STEINTHORSON: No, not if they are bona fide farmers and keep that land in production. I support that even if we run into a surplus but I think, as we mentioned before, that is a cheap food policy that I think is general throughout the world with any government to tell you the truth.

MR. JORGENSEN: I'm not quite sure I follow you when you say a cheap food policy.

MR. STEINTHORSON: I merely said that I'm convinced that land, all agricultural land, should be used for agriculture. In other words, an airport or something like that built on prime agricultural land I think is absolute insanity, that it should be moved out into some place less productive and some means of transportation used from that into the heart of any given centre or wherever the people are . . .

MR. JORGENSEN: You agree then with Beryl Plumtre, who perhaps makes more sense coming out of Ottawa than everybody else down there cause that's what she stated.

MR. STEINTHORSON: Yes. Well she said that if Canadians are going to have cheap food in the future that we should do this. I don't agree with that particular part of it, but I believe that agricultural land should be kept for agriculture.

MR. JORGENSEN: Yes. I'm inclined to agree with you that what we require more than wasting time on the question of who owns the land is what the ultimate use of that land is going to be.

MR. STEINTHORSON: Yes. I think it's very very important.

MR. JORGENSEN: Yes. I'm inclined to agree with that.

Now there's one other point I want to raise and I want to deal with that particular question Mr. Green raised on the excerpts that he listed out of the Targets for Economic Development in which he implied that the Conservative Party were in favour of reducing the number of farmers by, he said, 50 percent. He acknowledged very graciously that he had been in error

(MR. JORGENSEN cont'd) . . . . with his figures, but he neglected to point out that contained in that same presentation was that the target for net income in agriculture was to be raised to \$10,000 per farm. Would you agree with that?

A MEMBER: Ten thousand dollars is not enough now.

MR. JORGENSEN: Well that was when the targets were published in 1969. I'm not suggesting that that is adequate today but at that time it looked like a reasonable target when you consider that most of the farms at that time, that is the commercial farms, were less than 3,000 at that particular time. That meant that they were recommending an increase of \$7,000 per farm in income. Is that an unreasonable proposition or was that one that you would support? That farm incomes per farm be increased from 3,000 to 10,000 dollars.

MR. STEINTHORSON: Well I'll come back with a question. How was this to be done? This is exactly what we got into . . .

MR. JORGENSEN: You see that was one of the points that I was going to raise.

MR. STEINTHORSON: Like incentive programs create a false economy in surpluses. If they want to give food away in forms of foreign aid I don't think that we should subsidize it.

MR. JORGENSEN: Mr. Steinthorson, believe me, I am not talking about government intervention, what I am talking about is the straight economics of farming. If you want to raise farm income up to \$10,000 if at the present time it is only \$3,000, one of two ways you can do it. You're either going to intensify your type of production or you're going to increase your holdings in order to increase your income, you've got one of the two choices. Perhaps what will happen is that we'll have a combination of both, that farmers will take use of what technology is available to them and intensify production, if that is possible, take into consideration the vagaries of nature, or you will be increasing your holdings. And if you increase your holdings, if you raise your average farm acreage from 600 to 900 acres, that's naturally going to increase your income, will it not? And if you do that, that means that there are going to be fewer farmers. That's natural.

MR. STEINTHORSON: Yes, that's natural.

MR. JORGENSEN: So a reduction of the number of farmers in order to achieve the initial objective of \$10,000 income per farm, it does not seem to be an unreasonable proposition, does it?

MR. STEINTHORSON: No, that's not unreasonable. I think that's been the policy, as far as I know and as far as I could remember is a viable unit. It's decided for us what the viable unit should be.

MR. JORGENSEN: Well you say it's been decided for you. I think most farmers decide for themselves if they have the opportunity to decide for themselves, and I think most farmers, if I may say so, are far more intelligent about determining what is a viable unit than some of the so-called experts who go around telling us.

MR. STEINTHORSON: Yes. I think it should be left up to the individual, yes.

MR. JORGENSEN: That's right, and there should be no undue pressure placed on the farmer financially, economically, or any other way, to determine, or to help him determine what size of a farm he should run. He knows that in his own mind. He knows what he can handle; he knows what his labour resources are; he knows what his financial resources are, and what's most important he knows the kind of a debt that he can withstand; he knows how far he wants to get into debt. One of the great problems that we have today is that too many farmers are forced to go into debt too much, far beyond their capacity. There's some farmers who can go into debt to a considerable extent and know how to get out of it because they have that kind of a managerial ability, others can't and every farmer must for himself decide how far he wants to go into debt. Would you not agree with that?

MR. STEINTHORSON: Yes, I would go along with that.

MR. JORGENSEN: Mr. Steinthorson, there is one other point, and I raise this just as an aside, on the Targets for Economic Development. When that particular document was printed the firm of Hedlin-Menzies was the firm that took the responsibility of drafting that particular section of the report dealing with agriculture. It just may not be significant but I think I should point out to Mr. Green - perhaps he didn't know that - that the present Deputy Minister of Agriculture was working for the firm of Hedlin-Menzies and he had a large part in drafting that particular section of the report.

MR. CHAIRMAN: Thank you. Mr. Adam.

MR. ADAM: Thank you, Mr. Chairman, Mr. and Mrs. Steinthorson, I appreciate your

(MR. ADAM cont'd) . . . . patience in listening to us. Really we are trying to get in depth your views on your brief as you presented and in large part I believe the questions arise from the comments that you made in your brief. I am quite sure that when you indicated in your brief that the government involvement had a very dismal effect over the last 34 years, I am sure that you were not trying to make a blanket statement on that, that you were more relating that to your own particular vocation, and that is of ranching perhaps. Because I know that there are many government programs that have come in over the years and I could mention many that I believe have been beneficial to farm population and I could mention the temporary wheat agreement which was brought in - proposed by the Manitoba Farmers' Union back in 1955 I believe it was . . .

MR. CHAIRMAN: Gentlemen, on my right would you please restrain yourself.

MR. ADAM: You know, it is interesting, Mr. Chairman, that the cackling always comes from the Conservative side - this happens in the House and happens here - and if anybody wants to go and lay an egg let him go out somewhere and let's get on with . . . They do this to try and break the train of conversation.

The fact is that a temporary wheat agreement was proposed by the Manitoba Farmers' Union back in 1955, whereby the public would pick up some of the farm storage in elevators on grain, over a certain number of bushels that the Federal Government would pay for the storage. This has brought in perhaps 150 to 200 million dollars over the years. Those have been good programs.

The water and sewer program, farm water and sewer that was brought in in 1971 in Manitoba where 8,000 farmers have availed themselves of this, has been a good program. PRFA. There's been many good programs which I believe are beneficial; so I know that you are not trying to make a blanket statement on all programs. I'll let you answer that.

MR. STEINTHORSON: Yes, I would just like to say this. You know you speak of these programs - I have no statistics to support what you have said in dollars and cents per person. I am merely saying that these programs - like you speak of all the good ones - let's speak of some bad ones, eh. I like to speak to, you know, a political representative that when he has made a mistake that he is willing to admit that he made a mistake. I will sit here and admit that I have made a mistake; this is the way I would like to see governments operate. Like nobody is going to tell me that these grass incentive programs that were administered through Western Canada and then money borrowed and dished out to farmers to put on that grass and eat it, certainly hasn't done us cattle men any good.

Now maybe at the time that it seemed good because meat was selling for \$25.00 a pound in Japan. This is quite possible. I am not saying that it wasn't done with good intentions, but right now looking at hindsight that it just isn't, to me it doesn't make too much sense. Right now we have a fantastic surplus and it wasn't too long ago that we had too much grain, so they ploughed a bunch of money into seeding grass. Now the way I feel if I were maybe sitting behind the desk which will likely never happen - I would recommend that the Government should put that enormous amount of money that you are talking about into grain storage instead of taking the land out of production. This is what we are talking about is "land-use" and people are starving. This, to me, is important - much more so than a lot of things that have been discussed here today. If there is danger in who should own the land and who shouldn't own the land possibly I think what we said here I think you should be in agreement with, that we should put a freeze on it or stop it till everybody knows what is going on, if it is a problem.

I am not saying that these programs that you are talking about if somebody wants a well drilled or something or a dugout dug or something like that, because we know a farm product is worth something - isn't it? Don't you think that if you want to buy a quart of milk or a cackleberry or whatever you want to call it - that I know that when I wasn't in agriculture - there was a period that I wasn't - that I would say that I would be glad to pay the right price at any time for any product. And the right price for any product tells me that I should be able to afford - if I need a well to water my cattle that goes into the cost against that particular product, that at the ultimate end whoever eats it has to pay for it. The thing is that when you are forever giving me a grant the thing is that when I stand up to face people that I am considered somebody that gets a handout and this reflects on my personality. I am already a minority . . . . . I must have got it clear to you that government incentive programs - these crash programs are done merely to save the economy at that particular time, because how in the Hell can a grain farmer pay his taxes possibly on a three bushel quota or something?

(MR. STEINTHORSON cont'd) . . . . There has got to be something done - because let's face it you can't be without farmers. We can be without just about anything but this is something we can't be without. My reasoning is our own economic problem. We don't have voting power. Do you agree or disagree as a farmer?

MR. ADAM: I am a farmer too.

MR. STEINTHORSON: Okay, then you tell me. Do you agree or disagree?

MR. ADAM: I agree that the number of farmers are down to about 5 or 6 percent of the people actually on farms, commercial operators, but I also consider that there are many towns, communities where, say for instance Ste. Rose, 1,000-1,200 population that that town survives mainly on agriculture - you know on agriculture as a viable economy for their survival. Dauphin is the same, Brandon is the same and I think that the people while they are no longer farmers, they may be just consumers, I think generally speaking the people can't be considered as really urbanized as they are in the city and I think that we get a lot of sympathy for to have good land policies, viable income for farmers, and that is really what we are here about isn't it.

MR. STEINTHORSON: Yes.

MR. ADAM: I think that the reason that the government's involved in leasing land to farmers is because there has been a problem for somebody to get in to farming, otherwise we wouldn't be in it.

MR. STEINTHORSON: And why is it a problem?

MR. ADAM: Because of land prices.

MR. STEINTHORSON: Land prices?

MR. ADAM: This is my opinion, that the people of Canada . . .

MR. STEINTHORSON: It's the product prices. Oh, yes, we are talking about marketing - that's a different problem though.

MR. ADAM: But it is all related isn't it?

MR. STEINTHORSON: No, not exactly, that's a . . .

MR. ADAM: Yes it is.

MR. STEINTHORSON: That's a different problem though

MRS. STEINTHORSON: If you could make enough of a profit on your product then the purchase price of the land would not be a problem would it?

MR. ADAM: It would always keep going up though, it would always keep going up because I would be competing with . . .

MR. STEINTHORSON: Yes, but in any other business - do you have any business besides farming?

MR. ADAM: I was in business for 20 years.

MR. STEINTHORSON: Like besides farming? -- (Interjection) -- What did you do?

MR. ADAM: I was an implement dealer.

MR. STEINTHORSON: Implement dealer. When you were budgetting for the year or selling something you had a rough estimate . . .

MR. CHAIRMAN: Order please.

MR. ADAM: I think we are getting off the . . . could I bring it back . . .

MR. CHAIRMAN: You can have that personal conversation privately - right now we are concerned about the brief that has been presented by Mr. Adam. I would like you to - I should have possibly cautioned other people to refer your questions or keep your questions strictly to the brief before us.

MR. ADAM: Okay, Mr. Chairman, I will ask Mr. and Mrs. Steinthorson - I want to comment on what Mr. Jorgenson mentioned. He mentioned something about the Canada Citizens' Act, which says that an alien has just as much right to own land as a Canadian citizen. I think what has happened is that some provinces have got around that by passing legislation that would prevent non-resident ownership. They don't talk about aliens; they just talk about non-resident owners. Now in P.E.I. Prince Edward Island, they are far more concerned than we are here as far as land ownership is concerned because they have lost practically all their land already to foreign owners, and so on, non-resident owners. My understanding is that the legislation there is that no non-resident is allowed to have more than ten acres of land. There are two Americans that challenged this legislation in the courts and the courts upheld that the province has a right -- (Interjection) -- I'm talking about land ownership as it applies to . . . and I will not be pressured by the Chairman, in all due respect Mr. Chairman . . .



MR. CHAIRMAN: Well, I will refer you to asking questions from the brief, Mr. Adam.

MR. ADAM: Well it came up through the questioning of Mr. Jorgenson and I want to comment on it because Mr. Jorgenson brought it up. And that this is being challenged in the courts and the courts upheld that the province had the right to say that no non-resident could own more than 10 acres, and they have appealed this to the Supreme Court and a decision hasn't been brought down yet. My understanding is - we talked about how long it would take for the people of Manitoba to buy up all the land at the present rate and it is brought out that it was 300 years. My figures on foreign ownership, at the rate that it is going now, would take about 97 years. The question I believe that we have to face here in Manitoba is which do we prefer; that in 97 years no local farmers will own any land, it will all be foreign owned if it continues all in that speed. We have to make up our minds which way we want.

MR. STEINTHORSON: We stated in our brief that if this is a problem then we should put a freeze on foreign ownership till everything is clarified - until we all know. You know, you just shouldn't jump at conclusions, I suppose, and if this is a problem I think it should be well known to the public so that everybody knows and then act on it. Until then if there is a suspicion that there is a problem this is why we decided, and we suggest that you put a freeze on foreign ownership. And as far as, like a government ownership of land, like if it is only a third of one percent or whatever it is, 300 years, I am certainly not worried personally. I suppose if you looked at it this way there is nothing stopping that from escalating; isn't this true?

MR. ADAM: That would only come about if the lessee . . .

MR. STEINTHORSON: . . . doesn't buy the land back.

MR. ADAM: Doesn't buy it?

MR. STEINTHORSON: Yes.

MR. ADAM: So the government may never have the land, but we are just using . . . theoretically. Okay, Mr. Chairman.

MR. CHAIRMAN: Thank you very much Mr. and Mrs. Steinthorson. Gentlemen, we have Mr. John Palamarchuk. What is your will and pleasure? What is the time now?

MR. JORGENSEN: Mr. Chairman, I suggest we break for lunch because I suspect there will be a number of people who will be wanting to come back this afternoon in any case.

MR. CHAIRMAN: I have no other person on the list at this time.

MR. PALAMARCHUK: Mr. Chairman . . .

MR. CHAIRMAN: Mr. Palamarchuk. Yes.

MR. PALAMARCHUK: Mr. Chairman, I go along with the gentleman's wish that we recess for lunch and so forth, but I wish to point out also that I have previous appointment, that I have to leave from here at about 3:00 o'clock at the latest and therefore I am not going to leave myself in a tight squeeze, because after all I was not to blame for the interrogation which lasted three hours.

MR. JORGENSEN: Mr. Palamarchuk I want to assure that it will not happen; you will be away by 3:00 o'clock. It is always the first witness that catches the brunt of the questioning, it never fails.

MR. USKIW: I would think then we should come back very quickly if we are going to facilitate Mr. Palamarchuk.

MR. PALAMARCHUK: Well, I wish that you would take me into consideration gentlemen, because really I do have to leave.

MR. CHAIRMAN: 1:30? Okay.

\* \* \* \* \*

1:39 P. M.

MR. CHAIRMAN: Order please. Order please. We have a quorum, we shall proceed with the meeting. First person on is Mr. John Palamarchuk. Is there anyone else present who wishes to make a presentation this afternoon? Your name, sir? Simundson?

MR. SIMUNDSON: I don't have a brief.

MR. CHAIRMAN: Fine. Mr. Palamarchuk.

MR. PALAMARCHUK: Mr. Chairman, gentlemen, and ladies and gentlemen of the audience. I am glad of the opportunity to speak on the land-use issue as in my opinion due to the present developments in the rapidly-changing frustrated world it surely merits a priority rating of the people and their government to enable the formulation of land-use policy heretofore lacking in the province, and so evidently needed now.

This lack of implementing a land-use policy by governments of the province in the past has in our day caused diverse problems, some of serious proportions, which by their very nature point up the urgency of the necessity for implementation of a meaningful land-use policy to direct the bountiful heritage for the benefit of posterity, to wit, these are the problems:

- (1) indiscriminate urban sprawls, pouring asphalt over evermore fertile agricultural land;
- (2) depopulation of rural areas due entirely to federal policies abetted by the provincial government of the day completely favouring the agri-business lobby pressures only. That's the reason.
- (3) abuse and misuse of Crown lands to the detriment of wildlife and ecological concerns;
- (4) overdraining and clearing all land of everything in sight, creating a number of problems as a result, soil erosion for instance, moisture deficiency, lack of shelter for birds a natural deterrent of insects. And I may add as a sideline, Mr. Chairman, that instead of that we are being definitely encouraged by the system that is always projecting itself in the lime-light of being a friend to agriculture, buy more insecticide so that you will get a better efficiency in crop production. Well this bears examining.

(5) favouring and encouraging large holdings as the only viable farm operation through policies, at the same time fostering a policy of agricultural objective for the '70s to be - and I was at one of those seminars in Brandon some years, '65, '66, '67, I forget, but that's the time that we were there for a week, 35 of us - about 7 of us were really bona fide farmers and the rest were Vice-Presidents of various trust companies, banks; the Winnipeg Exchange President was there, and all that sort of thing. Thirty-five of them were discussing for a week the objectivity of objectives for agriculture in the '70s, and this is what we came up with. A policy of agricultural objective for the '70s to be abundance of low-cost food. And I was the only one in that 35 that couldn't take it anymore so I got up to my feet and questioned them, and I says "Where the devil do you find the reasoning and the logic to come out with this in terms of comparison with anything else in an economy that you can name? What other economy comes out that the objective of that economy should be abundance of low-cost something or another." And they gave in; they were ashamed of themselves. So they says, "All right, we'll change that to reasonable," and they left it at that.

That was the objectivity of the type that a farmer had to listen to from the friends of the farmer. No serious effort, or even thought, given to how the land is used, by whom, and why. And I'm going to ask some of your parliamentarians or legislators, how much thought did you give, some of these old-timers of you, to this particular issue during the years that you have been representing your farmers? Living in a glory of the past that's all we were, that there is too much of everything everywhere so who really gives a damn anyhow, and why take time off making a fast buck worrying about it; or why endanger the voters' list rocking the boat, or why step on some important toes; why not just live in a fool's paradise of encouraging further growth that we hear so much about of Jack in the Beanstock variety; introduce recreation instead of procreation, fun and games, and keep everybody happy though ignorant, the more ignorant the happier.

However the hens have a habit of coming home to roost and the local boys from the farms after being polluted in the asphalt jungle want to come home to your clean life in the barnyard. But it's denied them because the land prices soared out of their sight and the system says to them, "You have to have \$100,000 to go farming now, no other way is a viable way." That word viable again. We have no farmers now we only have factory farms and they produce

(MR. PALAMARCHUK cont'd) . . . . under contract, as everything should be in a free enterprise, with futures thrown in on exchange for good market. This is the kind of thought, and I don't think that any of you boys are going to challenge me on that score today - I'm warning you, if you do. Under these conditions it has to be a courageous government to come to grips with planning a meaningful land-use policy, and it is the lot of this government to pioneer that event. I wish them well and keep my fingers crossed because they will have to break down barriers of attitudes based on greed, selfish motives, lust for power to function at will, all in the name of freedom and human rights. That's what they are going to come . . . , human rights, freedom.

But where are the human rights of the young fellow wishing to go back to the farm? Well, maybe the ad appearing in a recent Manitoba Co-operator will shed a light, and I'm quoting from it, an advertisement in a Co-op paper. "Corporation requires permanent ranch foreman, 45 miles northwest Portage to supervise 200 animal cow herd, including pasture management, etc., etc., etc." That lad that I'm talking about, his rights to farm heritage, or his rights to farm that spread have been denied him in the name of free enterprise in our province. His heritage is usurped by someone, anyone from West Germany or U. S. A., or Ali Baba from Arab countries or even worse by one, Jim Richardson from corner of Portage and Main who could as of now very well lay claim to being a farmer.

To create a meaningful land-use policy at this point in time requires statesmanship - a quality not held in high esteem by the present-day electorate who are used to and even programmed for a number of decades to think in terms of what's there in it for me. And that especially applies to a goodly number of farmers; and I know farmers. The attempt has to be made however, and I submit herewith the most important fundamentals to be considered in my opinion:

(1) Land is a finite resource and humans are only stewards, not masters, on it - and that concept should be deeply ingrained in one who wants to be sincere and meaningful about land-use policies.

A MEMBER: It's in the Bible.

MR. PALAMARCHUK: (2) As stewards humans have to, and that's by force of circumstances now that are developing, pressures that are developing today not tomorrow, as stewards humans have to come to terms with their environment on the basis that all living things, flora and fauna, complement each other and creation of imbalance by man may bring about the downfall of the whole structure, including man.

(3) Farming industry has to be left only to farmers who love the land, not only for what it provides but as a way of life, and they have come in '75 not to be ashamed of that phrase. Do you know that? It used to be about 10 years ago they'd say, "For goodness sake why are you so naive, doggone it you yokel? What's a way of life? It's a standard of life that you should be looking at not the way of life." But the world is changing and in that fast-changing world there are changes in attitudes and decisions on the part of a lot of people. Today they are not ashamed to say that the way of life is important, in fact, I heard it from this end of the table of all places this morning.

(4) To bring that about farmers should be licensed, provisions of which should be mandatory that a farmer lives on the land and off the land, that's a farmer. That will provide a logical definition to an open question as of now, who is a farmer? That's it. And by virtue of the license, by mandatory license, that would be provided to anyone now that doubts it and says, Oh my goodness look at what they're going to do, they're going to license the farmers even. Why not, I'm asking you? That's the only loophole that a lot of boys have today because the farmer is not licensed. If he were, the loophole would have been closed.

(5) Now there's a good one, and I believe I'm the original man that will first come out on the arena, public arena, with this one. I believe in it. No one man should own more than a section of land. You know why? Because you damn well possibly cannot be able to work a section yourself, more than a section; you'll have one hell of a time working it yourself, even with all the technological help that we've got now, and I talk from experience. No one man should own more than a section and farm intensively rather than extensively. Large holdings should be discouraged and farm factories prohibited. The idle boast of one farmer being able to feed more people by becoming more efficient should be exposed for what it really is, a farce. And we don't want to create a feudal manor system, or do we?

(6) Pouring asphalt on agricultural land should be prohibited by law; expansion of urban

(MR. PALAMARCHUK cont'd) . . . . centres curtailed to present perimeters; further expansion to be allowed only on lands not fit for agricultural purposes; zoning as to potential of soils is an urgent matter in the province. And these are very contentious problems, gentlemen, as you will recognize, and no wonder I'm going to be keeping my fingers crossed for the sake of the government that's going to tackle those problems. It's not an easy thing. Now this - I was on what, potential of soils is an urgent matter in the province, zoning? All right now. And further expansion of the cities, of urban centres, to be allowed only on lands not fit for agricultural purposes. And that may be 35, 40, 50 miles away but that should be no problem in this day and age. Transportation is the least that we should worry about. That in turn would bring about decentralization of industry which has its own advantages.

(7) Management instead of exploitation of renewable resources is imperative - and I do hope that you translate this the way that I mean it. For example: if there is a stand of timber, keep it as such for posterity. Do not try to make a pasture out of it, or a field, or just wasteland, like we are fond of doing now. In that way we will maintain the balance in nature by utilizing our land resource to the best advantage according to its natural potential.

(8) Management rather than exploitation in an area of oil and mineral resources is equally necessary. There, however, the courage has to be found in the collective wisdom of the people to explode the myth of free enterprise only able to do a better job.

(9) Our educational system has to include in its curriculum the necessity of conservation and preservation being taught to children from square one through all levels to graduation from secondary schools, as a separate important subject. That at present is lacking and is urgently required.

(10) That the various departments of the government that have responsibilities in respect of land-use and resource development have effective co-ordination among them with a view to integrate their planning to the advantage of rational development.

That will wind up everything I have to say to you, gentlemen. Thank you very much.

MR. CHAIRMAN: Thank you Mr. Palamarchuk. Mr. Jorgenson.

MR. JORGENSEN: Well, Mr. Palamarchuk, I don't think you're going to find any disagreement amongst the members of the committee as to your suggestions that there should be a land-use policy. That has been the theme of practically every one of the representations that has been made before this committee since we started our hearings. There is no doubt about the need for land-use, particularly in an age when we now are beginning to see the shortages of food that can develop in a very short-term basis, and so the conservation of our food producing resources seems to be a point upon which we can all agree. There may be some disagreement as to method; there may be some disagreement as to the techniques that are used in order to achieve this objective, and I don't disagree with many of the suggestions that you have made, particularly as it applies to the building of cities and factories on our best farmland. I have long advocated that, that we stop this practice.

What I want to ask you, and this relates more to the subject matter of our discussions here today, is - you made the suggestion that insofar as it is possible land should be retained on the farm by resident farm operators. That's a very desirable objective as well. I wonder if you could just elaborate for a few moments as to how you think that can best be done. Without disagreeing with the objective, would you mind just simply explaining, giving us your opinions as to how they can best be done? I am not going to quarrel . . .

MR. PALAMARCHUK: You mean by retaining people, farm people on a farm?

MR. JORGENSEN: Yes, that's right.

MR. PALAMARCHUK: Yes, well very simply. You see there are no obstacles outside of one area of obstacles and in that area there is someone that wants to be, well, on the ground floor and being in control of agricultural production, because anybody could have seen years ago the writing on the wall that food will become a very important economic factor in the world. And preparations years ago as you will remember, Mr. Jorgenson, when you were a director of the Manitoba Farmers' Union at one time - you were on the right track then of course - that the farmers, organized farmers, have proclaimed that fact loud and long ago, but the trouble was with the farmers that they never really properly understand what's taking place around them. And I regret to point to an example, but I will because I'm a forthright person as many people who know me know me, but this morning's couple that were here are a very good example. They are a well meaning couple; they're young, they mean well, they want things that I want or that other farmers want but they didn't know what the hell they were

(MR. PALAMARCHUK cont'd) . . . . talking about for a while. They've listened to somebody who went out there in that neck of the woods and tried to tell them something about the cow-calf operation. I don't know whether it was Lorne Parker, or whether it was Jorgenson, or whether it was somebody else, I don't know who was there, but it was a quote thing that appeared in the media long before, and they went and put that into a brief. That was the trouble with the farmers. Now I suggest to you, all the farmers have to do is to become intelligent enough to overcome that obstacle that I was talking about, of that someone wishing to take a larger percentage of the food production in such a manner that he'd have practically total control of the markets. That's the only obstacle. But too bad, the farmer has about 235 different organizations, yet today he's still stupid, and I allow myself to say that because I'm one of the farmers, so that is the reason why. Otherwise, Mr. Jorgenson, let me make this conclusion in this point, otherwise it's an ideal set-up. Instead of one person holding a large tract of land, divide that production between many, and what is the result - everyone is proud of what he produces so he's going to do the best he possibly can. And in total in the fall, if you totalled up all that production, if it was divided amongst many instead of one, there will be more produced by those many than there was by that one. In the meantime they would have had a lot of fun producing it. -- (Interjection) -- Yes?

MR. CHAIRMAN: Mr. Jorgenson.

MR. JORGENSEN: Mr. Chairman, I don't know if Mr. Palamarchuk has dealt with the precise question that I asked him. My question was to find out in his view how best we could retain ownership of farms amongst those people who choose to live on the land, and I wonder if he'd care to direct himself to that particular and specific question.

MR. PALAMARCHUK: All right, I will, and very specifically, and very shortly, in a short manner. Unless the farmer is organized in one type organization very soon he will be able to do that through that kind of an organization. He doesn't need any help from anybody then because he'd force the government in order to take action if he had a tight organization that spoke for him. All right, but he won't do it, so then the alternative lies with who? With a government that is not only political but also has a statesmanlike attitude towards very important issues, towards the people, the rest of the people, not only farmers, to say to themselves we are not going to let this land get out of our hands; we are going to hold onto it until such time as maybe we'll have some more sanity in this world and the farmers' sons or the farmer himself is going to buy it back again from us. In the meantime he can go ahead and lease it, very much like the government's policy that they have right now. It works. It could work, a stay-option then, because they'll get that land because they have the time to reason things out and they know that the farmer is not going to be able to do it by himself because he's split in different kind of ways, so the government, the rest of the people of Manitoba who've got more sense than the farmer has, say, "We'll buy that land; we'll retain it; we'll put it into some sort of a safety deposit box until such a time that maybe there'll be more sanity in this world and the farmer will take it over again. Does that answer your question?"

MR. JORGENSEN: Well it answers it from your point of view. I'm not going to quarrel with your answer. You know, it's an opinion that maybe I don't necessarily share but that's simply an opinion.

MR. PALAMARCHUK: Yes. Of course. All right.

MR. JORGENSEN: But what I would like to know, have you seen the present arrangement, the lease that now is available for farmers when they choose to lease back land from the government?

MR. PALAMARCHUK: I have a general idea of it.

MR. JORGENSEN: Do you believe that that particular lease arrangement gives the farmer what could be described as security of tenure?

MR. PALAMARCHUK: Well, now if it does not, because I'm under the impression that it does, but if it does not because maybe something that I have overlooked in it that you may point out to me, and as I may agree with you, if it does not, then it's then up to the farmers to change that lease to accommodate their needs. I think it's as simple as that. It's a matter of getting together with the governments and saying to them, "Now look this is not quite right."

MR. JORGENSEN: Okay. You believe that the farmers can exercise that amount of authority that they can effect changes and . . .

MR. PALAMARCHUK: Oh authority they could exercise if they have only the organization behind them.

MR. JORGENSON: You know that at the present time that there is absolutely no security of tenure whatsoever in that particular lease.

MR. PALAMARCHUK: Yes.

MR. JORGENSON: Well, let me just quote two sections of the lease arrangement and let's make our own decision on it.

MR. PALAMARCHUK: Yes.

MR. JORGENSON: There's one section of the lease arrangement that says, "the lessee shall be expected to keep accurate and complete farm records and to use good farming practices."

MR. PALAMARCHUK: So what's wrong with that?

MR. JORGENSON: Nothing, nothing at all except that a little later there's a section that says, "the lessor", and I want you to understand it, "the lessor shall have the right to terminate the lease where the lessee is in default under the lease by a reason of the breach or non-performance of any covenant, proviso, condition or stipulation in the lease that is to be observed or performed by the lessee."

A MEMBER: That's in Mr. Henderson's lease.

MR. JORGENSON: Now that simply means that somebody makes a decision as to what is and what is not good farming practices. And in this case it's the lessor. In other words, the Chairman of the Farm Credit Corporation can go down to the farm and say, "I don't agree with your way of farming, off you go, the lease is terminated."

MR. PALAMARCHUK: Yes. But, Mr. Jorgenson . . .

MR. GREEN: On a point of order.

MR. CHAIRMAN: Order please.

MR. GREEN: On a point of order. I know that Mr. Jorgenson would correct me if I'm stating an improper conclusion, and I suggest to him that his legal interpretation that the lessor can unilaterally do that without the farmer having it subject to interpretation by a court is not correct.

MR. JORGENSON: Well the interpretation, and I checked it out with several lawyers, is very clear. It is precisely the interpretation that they placed on . . .

MR. GREEN: Well then it is incorrect.

MR. JORGENSON: . . . not the one that I placed on it.

MR. GREEN: The very same thing that we are talking about is in Mr. Henderson's leases, and he couldn't do it, the tenant could get a court to say that he is practicing good husbandry.

MR. PALAMARCHUK: But, Mr. Jorgenson, I wish to ask you at this point before you pursue the subject - mind you what you are saying is good, I'm listening to it, but I'm asking you, do you think that if it were not the government but somebody else, some private person, that draws up that contract, do you think that contract would have been very much different in character?

MR. JORGENSON: In the sense, in the sense that it was explained by a good many people that have appeared before this committee, and again this morning, that when you're dealing on a man to man basis and the person who owns the land has to pay the taxes on that land, he is more likely to want to retain a tenant on that land because he wants somebody to pay the taxes. In the instance of the government that does not happen. I've phoned several municipalities where land has been bought by the government and has not been leased back, it is in the possession of the government, and I'm told by the municipal secretaries that the taxes on that land has been marked "exempt".

MR. GREEN: That is correct.

MR. JORGENSON: That the government pays no taxes on that. I don't know where that places the municipalities if the government buys up large quantities of land, but I can see where there's a pressure on the part of a private owner if he wants to rent land, to want to make sure that land is rented, and so there isn't the likelihood that any kind of a lease would be drafted that would not be acceptable to the lessee. When the government owns it there is a slightly different situation, as was pointed out by several people who appeared before this committee in the past.

But then there are other aspects to the lease and one that troubles me is, although the government says that the rental arrangement is only 5 percent of the total value of the land, let's suppose you have a chunk of land that's worth \$100,000, the rental is \$5,000 on that land, and that arrangement then is in effect for three years at which time the lease is renegotiated

(MR. JORGENSEN cont'd) . . . . and then it could be raised - and there's no quarrel with that because I happen to be one that believes that because of the variability of markets from time to time there should be periodic adjustments to lease arrangements. Now then if a farmer wants to buy that farm at the end of five years - let's just assume for the sake of argument and for the sake of using round figures that the cost of that land was \$100,000 - that meant that the farmer has paid \$5,000 a year for the rent of that land for three years; let's assume that the government borrowed that money with which it bought the land at 9 percent, that was the interest rate that the government pays. That means they're subsidizing the farmer at the rate of 4 percent a year; that means that at the end of three years there is \$12,000 interest charged on that land. Then let's assume that the next two years they up the rent to 7 percent rather than 5. That means that for the next two years, assuming that the interest rate remains at 9 percent, there is another \$4,000 that is added, so that at the end of five years there is a \$16,000 charge added to that land. That is added. Now, and we get to the stage where the farmer wants to purchase that land, that \$16,000 is added to that \$100,000, under no circumstances is it less than \$100,000, even if the price of land drops by 50 percent, under no circumstance is the price of that land less than \$100,000.00

Also there's another clause that disturbs me in that lease. It says, "Where permanent improvements are made to the land to improve the income position of the lessee, the lessor may in its discretion make appropriate adjustments as determined by the lessor." Now what that simply means, that if a farmer gets on a piece of land that was not as good as it could be, and he happened to be an intelligent, diligent, hard working farmer and decided that he wanted to effect improvements on that land that would improve its quality and improve its productivity, at the end of those five years under the terms of this lease those improvements, the money that he has spent, can be added to the price of that land. In other words, he spends his own money to improve it and then he's going to have to pay for it when it comes time for him to buy it. Would you suggest that that is affording an opportunity to the young farmer to buy land?

MR. PALAMARCHUK: Well Bifrost Municipality did the same bloody thing to me years ago when I bought their no-man's land out in their prairies and improved it at my own cost, and I'll be damned if they didn't double the bloody assessment.

MR. JORGENSEN: And that's what happens in this case.

MR. PALAMARCHUK: Yes. So mind you there is no difference insofar as administration of leases and all that sort of thing is concerned. I don't think that it would behoove us to make a tremendous basic issue out of it. I think that it would provide a damn good debate in the Legislature, that you could iron these things out if the Government is off-beat somewhere, on some particular segment, these things could be ironed out by you chaps to set them right again. But it's not a public issue because as I pointed out to you, that question I posed to you, if it were not the Government but if it was a private concern, would the terms of the agreement be very much or radically different? And you know, Mr. Jorgenson, that I'm right, that it wouldn't be so much different, and therefore these technicalities - you may be bloody well right for all I know, I'm not right in the game, but it's these technicalities it's up to you fellows to iron out in the Legislature. But they are not, they are not the kind of differences that should work against the policy itself, the policy itself basically is good.

MR. JORGENSEN: But essentially then you believe that an opportunity, an advantage given to the lessee to repurchase that land is really the objective that we should be seeking, that there should not be obstacles placed in the way of a lessee buying that land if and when he chooses. Would you go so far as to suggest - well perhaps even prior to the end of five years the lessee should have an opportunity to purchase that land?

MR. PALAMARCHUK: I'll surprise you, I'll say that I'd go along with you. Yes.

MR. JORGENSEN: Okay, that's fine Mr. Palamarchuk.

MR. CHAIRMAN: Mr. Blake.

MR. BLAKE: Thank you, Mr. Chairman, I won't hold you up Mr. Palamarchuk because I know you have other commitments. I have one question: In your brief you mentioned that you would have all farmers licensed, that you believe that all farmers should be licensed.

MR. PALAMARCHUK: Yes.

MR. BLAKE: Would you like the responsibility of licensing them or who do you feel should have the responsibility of deciding who should farm and who shouldn't farm.

MR. PALAMARCHUK: Well now there are stipulations laid in the requirements of the license. It's as simple as that. The farmer is a man who lives on the farm and makes his

(MR. PALAMARCHUK cont'd) . . . . living off the farm, period. Do you want any more simplicity?

MR. BLAKE: Well that's right but . . .

MR. PALAMARCHUK: I'll rest my case there. That would be enough to begin with and then if complications come up we'd deal with them. But this one, that's all that's necessary right now. I want a license Mister because I want to shut a little hole that is in the wainscoting for a rat not to be able to get away on me.

MR. BLAKE: He would then go on a waiting list until a farm became available if he were granted a license and there were no farmlands available to him?

MR. PALAMARCHUK: Well if he does not, if his intentions are not to become a bona fide farmer.

MR. BLAKE: Well if they were but if there's no farmland available, it's all occupied now.

MR. PALAMARCHUK: Well, my friend you know you are assuming a lot. In the province of how many people, you are assuming that there would be such a case that there would be a long waiting list to go into this sweaty job.

MR. BLAKE: It could happen.

MR. PALAMARCHUK: Come on.

MR. BLAKE: It could happen.

MR. PALAMARCHUK: No, it couldn't. You are fishing for something and you know damn well that I am right, and so therefore you are trying to find fault with it, but you are not going to find fault with it because . . .

MR. BLAKE: I wouldn't say you are right because I don't agree that I should have to go on record . . .

MR. PALAMARCHUK: Oh, I know I am right brother.

MR. BLAKE: Well, that's right. That's your opinion, I have mine, but I say I wouldn't agree with your opinion that they had to be licensed.

MR. PALAMARCHUK: Okay. Okay.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Palamarchuk, I have been sort of hearing the expression over the last ten days or so that the farmers of Manitoba say this, that the farmers of Manitoba don't want this - are you a farmer?

MR. PALAMARCHUK: Yes.

MR. GREEN: How long have you been a farmer?

MR. PALAMARCHUK: Since 1950.

MR. GREEN: Have you found, Mr. Palamarchuk, that all of the people that you talk to agree with one another on everything?

MR. PALAMARCHUK: No.

MR. GREEN: That all the farmers think the same way?

MR. PALAMARCHUK: No.

MR. GREEN: That if somebody is able to say that farmers as a whole believe this, that, or the other thing.

MR. PALAMARCHUK: Oh, I know that statement; it's sickening isn't it?

MR. GREEN: I have heard it so many times . . .

MR. PALAMARCHUK: Yes.

MR. GREEN: . . . and I heard it said by farm leaders, that farm leaders have come in and have characterized all of the farmers of Manitoba as being of one opinion, as not having any imagination, as somehow being one entity. And I have heard that from members of the Manitoba Legislature.

MR. PALAMARCHUK: Yes, is this way only. That's the only - all right. Now listen, it is the same damn thing as an announcement in the media, in the paper, that the farmer of the West has got so many millions, he came into possession because he sold his wheat - same damn thing.

MR. GREEN: There is a statement here, Mr. Palamarchuk, that the farm community rejects government ownership almost 100 percent.

MR. PALAMARCHUK: Oh, that's not true. You talk to farmers in this community, go out on the street - that's a damn good place - and you start talking to him . . .

MR. GREEN: Mr. Palamarchuk, Mr. Spivak says that the farmers are more concerned with public ownership of land than they are with foreign ownership of land.



MR. PALAMARCHUK: No, I wouldn't say that at all. Mind you it all depends on the individual.

MR. GREEN: Exactly.

MR. PALAMARCHUK: If the individual does not understand really what the issue is about he may, or she may, make that kind of statement.

MR. GREEN: I am sorry. Excuse me.

MR. PALAMARCHUK: Yeah, yeah, go ahead.

MR. GREEN: Some farmers may think that; other farmers may think something else . . .

MR. PALAMARCHUK: Oh definitely.

MR. GREEN: . . . but it would not be true that farmers like sort of as a group believe that public ownership of land is worse than the land being owned by a foreign owner who stays there.

MR. PALAMARCHUK: Of course.

MR. CHAIRMAN: Mr. Ferguson.

MR. FERGUSON: Yes, Mr. Palamarchuk, I have only one question to ask you and that would be, are you aware of the fact that of the briefs we are talking about, a majority opinion here, of the briefs that have been presented to this committee - I would imagine there are somewhere between 25 and 30, I'm not just sure - I think there are only three that have been in favour of government ownership of land and the rest have been in favour of possibly some other method. I just wanted to point out to you how the majority does look like it might be going . . .

MR. PALAMARCHUK: Do you want the answer to that one? Do you know it's the same damn thing that strikes one - at any time they have a fair weather in their favour there is a whole slew from the Farm Bureau being seen in the media - oh they are after some blasted thing or another and you see just one, two, three, four, half a dozen. It comes to a time sometimes that I'd have to object to that sort of thing.

Now it is very easy. You make sure that we have got a certain amount of briefs to be presented to the commission and they come forward. That is not an indication - give time, a little more time - advertise this public hearing a little more than what you are doing and you will see a heck of a difference. Do you know that today - all kinds of people have come to me today and said that they didn't know about it. All right. So that doesn't mean a thing what you have said there, because a certain organization may have been instructed to come forward with their people on different points - simple enough.

A MEMBER: Point it out to the Minister.

MR. PALAMARCHUK: Well I'm pointing it out to all of you.

MR. GREEN: I suspected that all along.

MR. PALAMARCHUK: I'm talking not as a representative of some particular organization because although I am a member of the National Farmers' Union I am not an official - it is my own brief.

MR. CHAIRMAN: Mr. Henderson.

MR. HENDERSON: Mr. Palamarchuk, you said you would ban all insecticides.

MR. PALAMARCHUK: Yes.

MR. HENDERSON: Would you just take a little time to elaborate on that - like with all the beetles and bugs we have in the way that can destroy your crops - just take a little time to elaborate on that if you don't mind because I know you have . . .

MR. PALAMARCHUK: I'm not going to waste my time personally by trying to elaborate on it. You ought to know a heck of a lot more than perhaps you pretend you don't Mr. Henderson. After all is said and done you know that a lot of these toxic poisons had to be taken off the market because they were insecticides. Good, perfect insecticides. But they were perfect in many other ways. They also killed the soil bacteria and they killed a hell of a lot more than you could ever have anticipated that they would. They were also a potential danger because there are certain chemicals in there that would never deteriorate or perhaps stay there for a hundred years, and if exposed they would do their dirt. So that's your insecticides.

I say to you instead of that, why don't you have a little more hedge rows along your fields instead of bulldozing everything in sight with the encouragement of your FRED programs and ARDA that you people instituted in those years. The development corporations that are breaking their neck trying to clear as much land as possible and not leaving a damn thing on that cleared land. All right. Supposing you had that kind of refuge, supposing you had a

(MR. PALAMARCHUK cont'd) . . . . little more refuge for wildlife than we have right now, Do you know these are the natural deterrents of insects. You wouldn't have to use so much insecticide. You have heard about this thing that they have got in Nevada or wherever it was, they've got a statue to the blasted sea gull that came in in time of need and really saved them. It wasn't your D.D.T. It was a gull that came to their rescue when they had an infestation of hoppers and everything like that. Well these things are going on by the hour, every hour if you give a chance for the natural deterrent to work, but with the man that wants to have a large viable operation and therefore he wants to have nothing in his way with a big wide implement, naturally it won't work for him, he's got to resort to insecticides. And I am objecting to him. I say that in the long run man will pay heavily for that misuse of the soil.

MR. HENDERSON: Yes. I am listening sincerely to what you're saying and I believe there is a lot to it, but like it still isn't facing the reality of today's times. Like you may have this in your head but it just can't be done; and if we were to take your same attitude we would be going back almost to the horse and buggy days.

MR. PALAMARCHUK: Oh my God. You know it wouldn't hurt us for a while . . .

MR. HENDERSON: Well I know . . .

MR. PALAMARCHUK: You know perhaps that's exactly what they think - to take time off for a while and come to sanity back again. Oday, carry on.

MR. HENDERSON: There is no way I can get ahead on you, and I am not trying to get ahead. It's just that it's not really facing reality the way things are today.

MR. PALAMARCHUK: The way things are today is not satisfactory to all of us and you should really, and you do agree that we have got problems galore that we can't see through?

MR. HENDERSON: Yes, that's right.

MR. PALAMARCHUK: Okay.

MR. CHAIRMAN: Mr. Jorgenson.

MR. JORGENSON: Mr. Chairman, I wonder if I may just ask a further question of Mr. Palamarchuk. When he mentioned farmers clearing much more land than is desirable, and I again will agree with him, but do you not think, Sir, that to a large extent one of the reasons that farmers do that is because the minute they clear off a little bit of land some assessor comes along and increases the assessment on that land to the point where he has got to try and get more out of it in order to pay for the taxes that are on it; to a large extent the assessment practices - and I am not blaming any particular government - but the assessment practices that are going on today are responsible for a great deal of the problems that we face insofar as clearing off land that should not be cleared off and abuse of land that is taking place.

MR. PALAMARCHUK: Jorgenson, I am going to go along with you on that.

MR. JORGENSON: There is no point me asking anymore questions; we agree on everything.

MR. CHAIRMAN: Mr. Johnston.

MR. JOHNSTON: Mr. Palamarchuk, you have espoused what I have heard every Minister of Agriculture say, both federally and provincially since I have been old enough to take an interest in politics; namely, you said the most desirable situation is for the farmer, owner, resident operator, in other words, a resident farmer on his own land, you have said that's the most desirable method of food production and also quality of life. Is that right?

MR. PALAMARCHUK: Yes, I have said that.

MR. JOHNSTON: And I say again, you haven't differed in that opinion with any Minister of Agriculture I have ever heard of provincially or federally. Now, you go a step further and say that if you had your way you would like to see a law passed limiting - in fact putting that into law, and also putting into law the amount of land they could have, a section.

MR. PALAMARCHUK: That's right.

MR. JOHNSTON: Do you think that the people of Manitoba or Canada would accept a law and would that government be around the next time?

MR. PALAMARCHUK: My friend, it was evident what I have said here in this brief not only in one place but in a couple of places, I'm well aware that's political dynamite; but I am also well aware that as far as people are concerned and involved - as people are concerned and involved - it's the only way out my friend.

MR. JOHNSTON: Well, we can sit here all day and discuss . . .

MR. PALAMARCHUK: Well you can sit here all day, I don't have to; I have to go at three o'clock, but I know that this is the thing to consider. We are not going to make any

(MR. PALAMARCHUK cont'd) . . . . headway by your projection that only a certain amount of people are required for production of food, because then you are going to hurt no one else but people themselves, including you. And you'll find problems emanating from it - social problems - that you wouldn't be able to cope with. But the trouble is you see that in that projection of an economic possibility that really and truly in Canada, and Western Canada especially, technology is instrumental to enable someone, a power bloc, to take over the whole bloody complete economy of agricultural production, it's possible; and in the headlong projection you forget about everything else that may be evolving as a result of that kind of a step. You see that's the trouble.

MR. JOHNSTON: Mr. Palamarchuk, I appreciate your sentiments and like you said, you don't want to stay here a moment after three, but you don't hesitate to come and give us your advice and we appreciate that. So I am asking you the question, in view of the fact that your solution you have admitted it is too much for the public of the nation to take, in other words political dynamite, then do you have another suggestion that will come somewhere near satisfying a consensus in the country. You have given us your extreme view as to how it should be . . .

MR. PALAMARCHUK: Yes.

MR. JOHNSTON: . . . in idea form, but in practical politics, which the Manitoba Government is facing today on land use and foreign use, do you have a practical suggestion that will satisfy a consensus of the farm people of the country? Your idea will not, you have admitted that.

MR. PALAMARCHUK: That's right. In practical politics I would suggest that the attitudes of the Canadians at large ought to be changed enough by the pressures that are being exerted on them from the state of affairs emanating from state of affairs as of today, that the Canadians should come to realization that the people they have representing them on provincial levels and in federal levels are not the people to guide their destiny, and throw the beggars out, let him take his time off, and elect people out of people who see a way out but are not able to achieve it because of the obstacles that are placed in their way by the system that was in existence for too damned long.

MR. JOHNSTON: In other words, you don't have a practical suggestion.

MR. PALAMARCHUK: Well, that's your interpretation. To me it's very practical. Mr. Chairman, there is only one thing that as an aside I may ask you to bring to the attention of this Commission. That insofar as there seems to be quite an interest on the part of the opposition say, as to the amount of leases, as to the extent of leases and as to the amount of credits that are given through the MACC to farmers and all this sort of thing, and listening to them, I was wondering, Mr. Chairman, whether it would be possible if a request was say asked for by a taxpayer like myself, because I was really wondering about it - why can't it be made public where all that money, how much money is going and where it is going and by whom and to whom?

MR. CHAIRMAN: Well I shall take that as a point and bring it up to the Minister and I don't know if the committee, what will be the will of the committee whether this information, if it is available, whether it should be made available to the committee. I can't speak for the Minister but certainly the Minister is here and he can possibly speak for himself. Mr. Johnston, I'm sorry.

MR. JOHNSTON: Mr. Chairman, I think the information that Mr. Palamarchuk is requesting is public and open to anybody who wishes it. Does the MACC not give an annual report?

MR. GREEN: No, but it doesn't say who has got the loan.

MR. JOHNSTON: But the CEDF does.

MR. PALAMARCHUK: But as long as we do know in what areas these loans are extended.

MR. CHAIRMAN: Mr. Jorgenson.

MR. JORGENSEN: May I then suggest, and as a matter of fact I already have a question for the order paper prepared and I hope the Minister will take note of it. I'm asking for the precise information that is contained in the Working Paper that applies to foreign ownership, private ownership, etc., the same kind of information. If it can be given insofar as foreign ownership is concerned, then it can be given insofar as government ownership is concerned as well.

MR. CHAIRMAN: Mr. Green, you are next on the list.

MR. GREEN: Mr. Chairman, I sort of have a question or an observation - either one I suppose doesn't matter, we are supposed to be able to use our ingenuity to do either. I have disagreed very strongly with one of the points that you have made and would like to elaborate on it. It is not my impression, from ten or twelve years of fairly intensive moving around in rural Manitoba, it is not my impression that the farmer is stupid. I have got the impression that the farmer . . .

MR. PALAMARCHUK: That's my impression, Mr. Minister, I want to take all the credits for that particular observation.

MR. GREEN: I have got the impression that the farmer is very clever and I want to indicate that I think that the people in rural Manitoba have dealt with their problems by trying to indicate that if there is ways in which somebody gets an advantage over another then they are forced to try and take them, but that if there was a government that was willing to deal with these things on a more equitable basis that they would be the first to support it. Now I don't think that that is stupidity; I think that that is people caught in a ratrace.

MR. PALAMARCHUK: Yes, of course I see what you mean. Yes, of course I agree with that. When I said the farmer is stupid, I say it not with rancor or not with a convincing attitude that he is - no not that; I only regret that he has lost so many opportunities of seeing light long ago and save himself and save a lot of nonsense going around today and avoid a lot of problems that . . .

MR. GREEN: But isn't that partly the fault of the government. If the government says . . .

MR. PALAMARCHUK: Oh, definitely.

MR. GREEN: . . . if the Government says that land is up for grabs that the farmer like anybody else will say I've got to get as much as I can otherwise I'm going to be squeezed out.

MR. PALAMARCHUK: That's right.

MR. GREEN: Now I don't think that that's stupid. If the public said, as you have said - and I'm not sure that I go along with all of your suggestions but they are certainly the most interesting and definite suggestions that are made - that there will be a certain amount of productive land available, that it will be divided on an equitable basis, that it will be disposed of in such a way that enterprising people on the land will be able to produce, if the farmer believed that a government would actually do that and then not give an inside track to, as you have put it, a factory farm or somebody else, would they support that kind of government?

MR. PALAMARCHUK: I believe they would. Mind you there have been so many disappointments enroute along the same lines, or rather along the same hopeful or wishful thinking on the part of the farmer, there have been so many disappointments that naturally they take everything with caution. But if this thing evolved, and as it will, this policy, if it evolves in its true aspect, by this kind of a dialogue, by this kind of a discussion, that the farmers are going to recognize that this thing is working for them instead of against them and they are going to go for it like nobody's business.

MR. CHAIRMAN: Mr. Palamarchuk you've asked the question. Perhaps Mr. Uskiw . . .

MR. USKIW: Were you suggesting, sir, that the government should in some form, either in the Gazette or perhaps the Legislative library or whatever form, make available to the general public the names of all people who borrow money from the Crown or who lease land from the Crown?

MR. PALAMARCHUK: Oh, not necessarily so, no.

MR. USKIW: I didn't get the point you were making then.

MR. PALAMARCHUK: Well what I would be interested personally is, for instance, if I hear some criticism on the part of the opposition - and I'm going to be forthright in here, and they say, well damn it this blasted Interlake around Fisher Branch and Arborg and everywhere else where the heavy vote is for the NDP, good God they're getting a hell of a lot of public money out of the taxpayer. Do you understand? I want to see just how much of that money has in other areas gone to maybe some years back, say the southwest, the south, the southeast.

MR. GREEN: We can tell you that now.

MR. PALAMARCHUK: This is exactly what I would like. I am not after somebody's private loans, mind you, I know that if somebody investigated me and had to publish my name, how much I owe to the Farm Credit Corporation, that's not very much right now, but I am again 69 years old. It's about time I cleared it off.

MR. USKIW: Yes, I think that information is available if you have some interest in it.

(MR. USKIW cont'd) . . . . I'm sure we can give you the statistical breakdown per region in Manitoba as to the numbers of people and numbers of dollars advanced and whatever. That is not a difficult thing to do.

MR. PALAMARCHUK: But I believe that the operation would think twice in terms of criticizing the government as to the kind of leases, amount of leases and the kind of loans that are extended and everything if this thing was maybe made known to the public. And then they'd say, "for goodness sake now the people know how much we had given there somewhere's or another." They've got their own places of interest. It would settle that issue and not make it a sort of controversy that's not worthwhile wasting time on.

MR. CHAIRMAN: Mr. Jorgenson.

MR. JORGENSON: . . . suggest, sir, that the opposition should not avail itself of its right to ask questions of the government and to make criticism of the government?

MR. PALAMARCHUK: Oh no, I'm not suggesting that. No I did not suggest anything like that, no.

MR. CHAIRMAN: Thank you, Mr. Palamarchuk.

MR. PALAMARCHUK: Thank you very much.

MR. CHAIRMAN: We have one more gentleman. Before I call on Mr. Simundson, if you recall on the 20th of January we had a presentation from a Mr. Friesen and I did indicate that this matter would be brought to the attention of the Manitoba Agricultural Credit Corporation.

A letter was written to Mr. Friesen on the 24th, it was by registered mail. Mr. Friesen, Carlowrie, Manitoba. "Dear Mr. Friesen: I refer to your submission to the Special Committee of the Legislature on Land Use at its first hearing in Winnipeg on January 20th, 1975. During your submission you made the following statement in regard to the administration of the Manitoba Agricultural Credit Corporation Land-lease Program. And it is a paraphrase, "A young farmer in your area tried to purchase land from a retiring farmer at \$80.00 per acre. In order to finance his purchase he went to the Manitoba Agricultural Credit Corporation for financial assistance. MACC in turn advised the farmer that the Corporation was unable to assist. However, the following day MACC purchased this property from the retiring farmer for \$100.00 per acre. You finally advised the Committee that this particular property is now laying idle." This is the statement that was made at the Committee by Mr. Friesen on January 20th.

Now the Corporation states, "It is hardly necessary to express the Corporation's concern regarding the above claim. We therefore would wish to investigate the matter. Should your statement be correct we would of course wish to take necessary steps to prevent such a situation from occurring again because same is contrary to the Corporation's policies and methods of operation. I trust, judging by your concern expressed in general to the Committee, that you would be more than willing to assist the Corporation in investigating this matter. May I therefore kindly request that you provide me with the necessary details. I would be grateful to be advised, firstly, as to who the young farmer is who attempted to purchase the property concerned, and secondly, as to the legal description of the property concerned. Please rest assured that this matter will receive all necessary attention." This is signed by H.B.J. Friso, Director Land-Lease Program.

I received a letter on Saturday from the Manitoba Agricultural Credit Corporation February 8th, and the letter reads as such: "Dear Sir: I refer to the Corporation's registered letter dated January 24th, 1975 to Mr. Peter N. Friesen of Carlowrie, Manitoba, which was copied to you. The Manitoba Agricultural Credit Corporation asked Mr. Friesen to document his allegations against the corporation made during his submission to the Special Committee of the Legislature on land-use at its hearing in Winnipeg on January 20th, 1975, in order to provide the corporation with the opportunity to investigate the allegations made. I regret to advise you that to date no reply has been received from Mr. Friesen. In view of the seriousness of the complaints made against the Manitoba Agricultural Credit Corporation and the effect this will undoubtedly have on the corporation's public image as well as its negative impact on farmers' confidence in the corporation's business dealings, I respectfully request that the corporation's letter to Mr. Peter N. Friesen, as well as the present letter to you be read into the committee's records during the committee's second hearings to be held in Winnipeg." This is signed by Mr. H.B.J. Friso, Director, Land-Lease Program.

I read it today because there was some mention made again today of supposedly this

(MR. CHAIRMAN cont'd) . . . . thing happening, though Mrs. Steinhorsen stated she is not aware of any but she has heard this type of rumor. So I thought it would be in order to have this letter ready today in case anybody feels that there is this policy of the Manitoba Agricultural Credit Corporation and I think the record should be set straight. Mr. Simundson.

MR. SIMUNDSON: Mr. Chairman, it's regrettable that so few people seem to have known about this hearing here today. I think I heard something about it some time ago but it didn't come clear to me until last night I saw it in the Manitoba Co-operator that this was going to take place here today. I had no time to prepare anything in the form of a brief and the few comments that I want to make here, I want to say that they are entirely just my personal opinion of things and approach to things; I'm not representing anybody and I don't think I'm representing the majority of thinking of farmers at all. I want to put that especially clear to . . .

MR. GREEN: Some people when they come they speak for all the farmers. I'm delighted that someone speaks only for himself.

MR. SIMUNDSON: I think the history of the agricultural efforts here in western Canada are very clear to most of us. It was pushed by intensified effort of settling the land and giving everybody a franchise of 160 acres of land as a homestead for a token fee of \$10.00 and also further certain obligations that were to be carried out to receive ownership of this land. Then if it was good land and it was an aggressive owner and operator he would go ahead and mine this land for all it was worth and upon retirement he would sell it for the highest bidder. We have had this vicious circle of land ownership ever since, that it has been a matter of buying the land, mining the land to pay for it and again re-sell it. This is always being done at the cost of the soil, of the land that we walk on and that we keep depending on for our living.

I feel that there was a very grave error made in the first place in connection with this franchise of land. The only restriction to hold ownership of the land was to pay the municipal taxes on it. If that was defaulted on then of course the ownership was jeopardized and eventually lost. If the ruling fathers at the time had had the foresight of establishing a soil conservation policy, a soil conservation code, and applied that towards the land instead of . . . municipal taxes, that you'd jeopardize the ownership or the franchise of using that land if you abused it; and that we had never had to pay a dollar of tax on land but you had had the other instead, that if the land was definitely abused then you could lose the franchise of operating it, owning it, or holding the lease on it at whatever system would have been inaugurated in the first place. I strongly feel that all the efforts applied towards the land are futile if you can't bring in the philosophy that we hold the land in trust and it's our obligation to conserve the fertility and the resources of that soil for those that come after us.

I feel that, for instance, that you here, you have a very definite problem in connection with land, for instance, the urban sprawl taking over good fertile land and also the exploitation of the public in connection with that. And I think it's verified that workers, workers, some of them have to put up five or ten years of their net earnings just to acquire the ownership of one lot to build a house on. This of course has come to extremes, that a responsible government has to just try and tackle in some form, we know that. But I'm not thinking about this or trying to emphasize on this at all, I want to emphasize on the other, I feel that we have to get a soil conservation code or policy, more clear and better applied than we are doing at the present time. Other things are of secondary matter. I am, for instance, thinking of a statement by Joe Ellis, who many of you may recall was the Professor of Soils at the University of Manitoba, where in his book "The Land for Thine Inheritance", which some of you may have read, where he said that one generation that tilled and occupied some of the best soil in Manitoba they were able to mine one-third of the potential productivity of that land without giving it very little in return. Those things of course are gradually changing because of have to, because you just can't mine a land which is wasting or which is deteriorating without giving it something in return. But so far we have no established policy of land conservation and I feel strongly that we have to get a definite code for the people that are entrusted with the land to live with and live under. I thank you.

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

MR. USKIW: On that point, sir, you're suggesting that there should be some regulation which would determine how land would be used, not only the uses of it, but even if it was properly designated and used in that area of production, that land husbandry is something that should be set out by regulation. That's in essence what you are suggesting. Are you saying that that should apply to owners as well as lessees? In other words, universally to all

(MR. USKIW cont'd) . . . . landowners and lessees, or just to those lands wherein the Crown has some contractual connection, such as a lease or a loan, in the financing of that land?

MR. SIMUNDSON: In connection with Crown land?

MR. USKIW: You're saying that you are concerned about the lack of good husbandry of the soil and that there should be a soil code established. My question is would you apply such a code against all owners and lessees alike or just the lessee? Would you control the guy that owns his own farm with respect to how he uses his soil?

MR. SIMUNDSON: I think it would have to be applied towards the owner of the land.

MR. USKIW: Universally to everyone?

MR. SIMUNDSON: Yes.

MR. USKIW: Okay.

MR. CHAIRMAN: Thank you, Mr. Simundson. Is there anyone else? Would you give us your name, sir?

MR. FOSTER: Ken Foster. I'm a local farmer and I would just like to point out to this committee that I rather feel that we're missing the whole point here. I can quite agree with you that we should have some means of controlling what land should be used for and that we should not be putting concrete over top of our agricultural land, but I feel that this government is using this foreign ownership and land-use as an excuse to take over the farmland of this province; and nobody is going to convince me that this government cannot put regulations out to restrict foreign ownership. I have nothing against a foreigner coming into Manitoba and buying land, taking out citizenship and farming that land himself; but of course I do have something against a foreigner coming in and buying land and not farming it. But this can be restricted. We do not have to go into such an elaborate scheme of purchasing land and restricting anyone from farming it. I really feel that this is just an excuse.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes I would like you to elaborate on that, sir. Where did you get the impression that the government is wanting to buy up land and take it out of production, unless it is very marginal land that is bought up through an ARDA program, for alternate land use in other words.

MR. FOSTER: I did not say that it would go out of production if the government bought it, but I feel that the basis of their plan to buy up farmland is to help young farmers for one thing which they say they will lease back at five percent of the capital cost, to me that does not make sense. If they want to help the young farmers why not through their agricultural credit organizations lend the money to the young farmers and charge them five percent interest on the money they borrow and then eventually they will own that land themselves.

MR. GREEN: To me that does not make sense . . .

MR. FOSTER: I didn't figure it would.

MR. GREEN: The fact it doesn't make sense to you, there's no comeback.

MR. FOSTER: I want to point out something here, too. There's not as many farmers here today as I would have liked to see, but I just wonder how many of these farmers that are here would like the idea of farming on government property.

MR. GREEN: Nobody has to . . . buy a piece of property. Nobody is telling them to buy government property.

MR. CHAIRMAN: Order, please. Mr. Green, I'll put you on the list.

MR. USKIW: You indicated, sir, that you believe that these hearings, the question of foreign ownership is really drawn so that the government would provide some excuse for getting into land control or ownership. Are you at all familiar as to how it is that we are here today or why we are here today?

MR. FOSTER: Yes. Well you said you were here to listen, but . . .

MR. USKIW: No, but the basis of it. I think it should be worthwhile . . .

MR. FOSTER: I have to admit that I am not totally familiar with your paper on land ownership . . .

MR. USKIW: Let me inform you as to how that happened because I think if you knew that you wouldn't have said what you just said. And that is, that there was a discussion in the Legislature two years ago and last year, introduced by the Liberal Party, and that's no reflection on them, I think it was a very worthwhile discussion, that thought it was worthwhile to talk about land ownership in Manitoba and in particular the question of the impact of foreign ownership. And because the government did not have a policy on the question, the opposition was

(MR. USKIW cont'd) . . . also not united in any way on the question, it was agreed that we would set up a committee of all parties who would tour the rural areas of Manitoba and would discuss this question with the people of Manitoba before we brought in any legislation. So we are here not because the government wants to buy up farmland but because the government didn't know what the policy should be in the first place, and therefore we're here to hear your views on what we should do with respect to land ownership and its use in the Province of Manitoba, as a committee of all parties.

MR. FOSTER: Well my opinion of course on that is that you should not buy up farmland.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Now you say that it would be perfectly all right for the Government to loan money out at 5 percent for you to buy land in your name.

MR. FOSTER: Right. Not my name because . . .

MR. GREEN: Or in the name of any farmer, any individual farmer . . .

MR. FOSTER: Okay.

MR. GREEN: . . . in the Province of Manitoba; that it's okay, you consider that to be good free enterprise for us to subsidize a person by giving him a 5 percent interest rate and buy the land for him. That's okay?

MR. FOSTER: Well what are you doing when you're buying the land and charging him 5 percent rent on it. That's not a good business practice.

MR. GREEN: Let's deal with that. The difference between buying land and giving you a subsidized rate and buying it in your name and giving you a lease on land and putting it in our name, is that if the land increases in value that the land will belong to the people who put up the money, that is the public of Manitoba. Now you say that it's okay for the public of Manitoba to give a private citizen a capital gain with their money but it's not okay for the public of Manitoba to get any capital gain that has been achieved by leasing land at 5 percent. Now that may be all right, that may be good, but it's not free enterprise. It is subsidizing, it's asking the public to pay for private ownership of land so that somebody could run around and say, "look I'm a free individualist. The public of Manitoba bought me land which has increased in value by subsidizing the price of it." Now that's okay. If that's what you want, if that's what you think should be the policy of the Province of Manitoba, that we should subsidize people who then run around and say "look how great an individual I am, look how I don't depend on government. They have given me interest rates of 5 percent and now I own the land and if it's increased in value I have bilked the people of Manitoba out of \$100,000". If that's the increase, say it. But don't say it's free enterprise. And don't say it's good business because no private person will give you that kind of a deal. Why should the public give you that type of deal?

MR. FOSTER: I did not say it was free enterprise. You were concerned about getting young farmers started in farming.

MR. GREEN: So you will agree then that this way of getting young people started in farming is not free enterprise? Those people who say, you will agree then that me subsidizing an interest rate to put property in the name of a private farmholder is not free enterprise. -- (Interjections) --

MR. CHAIRMAN: Order please.

MR. FOSTER: Listen, listen.

MR. GREEN: You think this farmer is unable to handle himself. I think he's all right.

MR. GRAHAM: I think it's you.

MR. CHAIRMAN: Order Mr. Graham.

MR. GREEN: Mr. Graham I think that you were the one who talks about free enterprise, not me.

MR. GRAHAM: I never talk about free enterprise.

MR. GREEN: You never talk about free enterprise. Well I will have my Executive Assistant go through Hansard and I'll find plenty of free enterprise in your talks.

Now you say that it would be good business, or good for the people of Manitoba generally, good for my constituents in Inkster to pay taxes, to buy land for you at 5 percent and put it in your name, but it will not be good for my citizens of Inkster to buy land, let you rent it at 5 percent, and if the land increases in value at least it belongs to all of us, everybody in this room, not just you. That's your position is it?

MR. FOSTER: Well that's rather a difficult question because your basis of this policy at 5 percent of the capital cost is to get young farmers going in farming.

MR. GREEN: Right.



MR. FOSTER: Now you have a budget to allow so much money each year to go towards agriculture. Now, you said the problem is that farmers are not being given a chance to start farming. Would this not give them the chance?

MR. GREEN: Both would give them the chance. The only difference, the only difference, that I in my mind have been able to figure out is that both will give him exactly the same chance. The only difference is that if land increases in value, as it has over the last 50 years, that in one case the public will get the capital gain and they will have put up the money; in the other case the public will be financing a capital gain for an individual who would then say "look I'm an independent free enterprising farmer and I've made a huge amount on this land which I'm now going to have as a nest egg for my retirement."

MR. FOSTER: Capital gain is only good when you go to sell and if the government is not going to sell the property what good is it to the people of Manitoba? You said that the people of Manitoba will get the capital gain. Well how will they get it if it's never sold?

MR. GREEN: Well I will show you how the people of Manitoba, if you find it very difficult to know that answer, I will show you how the people of Manitoba will get the capital gain both ways.

In one case they will get it because this farmer who has this option may decide that he wants to exercise the opportunity to purchase, in which case he will then pay for the land at its then value. And if the land has gone . . . -- (Interjection) -- That's right. Whichever is the higher. They will not lose it, or if the land went below the value the farmer would not buy it because I don't think that the farmer is stupid. And the farmer is not going to buy a piece of land with an option . . .

MR. CHAIRMAN: Mr. Henderson, please.

MR. GREEN: Well you know when you say that the state stands to lose nothing I wish that we had so operated in many other areas that we did not lose anything. And if you're saying that, if you're saying that this is one area where we have figured out a way in which the public will not lose, I will congratulate us, I won't feel bad about that. But I intended to show this gentleman how we will get the capital gain, if there is a capital gain. Because if there isn't then I don't expect a farmer, even if he has an option to purchase, to pay \$80,000 for a piece of land which the market value is 40, he'd go to somewhere else and get it for 40 even if he has a lease. You know that's the way I think . . . You fellows seem to think that that farmer because he loves the government is going to pay \$80,000 for a \$40,000 piece of land. I don't think so.

So if the land goes up in value and the man wants to purchase it because he happens to have developed an attachment to it, the public which has financed this lease will get back everything and we will have a young person in farming. If he doesn't decide to exercise that option he will continue to operate on a lease in which the land will be kept at relatively the same value as opposed to those areas where the continuing increase in price has enhanced the value. For instance, in the City of Hamilton the housing authority had a problem because they built 100 houses - and I don't know whether my figures are correct - they built 100 houses on land which cost them 12 or 13 thousand dollars a house and all throughout the city the private landlords were forced because of business necessity, because if you have a house that's worth 20,000 you have to charge rent as if it is worth 20,000, the public authority was embarrassed because all of the people who lived in those units which were built publicly and sold publicly were paying very low rents because they did not have the same pressure to build into the rent the latest sale price of land, and therefore all of the people in those houses were living on rents which were embarrassingly less than the rents paid by other people. And whether you increase the rent, sell the house or keep the rent at the same price, as long as it doesn't change hands privately from one person to another the public gets the capital gain. The only way the public will not get the capital gain is if they put it into the hands of a private person and he sells it. And I don't know why you would want my citizens of Inkster, who are willing to engage in a lease policy which draws people into the land, to be financing a capital gain of an individual farmer who thinks he's a free enterpriser.

MR. FOSTER: I'd just like to point out that you still have not told me how that is a subsidy by lending at 5 percent and this lease program is not a subsidy.

MR. GREEN: I say they are both subsidies.

MR. FOSTER: Well I say so, too, so that's what I'm asking. What's the . . .

MR. GREEN: I have said the only difference is that one subsidizes a private capital gain, the other subsidizes leasehold rent of land.

MR. FOSTER: All right. But at the end of that period when that young farmer buys that land, that's the end of the subsidy.

MR. GREEN: That is correct.

MR. FOSTER: All right. You're going to say to me that after five years the young farmer is going to buy that land?

MR. GREEN: He may not.

MR. FOSTER: Well I'll tell you if it was me I sure wouldn't. At five percent of the capital cost why wouldn't I keep on taking that subsidy.

MR. GREEN: Because you're not going to get five percent forever. You haven't read the lease very well. Mr. Jorgenson has pointed it out to you that the five percent is just an initial, it's an initial rent, and that the rent will go up. It will go closer to the normal interest rate after, three years is it? - after three years it will go closer to the normal interest rate.

A MEMBER: What's that?

MR. GREEN: What's that? Yes, that's right. It is a program which gives a modest opportunity for some people to farm land in a different way. It doesn't stop you or anybody else in this room from leasing from Mr. Henderson or from buying land from Mr. Jorgenson. You can still do those things.

A MEMBER: He sold his already.

MR. GREEN: He's already sold his. To buy it from the people to whom he has sold it and pay them twice as much as they paid for it. If you want to do that good luck to you; that's free enterprise. You have a right to do that.

Now I have another observation or question to ask you. This program that we are talking about really comes up peripherally because the foreign ownership question was not raised by me, as a matter of fact I have never expressed a concern for it, so if you say that this government has raised the spectre of foreign ownership to give us an opportunity of taking over ownership of land, I tell you that that is mistaken. This program with regard to the lease program was done before the 1973 election, it was campaigned on in the 1973 election, it's been in existence for over two years and the people in this constituency, the farmers, voted for the government that instituted it. So I can't believe that all of the farmers . . .

MR. FOSTER: I didn't say that all of the farmers. This is my personal opinion.

MR. GREEN: Well I tell you this, that this was done before the '73 election, it did not come up now, it is not something we are talking about legislating, it is something that was put before the voters of your constituency, it was something which our opponents raised as a spectre of Bolsheviks running around land-grabbing all of the land in the Province of Manitoba, and the people in this constituency endorsed it and rejected the opposition.

MR. CHAIRMAN: Mr. G. Johnston.

MR. G. JOHNSTON: Mr. Foster, I've been in opposition for about 10 years and I always feel that if Government's got anything good to say they have plenty of paid propagandists, and they have others like Mr. Green who will say anything good that they have, so the questions I'm going to put to you I don't want you to interpret as in any way defending Government policy because I feel they can do that themselves.

I was waiting for you in your discussion with Mr. Green to say that in the choice that a farmer should have perhaps between the five percent capital cost lease or purchase, would you be willing to suggest to the Government that they could modify that program to where the farmer has a better option. Mr. Green has pointed out that a five percent interest rate is pure subsidization, but if the farmer wanted to buy and made that commitment at the beginning, perhaps the percentage interest on that lease could be adjusted, perhaps not to the top market which is 11 or 10-1/2, I don't know quite what it is today, but a higher interest rate, would you agree to that? So that the farmer had a choice, the new young farmer had a choice of the five percent lease or starting right in with a heavy mortgage to purchase.

MR. FOSTER: Well if you start in with a heavy mortgage of course you know it's a thing that you need collateral to get money. I think that a lower interest rate, you know, it gives the young farmer a chance to get things together, but the lease program, I don't really go for that.

MR. G. JOHNSTON: Just to turn the questioning now to the lease-back program. Are you aware that, I believe, there's at least two other governments in Canada that have had it for some years - P.E.I. and Ontario - lease-back program. I don't know - I haven't heard how well it's working, perhaps the Minister here could tell us - but in all our hearings - and

(MR. G. JOHNSTON cont'd) . . . . this is the fourth one I believe, Brandon, Dauphin, Arborg and Winnipeg - I would say on a four to one basis we have heard criticism of the present Government's present lease-back program and it seems to be based on suspicion that people don't want to rent from government, they don't want to be under the thumb of a bureaucrat who will decide who gets that land and who will not get it. Can you tell the Committee as an individual what your fears are in the lease program. What are you afraid of?

MR. FOSTER: Well, for my part I will not have to ever take the lease program but trying to be a little bit broad-minded for a moment here about starting as a young farmer, if I were today, I would feel that the dangers would be that if I am on government property and I am working so many hours a day putting into that land and into the farm making buildings and improvements all along the line, I would like to have that assurance that some day I would own that, but I just question whether in this lease program I could be sure of that. I think, as Mr. Jorgenson said earlier, that in that lease it says that at the end of five years the person for some improvements he will have to pay over and above the purchase price. Is that right?

MR. CHAIRMAN: Mr. Jorgenson, would you like to . . .

MR. JORGENSON: . . . the land would be assessed and if there has been improvements they are taken into consideration and will be added on to the value of the land.

MR. FOSTER: Yes, well, okay, now just for my own part now. . .

MR. USKIW: Mr. Chairman, on a point of order, I think Mr. Jorgenson wouldn't want that information to rest uncorrected. Any improvements would be credited to the individual at the time . . . -- (Interjection) -- Oh yes. Oh yes. Any improvements . . .

MR. CHAIRMAN: Order please.

MR. USKIW: Any improvements which the individual has put on that land which have the effect of raising its value would be a credit to the individual, if that individual was in fact the one who caused those improvements to be made.

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

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

MR. JORGENSON: . . . and let the witness determine whether or not that provision is contained in the lease. It says, "where permanent improvements can be made to the land to improve the income position of the lessee, the lessor, may" - there's nothing in there that says he must or should - "a lessor may in its discretion make appropriate adjustments as determined by the lessor, not the lessee." In other words, every bit of discretion lies in the hands of the lessor, he doesn't have to . . . there is nothing in the lease that says he has to.

MR. FOSTER: Well, this is just a point I was going to try and make. In my particular case, and I know a lot of farmers around here also, they do all their own building for instance. Now if the price of an improvement in a building is the direct cost which I put into it, what about the labour portion of it? If a building will cost me \$10,000 to put it up myself for materials and I put in all my labour, and then at the end of the five years they come along and say, well that building is worth \$20,000 because that's what it would cost to replace it. Now who is going to pay for that? Does the purchaser have to buy all his labour again or what?

MR. USKIW: If you give up your lease then the corporation would back all of your improvements and would sell those improvements to the next lessee. It would be straight transfer from you to the next individual who leases that land. It would not be a charge on you or the government. It would be a charge passed on to the next lessee.

A MEMBER: What about if he's buying it by himself.

MR. FOSTER: Yes. Right. If I am buying it myself, that's what I'm concerned about.

MR. USKIW: Well, to begin with, if you were to put up buildings on a portion of leased land you would have an Agreement of Sale drawn up on that portion which would mean that, in effect, you owned a portion of the land and the buildings thereon, which you would retain if you exercised the option to buy, or which you would ultimately sell back to the corporation if you cancelled or if you didn't exercise the option to buy, at whatever time you decided to retire or give up the lease. And at that stage there would have to be an appraisal made as to the value of your private holdings which is the buildings that you have put on.

MR. FOSTER: And you would be compensated for that?

MR. USKIW: Yes.

MR. FOSTER: Well, just a general opinion then of my own. I still feel that any land that I was to put improvements on I would still feel better that it was my land. If it was their land and I wanted to lease grain land off the government . . .

MR. USKIW: No, but, you know, the argument isn't whether it is your land or somebody else's land. If it is your land you want no one is denying you the right to buy land, that is something you can do every day if you have the money.

MR. FOSTER: Right.

MR. USKIW: The people that we are dealing with are people that don't have the money and therefore if they can get in through the lease program they can get in to any land. That's the group we are dealing with. We are not anxious to help those people that don't need our help or that can afford to buy their land. We deal in particular with two groups of people. Young people, usually born on the farm, whose fathers are not prepared to retire and give up their land in favour of their son or daughter, but who want to buy or lease the neighbor's farm, which is for sale. That is one group we are trying to help. So since they don't have the capital and can't borrow the money, they have been to the FCC and the FCC has already told them that, sorry we can't finance you, you don't have enough equity; those are the people that we say, well, we will have an option, try it through the lease arrangement if you like and at some point in time you can exercise your option to buy. And they are fully aware of the conditions.

On the other hand, we have another group of customers - a group who say own a portion of land, let's say a half a section of grain land - but a half a section is not enough to make a living on these days and the neighbors half section is for sale, but they too have debts like up to here and they can't borrow any more money. They have been cut off. They are up to debt as far as they can afford to be in debt. They come to our program and they say buy us the neighbor's half section so we can add it to the half that we own, in that way we will have half-owned and half-leased and that will make it a viable farm for us. Those are the two types of customers that we have basically. Now without that option they couldn't do that.

Now, I want to put a question to you. You are in favour of owning your own land. That happens to be my preference too, I own my own, but I don't think that I would want to deny my neighbor or his son the right to enter agriculture, or to remain within it, because his purse is smaller than mine. Now do you think you should say that public policy should not allow for some one that (a) has the know-how, but doesn't have any money, from getting into agriculture?

MR. FOSTER: No, I do not deny that person the privilege of farming at all, but I - as Mr. Steinthorson said this morning, I think we should be very careful and we should look at alternatives. I do not believe this lease arrangement is the best way to go about it. Through our lending agencies I am sure that they can adopt different policies whereby young farmers starting can purchase land without having to own and have a lot more collateral.

MR. USKIW: Well the fact is if the individual has already been turned down by all of the lending institutions, the private ones and public ones, are you saying that he should not have an option of leasing land; or if he does have that option should he only have that option from a private landowner? I mean, shouldn't he have a freedom of choice is what I am asking you? -- (Interjection) -- That's a good term. I borrowed that from these fellows. Should he not have the freedom of choice . . .

MR. FOSTER: The freedom of choice to go between . . .

MR. USKIW: (a) to own land versus leasing it, and if he is choosing the leasing arrangement should he not have the choice to lease it from the private individual who owns land, or a government system that owns land?

MR. FOSTER: I believe he should have the option to buy the land or lease it from a private person, but I do not believe that he should have the right to . . .

MR. USKIW: You want to restrict his freedom?

MR. FOSTER: That's not restricting it.

MR. USKIW: Oh, yes.

MR. FOSTER: Just a moment, you're missing my point here. If the Manitoba Credit Corporation would change their regulations to give that young person the advantage that he could start farming, to lend him the money without having to own another half-section to use as collateral, why can a young farmer not purchase land through MACC - is that not what it's referred to as?

MR. USKIW: That's a provincial agency.

MR. FOSTER: Right. Why can he not go to them and use the land that he is purchasing as the collateral to get that land? Why does he have to own another half section?

MR. USKIW: Who should take the risk on that loan? Who should take the risk on that loan? Because obviously, it's a very high risk position.

MR. FOSTER: Well, as an alternative to your lease program, who's taking the risk there?

MR. USKIW: Oh, there is no risk because in the lease contract the public is not interested in losing any money; it is guaranteed to get its money back or retain the ownership of the land.

MR. FOSTER: Right, well you would have the same . . .

MR. USKIW: So there is no risk. No, you're wrong there is no risk in the lease arrangement to the public. But what you're advocating is that someone has to underwrite a loss for private ownership. Now Mr. Blake when he runs the bank he does not want to take that kind of risk. He will only do it if the government backs his loan.

MR. FOSTER: I realize that.

MR. USKIW: If the government would back his credit then he would say yes, we will advance money from our bank. But he will not take that risk on account of his bank alone.

MR. FOSTER: I realize that, but you still haven't told me what is wrong with MACC loaning money to a young farmer - well, let's forget about five percent or at subsidized rates like we were talking about a while ago.

MR. USKIW: At a full rate.

MR. FOSTER: At a going rate then. Give him the money. But why does he have to have a half section of land to use as collateral, why can he not use that land which he is purchasing for the collateral?

MR. USKIW: Well, you know the Federal Government is advancing all kinds of money to young farmers for land ownership purposes, but not all of the young farmers that come in can borrow money.

MR. FOSTER: From the Federal . . .

MR. USKIW: That's right, and they have a subsidized interest rate; and they still say to a number of their people, their applicants, that we don't think you are ready for land ownership because you haven't accumulated any resources of your own. They want some measure of performance and some collateral of the individual before they will advance any money. They don't want to take a complete gamble.

MR. FOSTER: I realize that.

MR. USKIW: So that is where the situation is. And all we are saying to this program is that this is an alternative - if you want to use it, and if you don't want to, don't use it, that is up to you. My question to you is do you think that you should have the right to deny your neighbor . . .

MR. FOSTER: No, I do not feel that . . .

MR. USKIW: . . . to use this program because you disagree with it?

MR. FOSTER: I already said I didn't deny him that privilege of farming, but I still say I don't believe it should be through the lease program. That's my opinion.

MR. USKIW: No, no, but you're missing my point. The lease program is not compulsory to anyone.

MR. FOSTER: I realize that.

MR. USKIW: If we have no customers we won't be in business tomorrow.

MR. FOSTER: But what I am also trying to get across is that anytime that the government or there is another buyer for land, it increases the competition for purchase of land. I think that rather than stabilize prices you're going to drive it out by purchasing land. It is just like if I go to sell something and I only got one buyer well then we are in a bargaining position, but if there's two buyers it changes it altogether. The one that wants it more he's going to pay more for it.

MR. USKIW: Are you aware of the fact that the trend in North American agriculture, and in particular in Canada, on the prairies, there is a massive trend in favour of leasing arrangements. The larger farmers of Manitoba are the ones that tend more towards the lease arrangement rather than the ownership arrangement. Are you aware of that?

MR. FOSTER: People prefer to lease?

MR. USKIW: I'm not sure that they prefer it all the time, but maybe they cannot afford to own as much land as they would like to operate to be economic so they own a portion of land and they lease another portion of land and that makes a good unit. It gives them flexibility. The farmers with the sharpest pencil in Manitoba are the ones that tend to lease land.

MR. FOSTER: Yes, but who are they leasing it from?

MR. USKIW: From private owners . . .

MR. FOSTER: Right, that's . . .

MR. USKIW: From private owners up until the Government's program came into being. Now there's 1.3 million acres that is owned by absentee landlords in this province and the bulk of which is leased to farmers in Manitoba. Some of this is foreign land, some of this is land owned by George Henderson here who happens to be in that business. Do you think that the people of Manitoba should not have an alternative in the leasing of land - should they only have the privilege of leasing from a private landlord or should the Government provide an alternative for them.

MR. FOSTER: Well, that's my opinion, they should not have the option, I don't want the Government to go into the purchase of land. That's my opinion, that's what I'm trying to get across.

MR. USKIW: All right, so you're saying . . .

MR. FOSTER: You can purchase or you can rent from a private landowners.

MR. USKIW: So what you're saying is that the public through the Federal Credit Corporation or the Manitoba Agriculture Credit Corporation should favour only one group of people, and that is that group of people that can own land, but they should do nothing for the group of people that cannot own land for lack of financial resources? That's what you're saying.

MR. FOSTER: No, I'm not saying that. I said that you can lend money to people that have not got the money to start. I only started farming seven years ago myself.

MR. USKIW: I'm not talking about lending money. I'm saying that there is a group of people that can borrow money under the rules of credit, which are applied universally, and then there is a group that can't borrow any money; they have to rely on a lease program to operate a farm. So there is two areas now that they can lease land from - the Crown under a new program, or the 1.3 million acres of private holdings that are owned by absentee landlords who may live in Winnipeg or in Brandon or wherever. Are you saying that Government programming - and we have to be responsible to all of the people in Manitoba - that we should only cater to those people who have money and are able to borrow more money to own land, or do you not agree that there should be a choice so that the one that can't borrow the money could also enter the farming industry by way of a lease arrangement?

MR. FOSTER: I think we have to face up to facts here that not everyone can farm.

MR. USKIW: Oh, we accept that.

MR. FOSTER: All right.

MR. USKIW: We hope that we are not going to lease land to people that don't know how to farm.

MR. FOSTER: If a person has no money and cannot borrow any money . . .

MR. USKIW: Do you know how to farm?

MR. FOSTER: Do I know how to farm? Well, I should hope so.

MR. USKIW: Let's assume that you were my customer that was turned down by all the credit agencies that exist in Canada but you wanted to farm because you know how to farm. Do you think that it is fair for government to say, but if you had money in your hip pocket we would lend you some more, but since you don't have any, you cannot deal with the Government of Manitoba, you have to deal with Mr. Henderson. That's really what the implication is. -- (Interjection) -- I doubt that very much. I don't think that Mr. Henderson would have waived the lessees for 1975 if he owned all the Crown lands. You know, all I'm saying is that this is an option, it's not compulsory; if you don't want it, you don't have to use it. Surely you're not telling me that people shouldn't have the freedom of choice. That's the question I'm asking. If you're saying that they shouldn't have the freedom of choice, that is fine, I will accept that as your position, but that's the point I want clarified from you.

MR. FOSTER: Well of course people should have the freedom of choice, but at the same time I'm saying that you cannot have everyone farming. Why should anyone be expected to go into manufacturing farm machinery if they have no money; they don't do that.

MR. USKIW: Are you a lessee of the Crown?

MR. FOSTER: No.

MR. USKIW: You're not. Okay. Do you know people who are?

MR. FOSTER: I can't really say so, no.

MR. USKIW: If you had lessees in your area, do you think that we should sell all of

(MR. USKIW cont'd) . . . . those Crown lands to Mr. Henderson and let him lease them to all the people in the Interlake? Or maybe Sid Green should own them?

MR. FOSTER: No, I'm not saying that.

MR. USKIW: No, but that's the implication.

MR. GREEN: He was quick to say no to me.

MR. FOSTER: I don't think you can honestly say that I was implementing that fact, that one person should control all the leasing of land. I wasn't saying that at all.

MR. USKIW: But, you know, I still haven't got clarification from you as to whether government policy should provide people with a choice, (a) to borrow their way in; or (b) to lease land if they don't choose to borrow their way in. There's only two ways to control land. One is under mortgage and one is under lease.

MR. FOSTER: Right. I think it should be under mortgage.

MR. USKIW: You say that that should be the only way?

MR. FOSTER: Right.

MR. USKIW: I see. So you would deny the right to that individual that can't borrow the money?

MR. FOSTER: No, I'm not. Cannot borrow money?

MR. USKIW: Yes, you would deny him the right of access to land?

MR. FOSTER: Well I still think if the person that has no money - and let's face it, it's not that hard to borrow money nowadays - he must have done something in his past if nobody is going to lend him money.

MR. USKIW: He was just born, that's all that happened to him, he was born and he wants access to land but he's too young to have accumulated any assets. That was his only fault.

MR. CHAIRMAN: Mr. Johnston. Mr. Henderson.

MR. HENDERSON: Thank you. Mr. Foster, I judge by what you say that you believe mostly it's better for people to have ownership of the land and they work it?

MR. FOSTER: Yes.

MR. HENDERSON: And that you don't believe under this lease-back arrangement with the government where they have the option of taking either the highest market value at that time or else making up all the subsidies that they claim they have given you throughout the years, that very little land will ever be purchased by these people?

MR. FOSTER: No, I don't believe that anyone under the lease program will purchase the property.

MR. HENDERSON: Well I believe you, too, and heard the man who's responsible for the Manitoba Farm Credit say that they didn't expect that either. So what you're thinking of is probably that the government is going to turn out to be the biggest landlord in the country?

MR. FOSTER: Right.

MR. HENDERSON: I think this is what concerns many people. Thank you.

MR. CHAIRMAN: Mr. Adam.

MR. ADAM: Thank you, Mr. Chairman. I just wanted to make one comment, I didn't have too many questions to ask. Mr. Johnston mentioned that during the hearings that we held - four hearings - he mentioned that there was about three to one criticizing the leasing program, and I wanted to make clear that in every meeting, the people who were criticizing also said that they were not too familiar with the program as such. You know, they were criticizing without really knowing what the program was or had studied it thoroughly. In fact one person who presented a brief at Dauphin who criticized the government leasing land to younger farmers didn't know that there was a purchase clause, you know, and it's just that a lot of people are not aware exactly how the program works.

MR. FOSTER: I must confess myself that I am slightly in the dark about all the specific details of the arrangement, but I haven't had the opportunity to read all this material.

MR. ADAM: I just wanted to make that point clear, like when there was criticism, that in every meeting many people said, well, you know, we don't understand the program fully but the criticism came forth anyway.

MR. CHAIRMAN: Mr. Blake.

MR. BLAKE: Mr. Chairman, I just wanted to get one point clarified before it went too far, and I'm sorry the Minister is on the phone right now, but I want to understand - he was making it clear that people should have freedom of choice, and I just wondered where he might suggest I renew my auto insurance this year.

MR. GREEN: You can buy any automobile insurance policy that you wish. Some of it might be useless but -- no, you can buy automobile insurance from Guardian Insurance if you wanted to.

MR. CHAIRMAN: Thank you, Mr. Foster. You are from Arborg?

MR. FOSTER: Right. There was just one more point that I would like to bring up -- that in our discussion between Mr. Green and myself and Mr. Uskiw we seemed to steer away from this point of foreign ownership that they seem to be so concerned about.

MR. GREEN: I have never, Mr. Chairman, raised one word, one word against foreign ownership, as such, in my life. So if you say that I am . . .

MR. FOSTER: I'm not accusing you of anything, I'm just saying that when I first started speaking I said that foreign ownership they seemed to be so concerned about, that the only way to steer away from the foreign ownership was to purchase farmland that was available. Is that not right?

MR. CHAIRMAN: No, that is not correct. I believe there have been various statements made. It was stated also how come the committee was established to look into the whole question because of concerns expressed from various sectors, including the members of the Legislature, especially the Liberals, about foreign ownership and it has been a matter discussed in public. People have had considerable concern, and I believe the paper points out that only about one percent of the land is foreign owned.

MR. GREEN: Mr. Chairman, I wonder if I can ask Mr. Foster whether he sees anything wrong with a farmer leasing grazing land, a Crown lease on grazing land?

MR. FOSTER: No, definitely not. At the present time -- most of the land I understand has never been in the hands of private people has it not? Or not too much of it.

MR. GREEN: You're right. And hasn't it been a benefit to farmers that all this grazing land has not been in the hands of private people and therefore you can lease it from the public.

MR. FOSTER: Well a lot of the land that is leased for pasture is very marginal land. I mean, in my estimation from what I see . . .

MR. GREEN: I don't disagree with that, but you don't see anything wrong with a farmer leasing Crown grazing land, and it's always been in the name of the Crown.

MR. FOSTER: Right.

MR. GREEN: And aren't we all benefitting from the fact that that grazing land isn't held by private people so you'd have to go and lease it from them?

MR. FOSTER: Well I don't know whether it would be that much different. Do you feel . . .

MR. GREEN: You lease Crown grazing land, do you not?

MR. FOSTER: No, I don't.

MR. GREEN: You don't?

MR. FOSTER: No, I don't.

MR. GREEN: But you don't see anything wrong with it?

MR. FOSTER: No.

MR. GREEN: And you still think that Crown grazing land should be leased by the public and it's always been held, it's always been owned by the public. Do you think that the farmers of Manitoba have suffered because Crown leasing land was not turned over to private people fifty years ago? Do you think that the people of Manitoba have suffered?

MR. FOSTER: No.

MR. GREEN: Well then that's all that I can ask.

MR. CHAIRMAN: Thank you, Mr. Johannson.

MR. JOHANNSON: Yes. Mr. Foster, at present under common law, a person like yourself has the right to buy from whomever he wishes, to lease from whomever he wishes and to sell from whomever he wishes. That is a right you have in common law. You are prepared to deny an individual that right, are you?

MR. FOSTER: No, I didn't say that.

MR. JOHANNSON: Well you just expressed an opposition to the government owning any land, buying from anyone and leasing to anyone and you've expressed -- what you are saying in effect is that a person has no right to sell to the government also. So you are denying them these rights that they have right now under common law.

MR. FOSTER: So what's your question?

MR. JOHANNSON: My question is: Are you prepared to deny them these rights that they have right now?



MR. FOSTER: Of selling to the government?

MR. JOHANNSON: Of selling to the government, . . .

MR. FOSTER: Well they have the right at the present time to sell to whomever they like.

MR. JOHANNSON: Right.

MR. FOSTER: Right. All right . . .

MR. JOHANNSON: Including the government.

MR. FOSTER: Right, including the government. I'm sure that every farmer here is concerned that foreigners are buying up this land and like I said in the beginning, that I do not have anything against any foreigner coming into Manitoba buying land and farming it and applying for Canadian citizenship; and at the same time I would rather not see a person sell property to the government because, as I said before, as soon as one piece of property is sold to the government, it's going to increase the price of land, I feel, because you get one more buyer in the circle and you're going to raise the price of farmland.

MR. JOHANNSON: So in other words, you're prepared to restrict the free market operation in land that exists right now? You will remove the government from it, you'll deprive a farmer of the right he has right now to sell to one more buyer; and you sound like you're prepared to deny it to any foreigner also. Is that true?

MR. FOSTER: Well I said as long as they're going to farm that land - that they're foreigners.

MR. JOHANNSON: But supposing a farmer who lives in North Dakota has some spare money and wants to buy a farm in the Interlake but he wants to stay in North Dakota, but to own the land here. Would you deny him the right to buy that land here?

MR. FOSTER: And are you saying that he would also work that land?

MR. JOHANNSON: No, I'm saying that he would either leave it vacant or he would lease it to someone but he wouldn't work it himself.

MR. FOSTER: No, I wouldn't feel that we should give him the privilege of leasing it to someone else. I think if he's going to purchase it in Manitoba that he should farm it.

MR. JOHANNSON: Well I must say that you believe in restricting the free market far more than I do, because I don't believe in restricting the free market in either case. And I happen to be a democratic socialist. I don't accept the fact that there should be any restrictions on foreign buyers, and I'm supposedly one of these people who is engaged in a plot to buy up all of the land in this province.

MR. FOSTER: Well I am so sure that it is your government that has been saying that we should be watching foreign ownership.

MR. JOHANNSON: No, that is incorrect. The concern about foreign ownership was raised in the Legislature by the Liberals and the Minister made it clear the reason that this was referred to committee was that the government members were split. I, for one, don't support any restrictions on foreign ownership. The Minister of Mines is another one who doesn't support restrictions on foreign ownership.

MR. FOSTER: Are you telling me that you are in favour of someone from another country coming in here buying large portions of land and leasing it out to another farmer then?

MR. JOHANNSON: I'm not saying that. I am saying that at present -- I'm not in favour of any restriction right now. -- (Interjection) --

MR. FOSTER: Is in favour of it, as of what?

MR. JOHANNSON: I think you're misreading, or you're reading into our intent something that isn't there. The concern hasn't been among members of the government, the concern hasn't been expressed by members of this government as far as I'm aware, about foreign ownership.

I would like to get back to this question of the plot.

MR. GREEN: Mr. Johannson, I wonder if you'll just forgive me and let me give him the example about -- as concerned about a man from Germany owning four sections of land and not coming here. To me whether that man lived in Germany or the Yukon Territories, him owning four sections of land in Manitoba are equal. In other words, I would not be more concerned about one than the other. I may be concerned about them both, but I do not think that the foreigner is worse than the Canadian who lives in the Yukon Territories, owns four sections of land in Manitoba and doesn't intend to use it.

MR. FOSTER: Oh, I'm not saying that at all.

MR. GREEN: That's all the paper says, that's all that the paper says; that the question is not foreign or Canadian, it's whether he is using and residing on his land.

MR. FOSTER: I think everyone that was here as a witness today expressed the view that if someone was going to be a farmer that he should farm that land himself.

MR. GREEN: That's all that that paper says. You read that paper; that's all it says.

MR. FOSTER: Well is there a restriction at the present time stopping -- there is no restriction on having anyone come in from another country and buying up land and leasing it?

MR. GREEN: No.

MR. FOSTER: Well that's what I'm trying to point out. I feel there should be a restriction on that.

MR. GREEN: What about the buy in the Yukon Territories?

MR. FOSTER: And he's a Canadian citizen?

MR. GREEN: Yes. What difference does it make? He's in the Yukon Territories, and he's never going to come here, he owns four sections of land, lives in the Yukon Territories, he's in the mine.

MR. FOSTER: And he's never been a farmer?

MR. GREEN: Never going to be a farmer?

MR. FOSTER: And never was?

MR. GREEN: Never was. What if it's me. Never mind the Yukon Territories. I live in Winnipeg. I never was a farmer, never will be a farmer, have no intention of being a farmer; suddenly come into so much money, I buy a section of land and I rent it to you. What about that as against a foreigner - I'm a Canadian, born in Canada? Aren't they all the same? Because that's all that that paper says, if you read it, that's all that it says, and it doesn't make any point about foreign ownership or public ownership or anything else. That's all the paper says.

MR. JOHANNSON: Mr. Chairman, I'd like to get back to the initial point made by Mr. Foster in that he thought that this whole procedure, the committee hearings, was simply a screen to hide a government plot to try to take over all of the farmland in the province. Now you know, I can understand the Conservative members of the Legislature running around the province, during the election and after, telling farmers that we were going to do this because they have a partisan reason for doing it, they are trying to win elections and they're trying to discredit the government that they're trying to replace. I can understand that people who have a partisan reason can run around screaming about a plot to take over all the farmland. But what I can't understand is what evidence there is that we're doing this. Can you . . .

MR. FOSTER: What evidence there is that you're trying to take over the farmland?

MR. JOHANNSON: Yes, all the farmland in the province.

MR. FOSTER: Well it would seem to me from the sources that I've heard that you are . . . the Manitoba . . .

MR. GREEN: Who are they?

MR. FOSTER: Just a moment. I understand that the Manitoba Government is willing to pay more than the farmer next door is willing to pay? And that would be a slight . . .

MR. CHAIRMAN: Mr. Foster, may I caution you when you make those statements - I've just read a letter earlier in the afternoon about another gentleman making that same kind of statement that this had happened, that he was selling it for 80 and MACC paid 100. There has not been any kind of evidence to substantiate that; you're making the same statement again that was made this morning. If you're making that statement, and you say you understand it, I believe that you should be prepared to say where you get this understanding from so that it's going to be on the record and those things can be looked into, because it is contrary to the policies of the MACC.

MR. FOSTER: Well in your purchasing of land what exactly is your procedure? You said that someone will submit an application that he wants to sell his land to the Government? -- (Interjection) -- How do you arrive at a price on it?

MR. JOHANNSON: The procedure as I understand it, and I stand to be corrected at any time if I'm misconstruing it or if I'm incorrect, is that there is no approaches made to farmers; the MACC does not go out seeking land, it only accepts applications of farmers who are willing to sell or who at least give an indication that they may be willing to sell. We also know that MACC has only accepted about 40 percent of these applications. In other words, some have been withdrawn, some have been turned down, but 60 percent of the applications haven't been proceeded with. Now as I understand, an evaluation is made, an estimate is made of the value, the market value of the land, and if MACC is willing to pay that and if the farmer is willing

(MR. JOHANNSON cont'd) . . . . to buy that, in other words you have a willing buyer and seller, then the sale proceeds. Now if this kind of a procedure is followed, how on earth is MACC ever going to own all of the land in this province?

MR. FOSTER: Like I said, how do you arrive at the price of the land and you said that it was assessed and you make an agreement to purchase it at that price. But . . .

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: I'm wondering whether Mr. Chairman will allow me an interjection here; I could answer that very specifically. The land appraisers that the MACC have are not new people unqualified, they've been there for many years. That's number one. Number two, when they want to make good on an offer to sell, if they want to exercise or put through one sale, or one purchase, they have to have the concurrence of the Land Acquisition Branch of the Government as to what their opinion is on those values as well. So we have two opinions on value: (a) from our own agent in the Credit Corporation; and (b) from the Land Acquisition Branch of the Government of Manitoba; there are two agencies that concur in the value.

A MEMBER: And it has to be the market value.

MR. CHAIRMAN: Mr. Johannson, proceed.

MR. JOHANNSON: Yes, just one final question. In 15 months MACC has, under this Land-Lease Program has purchased 66,000 acres and these in all cases have been a willing buyer on MACC's part, a willing seller on the part of the farmers; it's a voluntary sale, not compulsory. At this rate it would take over 300 years, over 300 years.

MR. FOSTER: I heard that this morning when you pointed that out.

MR. JOHANNSON: Okay, I made that point this morning.

MR. FOSTER: Right.

MR. JOHANNSON: Now once again I ask you, how on earth does this indicate a plot by this Government to take over all the land?

MR. FOSTER: Is there no plan in the near future, or sometime from now, to accelerate the rate at which the Government will go into the purchase of land?

MR. JOHANNSON: All we know, Mr. Foster, is the present policy, and we have to be judged on what we're doing not on what Mr. Graham says we are doing.

MR. FOSTER: So you're not denying the fact that possibly two years from now you may purchase land at a greater rate or . . .

MR. CHAIRMAN: Mr. Foster, I believe the Minister indicated that there has to be first of all a willing seller; that's the first prerequisite.

MR. JOHANNSON: Mr. Chairman, you know we're assuming that there are all kinds of possibilities. You know, all I can do is judge by what we're doing now and as far as I know this policy will continue, but I can't make assumptions on what will happen in the future. But we do know that even my assumption that this will take over 300 years assumes that none of the lessees take up the option to buy - that's a big assumption because some of them I'm certain will. It also assumes that all of the farmers would be willing to sell, and judging by what you say, and what the lady this morning says, most of them oppose government ownership of lands; so surely what you're saying isn't even a remote possibility.

MR. FOSTER: I wasn't speaking for all the farmers when I said that they would oppose selling their land to the government because I know lots of farmers that are quite for it, in fact, I know of farmers that would rather sell their land to the Government than to me, for instance.

MR. JOHANNSON: Why?

MR. FOSTER: I don't know. I wish I knew.

MR. CHAIRMAN: That's a personal question, Mr. Johannson.

MR. JOHANNSON: In most cases I would think that it's a question of price. -- (Interjection) -- No, no I'm talking about the market in farmland, and all I'm saying is that in general the reason why a farmer would prefer to sell to the government is usually that the price is better. Wouldn't that be the case generally?

MR. FOSTER: Well I was speaking to one farmer the other day and he pointed out to me that he would rather sell his farmland to the government than a private individual because he said, they're going to pay me more for it. Now I don't know how many farmers have that same opinion and if a lot of farmers have that same opinion it by-passes anyone in the immediate district who is looking to add to his holding.

MR. JOHANNSON: What you're basically talking about is really the free market where

(MR. JOHANNSSON cont'd) . . . . there is competition in price and some people offer higher prices than others.

MR. FOSTER: Right. But that's what I was saying earlier, that I think by the government going into the purchasing of land they're going to increase the value of land because, like I said, some people would rather sell to the government. I don't know why.

MR. JOHANNSSON: But tell me. Up to - in fact before MACC started buying land weren't prices rising rapidly?

MR. FOSTER: Yes they were. I realize that but at the same time I feel that even now that land prices probably in the last year have increased a fairly substantial amount and I do not feel that by the government going into land purchase that it is going to help that situation. I think it will increase, you know, it will raise the price of land again.

MR. JOHANNSSON: Well I would now simply, and I hope I'm not misquoting him, quote the Member for Morris who at a previous committee meeting asked, or indicated that the major reason, and I hope I'm not misquoting him, for land price increases was the increase in wheat prices lately.

MR. FOSTER: Right.

MR. JOHANNSSON: Isn't that the major reason?

MR. FOSTER: I believe that. Yes that's right.

MR. JOHANNSSON: And the intervention of the Government in buying one-third of one percent would be a pretty minor reason, would it not?

MR. FOSTER: Buying one-third of one percent?

MR. JOHANNSSON: Of the farmland.

MR. FOSTER: Well I can't really speak for other areas but I know . . .

MR. JOHANNSSON: Isn't the major reason the fact that wheat went way up in price.

MR. FOSTER: Right. Exactly. I'll believe that. But in this area here there has never been a problem with, you know, having purchasers for land, I don't feel; maybe someone else here would argue with me but there's never been a problem. I think as soon as a piece of property comes up for sale here that there is a farmer to buy it. It's always been that way but if you get farmers who would prefer to sell to the government that means that there's one less piece of property available.

MR. JOHANNSSON: Well not quite because that piece of property will be available through lease and possible buy-back.

MR. FOSTER: It'll be available through lease. But then again who is to determine who is going to get that. Through that lease program you would be more inclined to lease it to someone who does not have any land or just wants to start farming, and of course then . . .

MR. CHAIRMAN: Pardon me. I believe this question has been answered by the Minister a number of times. First of all you did indicate that there has to be a willing seller and if there is various arrangements, if a neighbour, a son, wants to buy land but he cannot, he can then, wants to get the land from his father but he does not have the collateral, his father might want to sell that land and then the son could lease it because the son had no collateral in the first place. Those are the arrangements, and I believe the Minister gave these alternatives, so that there is no purchase of land by the MACC going out seeking farmland for purchase. It is only where the person, a farmer who owns land wishes to sell land, that those arrangements are made. So I think it should be pointed out.

Mr. Dillen.

MR. DILLEN: You have made some statements today, Mr. Foster, that intrigued me.

MR. FOSTER: Yes.

MR. DILLEN: Some of them in particular with regard to the policy of the government. Where did you hear that it was government policy to buy up all of the agricultural land?

MR. FOSTER: I did not hear that.

MR. DILLEN: Well why did you make that statement?

MR. FOSTER: That they wanted to purchase all the farmland?

MR. DILLEN: Yes.

MR. FOSTER: I can't really believe that I said that, that I said that they should purchase all the land. Well okay, how far up the garden path are we going to be led? Like, it's starting off small, I mean you're purchasing a small portion of land. Are you going to stop when you get to certain . . .

MR. CHAIRMAN: Mr. Foster, I may remind you again it's been pointed out by the Minister a number of times, I've pointed out, that there has to be first of all a willing seller.

(MR. CHAIRMAN cont'd) . . . . And that is the only basis that the MACC buys land.

MR. FOSTER: Okay.

MR. CHAIRMAN: So your constant statements stating that the government is going out to buy the land has no bearing on this at all.

MR. FOSTER: Well I'm sorry if I used that phrase.

A MEMBER: Not since the floodway.

MR. CHAIRMAN: Well that is Mr. Graham's statement that I believe is out of order and is not . . . Mr. Jorgenson.

MR. JORGENSEN: I think I should raise a point of order here too.

MR. CHAIRMAN: Mr. Jorgenson on a point of order.

MR. JORGENSEN: I don't know on what basis that you interject telling the witness what his answers must be.

MR. CHAIRMAN: I did not at any time interject to say what the answer should be. I believe that the question had been dealt with as far as how the land is purchased and there is the fact that Mr. Foster does keep making the statement that the government is out to buy all the land.

MR. JORGENSEN: Well, Mr. Chairman, I was raising a point of order. And time after time I have noticed that the Minister of Agriculture and the Minister of Mines and Resources, and I have raised no objection to it because I felt it was legitimate questioning, repeatedly asked the same questions over and over and over again. There was no interjection on your part at that time. Why do you object to a witness when he asserts something over again?

MR. CHAIRMAN: I agree with you, Mr. Jorgenson, on stating that there are questions which are being repeated and therefore I was trying to see that there is some new line of questioning. We still have another gentleman to present a brief. Mr. Jorgenson.

MR. JORGENSEN: Mr. Chairman, I have no objections to you attempting to ensure that the line of questioning is proper and I hope it is applied on both sides, then it will be quite fair.

MR. CHAIRMAN: Thank you. Mr. Dillen.

MR. DILLEN: Are you a member of a farm organization?

MR. FOSTER: No I am not.

MR. DILLEN: So you've received no farm bulletins, no farm . . .

MR. FOSTER: Pardon me?

MR. DILLEN: . . . farm pamphlets or bulletins, or anything of that description that would give you this impression?

MR. FOSTER: No.

MR. DILLEN: You didn't overhear a conversation?

MR. FOSTER: No.

MR. DILLEN: If you have this strong feeling that this is the government's policy, do you have a local agricultural representative?

MR. FOSTER: Yes.

MR. DILLEN: Have you ever approached him and asked him if that was his understanding of government policy?

MR. FOSTER: No.

MR. DILLEN: Have you ever written to your member of the Legislative Assembly to express your views as to what you consider to be government policy?

MR. FOSTER: No.

MR. DILLEN: That's all.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes. I'm very interested, sir, in your observation that government land purchasing as a means of facilitating those people that can't borrow money to buy their own land tends to push up the value of land. The problem I have with that reasoning, sir, is that it contradicts your other position that you have stated earlier, namely, that we should subsidize the purchase of land for those people that can't borrow under the normal credit provisions, because mortgage financing is no different in its impact on the price of land than government purchasing since the same people that before could not get access to land for the lack of financing under your formula would now have the financing, therefore the pressure on land would be exactly the same in quantity, the only difference would be that one would be ownership and the other one would be lease.

MR. FOSTER: Right.

MR. USKIW: So then your position is somewhat insecure in that you try to make the point that by the government acting as another buyer it unduly inflates the value of land, unless you are to now reject your previous position.

MR. FOSTER: I think that by the government purchasing land it probably accelerates the rate at which land will change hands, and possibly it will push the land price up in that respect because there are probably many farmers that are farming today that have thought maybe they would sell and for some reason or another they just never get down to facing the fact that they should really go and sell. But I think that a lot of farmers now they feel, you know, if you're dealing with the government to sell property to them that it's a different aspect. It sort of throws a different light on it than running off to your neighbour and saying, will you buy my land? You know, I think in that fashion you might find that the government purchasing land, it will change hands faster and thereby accelerate the rate of price increase.

MR. USKIW: But the government only responds to a demand.

MR. FOSTER: Right. I realize that.

MR. USKIW: And the demand is, (a) first to the Federal Credit Corporation, who turns this client down; that client then comes back to the Provincial Government and says, I can't borrow the money to buy this farm, would you buy it for me under land lease? So the customer hasn't changed, it's the same individual. The only thing that's changed is that he can't buy it, he now is in a position of leasing it and the Crown buys it. Now if we were to follow your formula that since he couldn't buy it under normal credit arrangements that we subsidize his purchase to make up the difference, that would have an equal amount of pressure on land values, would it not?

MR. FOSTER: I can see your point all right. I'm not denying that. Okay.

MR. CHAIRMAN: Thank you, Mr. Foster. It's been a long period. I believe we have one more gentleman. Your name, sir?

MR. WOPNFORD: My name is Sigy Wopnford, I'm presently the Reeve of the Municipality of Bifrost, which surrounds this town that you're in here, and it's unfortunate that none of my councillors, which are all farmers, or the secretary-treasurer which his office is just across the street here, so to speak - no one knew about this hearing and I didn't know about it until 11:00 o'clock last night. Now whether it was my fault or somebody slipped up somewhere anyway, but that's not to worry about. However I would like to -- I don't want to go on and dissect everything that everybody has said here today; I've been here all day and listened to it and I can see a lot of people want to get away. I just want to make a few observations and in case I am questioned and get mad, I want to invite you, the people of the committee, to coffee at Kosie's Cafe - that's just by the hotel there; it's a little bigger than a hotel room and I think we'll all get in there unless you're all gone before or unless you all get mad at me.

I made a few notes here; I didn't have any chance at all to prepare for anything, I made a few notes, but I think when I was farming, and that's ten years ago, I unfortunately had to sell my farm. The only landlord I ever had was the government and it wasn't the NDP Government, it was the Conservative Government and I can only say that they were very good landlords and I don't believe that any other government, this one or any other one, when it takes over will be a bad landlord and I can't see anything wrong with renting from the government.

The discussion that just took place a few minutes ago with Mr. Foster here - I only know one person that intended to sell to the government because I was asking him once here on the street, he was a bachelor, and he was getting pretty old, he passed away since that time, and he said, "I am going to sell to the government." I was asking him about this land and he said the man was coming out, and the man did come out, and presumably he didn't offer him as much as his neighbour did because the neighbour bought the land. Now if the government had bought that land I presume the neighbour had still rented the land off him and the neighbour would have got a much better deal because I am sure, wherever he borrowed the money, or if he had it himself, he was paying 10 or 12 percent. Now I couldn't see that either way it would have been a good deal for him. He couldn't help but be getting a good deal.

I don't know why people got so upset about - well I just felt it in the room how everybody got upset when John Palamarchuk, my good friend - he used to be on the school board with me when I was Chairman; I had a helluva time to keep him quiet though - when he said that farmers should be licensed, you know. You license people for selling booze; you license people for trucking on the road; you license people for this and for that and for everything else but no, no,

(MR. WOPNFORD cont'd) . . . . not farmers. -- (Interjection) -- I'm licensed for selling insurance, not Autopac though. They done me out of that. I know fortunately, and the people that have spoken here, I know they are very good farmers and they husband their land very well, but there are people here that should not be farmers, it's unfortunate but it's true. They're overgrown with weeds, they eke a very meagre living out of a very good land; if somebody else took it over, they would make a beautiful living on it, but they just don't know how to do it, that's all, either they're lazy or they're ignorant, and we can't help that, that's in every profession I suppose.

Now I think that not only this committee and legislatures as a whole, regardless of any party, I think they're not land conscious enough, they don't realize what's at stake, and what bothers me most of all, most of all is to see -- I'm not so concerned about this little lease arrangement that takes 300 years to complete because I don't expect to be around when it's completed, what I am concerned about is to see that thousands and thousands and thousands of acres are going every year, beautiful agricultural land is going under concrete. This is what I don't like to see. When a poor working man in the City of Winnipeg or any other city has to pay a whole year, he has to work a whole year to buy a little bit of piece of land to put his house on, that's what I'm concerned about. And when a rich man -- I don't care whether he lives in Germany or Israel or Japan or wherever he lives, I don't give a damn where he lives -- if he comes here and buys the land and husbands it and farms it, that's fine; I don't care whose citizen he is or anything else. What I am concerned about is some rich man comes here from Germany and buys a big piece of land and turns it into a hunting preserve or a golf course, or some damn thing like that, and doesn't produce food on it, then I'm concerned about it. But I'm not concerned about it if it's properly done, whether I do it or you do it or somebody else does it, I don't care, that's where I am concerned about it. But I am most of all concerned about the land that is going to waste, that is going under -- well Palamarchuk mentioned it, but I don't think he stressed it enough, the beautiful good lands in the river valleys are going to waste that produce beautiful crops every year and is covered up with concrete to park cars on, this is what I don't like.

These are what I think the government should first of all address themselves to before they concern themselves more with land out here around Arborg and Manitou or wherever, because I don't think it's that serious a problem right now but it could be in the future and I just think that farm people or government people, not only federal and provincial but all federal and all provincial government and people in general are just not conscious enough of what farmland means; it produces the means of living, the means of life. It's just like with the oil, they think it's limitless, it'll never take an end, we can cover half of it and we're still okay -- well that won't work forever. It might work as long as I live but it won't work forever I can assure you of that.

There are many many other things that I would like to take up but I think the people are getting tired of sitting and waiting and talking. If there's any questions I would like . . .

MR. CHAIRMAN: Mr. Wopnford, thank you. Mr. Adam.

MR. ADAM: Mr. Wopnford, I just had the one question. It is: are you in favour that the farmers should be licensed too? John is in favour of it, John Palamarchuk, but are you in favour that . . .

MR. WOPNFORD: I don't say that it is necessary to do it now but I think it will come to that in the end; yes, I do.

MR. ADAM: They should be licensed?

MR. WOPNFORD: I honestly think that, yes, and I don't give a damn whether the government owns the land or you own the land or I own the land, if it's controlled by the government, whatever government, then it doesn't matter who owns it. If you're restricted all around what's the use of owning a thing. But this is what you have to do. Maybe it's not pleasant, it's not pleasant for those that grew up thinking this is my land and I can do anything bloody well I please with it. But you shouldn't be allowed to do anything you please with good farmland and I am very very much surprised how late and how little was talked about, 75 percent of the land of Manitoba is owned by the Crown and it's administered by Sidney Green and nobody seems to have anything against that.

MR. GREEN: Oh, you should hear what they say.

MR. WOPNFORD: Well I mean not the way you husband the land. They might not like the way you build the winter roads or something like that . . .

MR. GREEN: You're absolutely right.

MR. WOPNFORD: But I'm speaking generally and that's three-quarters of the province, and why is it so terrible that the government owns a quarter section out here by Arbord and they own 500,000 quarters some other place. It produces well through it; it produces trees and minerals and fish and many other things.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: I gather then from your comments that you would want government policy to emphasize more on environmental control and land-use . . .

MR. WOPNFORD: That's right, yes.

MR. USKIW: . . . rather than the ownership question.

MR. WOPNFORD: Yes, I think we would. I think it's more important right now, although I don't minimize the importance of the other two.

MR. USKIW: Yes. But I think that's a very good contribution to this discussion today. Thank you.

MR. WOPNFORD: Well I hope you take me up on the coffee.

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

MR. GREEN: Mr. Chairman, it may be of some comfort to the Reeve and maybe some other people that the Minister in charge of the Crown lands, the 75 percent which we all own, is now Mr. Bostrom, it's been transferred. So . . . be aware of it.

A MEMBER: I want my share.

MR. GREEN: You've got it; it's in your name right now.

MR. CHAIRMAN: Thank you, Mr. Wopnford. The gentlemen have been invited by the Reeve for coffee, I believe it's in the restaurant just past the hotel.

Thank you. I'd like to thank the audience for your kind indulgence this morning and this afternoon. The next meeting of the committee will be tomorrow in Steinbach, Wednesday in Winnipeg, and on the 21st of February in Morden.

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