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Legislative Assembly of Manitoba

HEARING ON THE STANDING COMMITTEE

ON

AGRICULTURE

Chairman

**Mr. A.R. (Pete) Adam
Constituency of Ste. Rose**



THURSDAY, June 9, 1977, 10:00 a.m.

IME: 10:00 a.m.

IR. CHAIRMAN, Mr. A. R. (Pete) Adam.

MR. CHAIRMAN: Gentlemen, we have a quorum. I think we will proceed. We are going to deal with Bill 56 and we have a number of people who wish to present briefs to the committee this morning. I notice that there are a number of people here from out of town and I would like to ask the committee if it's their wish to hear the briefs from those people who reside out of the city, or rather that you wish to allow the order in which we have them here.

Mr. Jorgenson.

MR. JORGENSON: I wonder, Mr. Chairman, if we could first of all have a look at those who wish to present briefs.

MR. CHAIRMAN: We have 20 on the list. Number one is absent this morning.

A MEMBER: Who's that?

MR. CHAIRMAN: Mr. Hunter, Pitblado and Hoskins legal firm. Morton H. Nemy, L.L.B.; Ron Perozzo of Scott, Simonson; Mr. J. K. Knox, Counsel for the CPR; Mr. Paul Antymiuk for the CNR; Mr. Bert Hall, President of the Manitoba Farm Bureau; Mr. Walter J. Kehler, Barrister; Mr. Jake Froese; N. Junford; Roger Lowe, Shoal Lake; Phil Schwartz, Birtle; Mike Taczynski, Gypsumville; John Malamarchuk; Bob Smith from Carroll; Maude Lelond from Miniota; Clark Robson from Deleau; Peter Mehr from Hartney; Ernest H. Sloan from Clearwater; Mike Sotas from Winnipeg; William Martens, Barrister.

Those are the names of the people I have on the list. The Honourable Minister.

MR. USKIW: Mr. Chairman, I believe that there are people here that will be making or presenting briefs on two bills but I have the impression that the bulk of the briefs will deal with Bill 56. Perhaps it might be prudent for the committee to agree to dispose of Bill 3 first, rather than keeping those one or two people that are wanting to present briefs on it until the others are heard.

MR. CHAIRMAN: On that point, we have only one person who would like to submit a brief on Bill No. 3 and that is Mr. Jake Froese and he has requested that he not proceed at this time. Mr. Froese also wishes to make a presentation on Bill 56, but he has also requested that his name be placed at the bottom of the list. So we will not proceed with Bill No. 3 at this particular time.

What is the wish of the committee first of all? Do you wish to hear those who are from out of town or . . . ?

MR. JORGENSON: Mr. Chairman, I agree with your suggestion that we take out-of-towners first.

MR. CHAIRMAN: Is that agreed? (Agreed)

I believe the first one that I have on the list from out of town is Mr. Roger Lowe from Shoal Lake. Could you come forward please? Mr. Roger Lowe. He is not here. Then there is Phil Schwartz from Birtle. Mr. Schwartz.

MR. PHIL SCHWARTZ: Mr. Chairman, ladies and gentlemen, and worthy members of the Legislature, I'd like to thank you very much for this opportunity to present this brief as a farmer. I am a farmer and have farmed all my life very close to the city. I am now living again on a farm at Birtle.

I think that change in what's happening in agriculture is long overdue and I feel that Bill 56 may be a step in that direction. However, I don't think it goes far enough or covers the problem fully.

I think first of all we should recognize the major problem which is associated to the problem of exploitation of farm land. We have speculation around the cities that is much worse than that that goes on on farm land and I think that that, in some measure, contributes and should be looked at in conjunction with the total picture rather than come up with a bill that might be against foreign buyers, or against people who are non-farmers.

To come to this, I would like to go back to this paper that was written In Search of a Land Policy in Manitoba. I think the basic disagreement that I have with the paper stems from . . . On Page 7 there is a paragraph and the paragraph says, "The task before us is to describe the impact that land policy may have on rural development in Manitoba. Population, employment, and prosperity in rural Manitoba are entirely dependent upon the ability of agriculture to generate income in the rural regions."

Gentlemen, this kind of a misconception is what creates the misunderstanding and the problem in the first place because in my experience as a farmer I can say that the problem has been that I could never generate the income as I wanted it generated. I could generate production, yes. And the word that should have been used here, to generate "production" in the rural regions. That's the way farmers feel about it. The problem of income is entirely removed from the farmer's power.

Then you have the farmer trapped by the superstition that's called "free enterprise". And if we take a look at the facts, as they are today, I think you will find that that's just a myth. We have today, and this is what Bill 56 is all about, the doctor, lawyer, teacher, businessman, wage-earner, all earning a disposal income for which they are now looking for a safe haven somewhere, and the safe haven, traditionally, historically has been in farm land. I find it ironic that the first three I mentioned, the

Agriculture
Thursday, June 9, 1977

doctor, lawyer and the teacher come from a heavily socialized community already, or at least government funded. The doctors have socialized medicine which pays their bills in Canada. It is no longer complete free enterprise. Take a look at the lawyers, for instance, all they need is an office; the courtrooms and the police are also supplied by the state and need we say much more about the educational system. I think the only one that's trapped by the superstition of free enterprise is the farmer.

Then further on, on Page 39 of the book, there is another paragraph that I think is basically incorrect now. "What then do people pay for when they buy land. Basically the price of land contains two elements: the cost of improvements and the capitalized value of economic rents." I don't think that that covers the problem now at all. What is the European investor looking for? He is looking for a safe haven for money earned elsewhere rather than farming and that doesn't fit into any one of the two.

Then there is also in Bill 56, a provision that says corporations can only buy 160 acres of land and it's . . . hopefully I believe it's designed to keep the corporations from speculating on farm land. Again, I don't think that this is strong enough because I think the bill allows corporations to speculate on farm land yet, and does it very effectively. First of all, if a corporation has money to invest in farming, all they need to do now and given the income possibilities that farmers have today, the need to extend the mortgage to a farmer, foreclose very shortly and they have got two years to sell and make money. And they are not going to buy the land anyhow to farm it, they are only in the game to make money. I think they have a neat loophole here that will just keep on.

There is also the other possibility of a certain individual can buy a farm, live on it and still not be a farmer.

I feel it is important to take a critical look at what is happening to agriculture in Manitoba and, of course, probably in the context of what's happening in Canada, and we must agree that the future is important, people should be important in the future. I believe that speculators should be cut off on city property entirely.

There is a book that was written 100 years ago and I am sure some of you have seen and read it. I think it's truer today or some of the ideas in it are truer than when it was written. This book is called *Progress and Poverty* by Henry George. He makes the point that when more and more people move into a city or on a given acre, that land becomes more and more valuable. The land becomes valuable because of the commerce created by the people moving on to this land. And isn't that exactly what's happening on our city properties today? You have huge increases in price from one sale to the next. All you have to do is talk to some of our realtors in the city.

Then we are looking at the problems of large cities, like New York, who were not able to raise the money to keep going or had their problems. I personally have seen Hong Kong myself where you have 60,000 people per square mile, and if you walk up and down those streets and take a look at what's happening there, I don't think that's the option we want for people — to move them off the land into the cities. I think what we need are effective rural communities and a desire to develop the primary resource and the only source of new wealth, then you tie in the industries that complement agriculture and supply more work for people. By adding more work out in the country, you will have rural living and improve the quality of life for most people in Manitoba. I think based on sound policies like that, the people in the city, the consumer, and everyone should be in a much better position.

I had very short notice, gentlemen, about the hearing here so I was not able to make a full presentation, I just had to work off notes and I hope you would bear with me there, and further to that maybe some of these areas that I covered briefly, we could cover by questions, if you have any.

MR. CHAIRMAN: Thank you very much, Mr. Schwartz. Are there any questions of the committee? The Honourable Minister.

MR. USKIW: Mr. Chairman, I'm trying to determine from the presentation the attitude of our witness here to the bill. I'm not sure whether he is suggesting that he's for the bill but it should go further than it does go or whether he's opposed to it because it doesn't go far enough from his point of view. I wonder if you could clarify that for me.

MR. SCHWARTZ: I believe, Mr. Minister, that the bill is a small step in the direction which we should go but I feel that the income is of primary importance for farmers. If in some way the farmer could have an income equal — you can check this out, for instance there are plenty of statistics such as the Carman farm business groups, your statistics on what doctors, lawyers are making in the Province of Manitoba — and I believe the facts will bear me out, that there is an imbalance of earning. If that imbalance of earning is not corrected then no matter what you do in legislation, if the doctor, lawyer, teacher, businessman is earning more money than the farmer they're going to end up in the long run owning the farms.

MR. USKIW: Well I'll pursue it with another question, Mr. Chairman. Does it not then follow though, even from your own comments, that to the extent that you eliminate external interests or competition for land that you in fact are aiding the agriculturalist, the farmer to make a better living on

he land that he operates since he would not have to pay for it at a rate based on other considerations than agricultural productivity. Isn't that still a significant measure in terms of insuring his income potential?

MR. SCHWARTZ: Well I agree that it would be some small measure of assistance.

MR. CHAIRMAN: Thank you. Are there any further questions of Mr. Schwartz? Mr. Graham.

MR. GRAHAM: Thank you, Mr. Chairman. Through you to Mr. Schwartz. To carry on further with the argument that was put forward by the Minister, Mr. Schwartz, would it not also be true that if you lowered the price of land as the Minister has suggested by this method you would also deprive those farmers who have worked for many years and want to retire, would you not be depriving them of their just reward for their land?

MR. SCHWARTZ: Yes, I would think that to some measure this is true. Many a farmer has worked long and hard all his life and it has cost him dearly in privation, in hard work and possibly a lower standard of living and though some farmers seem to work that way as if they want to farm forever, I believe that the time comes when a farmer gets older and he wants to get out. I believe some provision should be there for a farmer to get out when he wants to.

MR. GRAHAM: And that same farmer has used his farm as the sole basis of his insurance for his retirement.

MR. SCHWARTZ: In many cases that's the farmer's pension plan and I recognize that the Manitoba Agricultural Credit Corporation in many cases now is buying out such farmers so I would think that this is a measure in the right direction but I don't feel it's going far enough. That's why I raised the other objections.

MR. CHAIRMAN: Thank you. Are there any further questions? Mr. Ferguson.

MR. FERGUSON: Mr. Schwartz, do you believe that an individual should have the right to sell his land to whoever he chooses providing he is a Canadian citizen?

MR. SCHWARTZ: That is, I would say, a two stage question because you're saying a "Canadian citizen." I believe a farmer who has suffered privation through a long lifetime should have that right. However a citizen who bought it yesterday and wants to sell it today I have some reservations.

MR. FERGUSON: What would you say in regard to a fellow Manitoban? Do you feel that they should have the right to purchase land supposing they are a doctor or a lawyer, providing there was some proviso in there that they couldn't sell it for five years or something along this line.

MR. SCHWARTZ: Well providing there was a proviso that stopped speculation.

MR. CHAIRMAN: Any further questions? Hearing none, thank you, Mr. Schwartz.

MR. SCHWARTZ: Thank you.

MR. CHAIRMAN: The Chair has a bit of a problem here. Some of the names that I had did not show an address where they were from but I understand Mr. Hall is from Manitou. I would call on Mr. Hall if he is present to come forward and make his presentation. Mr. Hall.

MR. BERT HALL: Mr. Chairman and Members of the Committee: I am here representing the Manitoba Farm Bureau and we are gratified to have this opportunity to convey to you a few comments and recommendations concerning Bill 56, The Farm Lands Protection Act. The prospect of foreign ownership of agricultural land in Canada has provoked a great deal of controversy in the last several years and certainly within the Farm Bureau and the wide spectrum of groups that make up the Farm Bureau we've dealt with this at length internally and endeavoured to get a consensus of opinion that would represent farmers from throughout the province. This controversy has been triggered by a fear of economic detriment, patriotism, or some other emotional feeling. In several provinces this debate has led to legislative controls and, with some foreign purchases of farm land occurring in Manitoba, has naturally caused Manitobans and the Provincial Government to review our situation to see if legislative controls are desirable.

We have found that the farm people are not clearly united on this question and anyone believing otherwise is simply deluding himself. If one is in the market to buy land he is liable to want to reduce competition by eliminating some buyers and to believe some controls are warranted. If one wishes to sell his farm land the odds are that he will not favour ownership controls that restrict potential buyers of his property. An individual's situation, together with the emotional factors mentioned previously, will influence his opinion on the question. You have our understanding and sympathy in grappling with the issue of whether or not some kind of controls are warranted.

Foreign Controls:

As the spectre of an increased demand for farm land in Manitoba by foreign nationals, purchasing at prices not necessarily related to projected returns for agricultural commodities, has become more significant in the minds of a sensitive and concerned public, there has been growing support for some kind of ownership controls. Although very few are prepared to indicate what form controls should take, we believe that a majority of farm people now favour some controls on foreign ownership despite the fact that the actual amount of farm land in Manitoba now held by foreign nationals is relatively small. We're using government statistics to July, 1976, indicating 295,459 acres or 1.66 percent of Manitoba farm land.

In addition to the patriotic and emotional arguments for controlling foreign ownership of land those favouring controls argue that some foreign nationals are offering unrealistic prices for farmland and have established land values that preclude the entry of young people into farming enterprises. There is a very active and continuing debate within the farming community as to whether it is foreign purchases or continuing competition amongst neighbouring farmers for farmland that may be creating the problem for young people. While there is little doubt that offers to purchase farmland by foreign nationals have affected current land values, it may be that land ownership controls foreign nationals will have a limited effect on land prices and to other circumstances such as the demand for grain will in the long term be of greater significance.

Nevertheless, the Manitoba Farm Bureau, with some reservations, supports the principle of controlling the amount of land held in Manitoba by foreign nationals who do not intend to become citizens of this country and to operate the farmland they have purchased. The Bureau's position is based on its publicly stated support for the retention of the family farmer owner-operator style farmland tenure in Manitoba as being in the long term best interest of Manitobans, producers and consumers alike.

The representative body of the Manitoba Farm Bureau is of the opinion that there may be alternative techniques that might achieve the desired objectives without in effect removing the foreign purchaser from the marketplace altogether. Some restrictions already exist under The Foreign Investment Review Act (Canada). You might consider requiring any foreign national purchaser of farmland in Manitoba to post a significant bond which would be refundable upon his assuming actual operation of the farm land, but would be forfeited if he did not do so within a period of time, say two years. Alternatively or additionally any revenue realized by a foreign national as the beneficial owner of farmland in Manitoba might be subjected to a very punitive rate of taxation with a view to both discouraging foreign purchase of farmland and retaining much needed capitalization for the economy of the province. The Manitoba Farm Bureau believes that we must be mindful that enacting legislation such as Bill 56 will create an inconsistency in terms of controls that will be applied to rural land and not to urban land. In this light it must be borne in mind that many retiring farm people may be in a position of disposing of their property on a controlled market and then seeking housing and/or investments in a market which is not subject to the same type of controls.

The thrust of any controls distinguishing between Canadian farmers and non-farmers must be examined carefully. A number of dilemmas could face us and we have attempted to list a few. What happens to a farmer who assumes other responsibilities that occupy a majority of his time and perhaps provide more income than his farming operation? These other responsibilities might be of temporary nature. He might become an MLA, an executive of a farm organization, etc. If he owns 640 acres or more when farming was not his principal occupation, we conclude he would be prohibited from expanding his farming operation if the right opportunity arose, and we wonder if it is intended that he might be forced to reduce his land holding to 640 acres if he acquired his land after April 1st, 1977, as a farmer and then for some of the circumstances we've referred to, cease temporarily to be a farmer or under some other similar circumstances. What about the young man who wants to become a farmer and needs more than a section to be viable? What about the family holding corporation that owns the farmland and leases it to members of the family who actively farm it? The family cannot continue with its corporate structure if it expands its operation as the corporation could not acquire additional acreage.

The Manitoba Farm Bureau has never been overly concerned about the holding of agricultural land in Manitoba by Canadians who are non-resident owners. It is the anticipation of accelerated foreign ownership of farmland that should be dealt with at this time. If non-farm Canadian ownership somehow threatens our system in the future, we are confident the Legislature will take appropriate steps to deal with the nature of the problem as it arises. Rather than controlling Canadian ownership of farmland we feel more attention should be paid to land use and lease arrangements between owners and the farmer tenants.

Although the question of land ownership should not be ignored the members of the committee and the total Legislative Assembly should be mindful that despite the attention given in recent years to the issue of land ownership, the matter of land use is of more immediate concern. It is the opinion of the Manitoba Farm Bureau that we must concentrate the major portion of our efforts on land use policy and establish a rationale and effective land use authority. Existing planning legislation provides some important land use policy thrusts, but, in our opinion, only does part of the job.

Lease arrangements play an important role in permitting a farming operation to become efficient and viable. Many young farmers have relied on long term leases of land to enable them to use their available capital to finance the operating costs of a new farming enterprise. On many occasions the Manitoba Farm Bureau has recommended that the Manitoba Department of Agriculture obtain samples of the somewhat more sophisticated and detailed long term lease agreements currently being used by farm people in various parts of Europe, and adapt them to effectively serve the farm people of Manitoba. We would like to reiterate this recommendation.

Agriculture
Thursday, June 9, 1977

We also recommend that a more comprehensive definition of a farmer and farming be provided in the proposed legislation. We have attached a definition of a *bona fide* farmer that was adopted by the Canadian Federation of Agriculture for use in identifying who should be considered as a farmer and that is appended to this.

Under Corporations and Individuals we reiterate that the Manitoba Farm Bureau believes that the majority of farm people in Manitoba support some measure to control the amount of Manitoba farm and which may be purchased by foreign nationals but do not support restrictions on the amount of farm land in Manitoba that may be purchased by Canadians be they farmers or not.

However, if controls are placed on Canadians, we believe that it is absolutely imperative that Canadian corporations and Canadian individuals be treated in a like manner, since many families in Manitoba have seen fit to incorporate their farming operations because of certain advantages accruing to them as a result of taking this action. We do not feel any system of control should upset existing arrangements or hinder future arrangements. If the bill only exempts certain internal corporate structures, we have no doubt that the exemptions will not apply to all legitimate family corporate structures and unintended hardship will result. Bill 56 must be amended at a minimum to do away with any distinction between individual and corporate farmers.

Under Supervision and Enforcement, if the Provincial Government decides to proceed with Bill 56 (in which event we would ask that the bill limit itself to controlling foreign ownership only) we believe the following additional changes should be made to it:

1. The authority and discretion given to the Minister of Agriculture under the bill is inappropriate in this day and age of sensitivity to "due process" and "natural justice." We believe these areas should be vested in a Farm Ownership Board similar to that created in Saskatchewan three years ago. We believe that such a three person board, with two members appointed from a list of practising farmers nominated by the Manitoba Farm Bureau, would have the confidence of our farm people and would lead to more openness and a feeling of greater objectivity in decision making.

2. The appeal procedure outlined in subsection 10(1) is inadequate and inappropriate. We see no reason for limiting an appeal under this legislation and depriving an individual of the due process of the whole judicial system established to safeguard the rights of individuals.

3. The penalties proposed in the bill are severe, particularly in that they may capture innocent breaches as well as fraudulent breachers. What is the rationale for providing a minimum fine of \$10,000 for corporations and \$1,000 for individuals? Many farmers are now incorporated and even if they innocently offend the Act, a judge could not treat them as leniently as if they were not incorporated.

4. There should be provision for obtaining an advance ruling on whether or not a proposed transaction or agreement for sale would offend the Act. Appeals should be permitted from these advance rulings. This will lead to greater certainty and justice. This is a concept recently introduced by the Income Tax Department to pre-clear proposed transactions with a great deal of success, and has been commonly used by government agencies for years in approving transfer of control businesses. Example: The Canadian Radio and Television Commission, The Highway Transport Board, etc.

5. We do not understand why provision has been made for exemption by regulation. Does this not open the door to possible misuse of authority and charges of favouritism?

6. We have concern regarding the additional bureaucracy which may be assembled to administer the legislation as drafted. conclusion, the

In Manitoba Farm Bureau, with some reservations, does support the taking of some measures to control the amount of land held in Manitoba by foreign nationals who do not intend to become citizens of the country and to operate the farm land they have purchased.

We do not support restrictions on the amount of farm land non-farming Canadians may purchase. Of far greater concern is the control of land use and the development of more sophisticated lease arrangements.

We believe that it is imperative that any control legislation not distinguish between individuals and corporations. Any controls on Canadians — which we do not favour — must acknowledge that some farming corporations are not owned exclusively by people whose principal occupation is farming and that others act as simple land holding vehicles for families who have one or more members of the family farm.

The supervision and enforcement provisions of Bill 56 require some revamping to provide greater certainty, greater farmer participation and full and obvious justice.

Mr. Chairman, we wish to express in advance our appreciation for your anticipated consideration of our comments and recommendations in this regard. Respectfully submitted.

MR. CHAIRMAN: Thank you, Mr. Hall. Are there any questions? Mr. Einarson.

MR. EINARSON: Mr. Chairman, the comments that are being made this morning in regards to farmer, whether he be operating his business as an individual or a family as opposed to a corporation this is one area that interests me. I wonder, just as a point of interest and in asking a question, — the laws have changed somewhat insofar as a corporation is concerned — what is the minimum number could you tell me, that are required by law in order for a farmer to incorporate his business?

MR. HALL: The minimum number of people?

MR. EINARSON: Right.

MR. HALL: I believe it has been changed to one.

MR. EINARSON: Right. So the point that I make, Mr. Chairman, through you to Mr. Hall, is then could I understand some of your comments in regard to the discrepancy that is being shown in this bill and the penalties that are being described in the bill as to how it applies to a farmer, whether he is farming on an individual basis or a family farm, as opposed to if he was to incorporate. I think that is the point that you are making. Probably you would like to exemplify just a little bit further, or elaborate a little bit further on that point that you have made in your brief, as far as the penalties are concerned and why, if you would care to go to any further detail as to why that is not reasonable.

MR. HALL: My understanding is that a farm corporation or an incorporated farm designated as farm corporation under the Companies Act, could very well be an identical operation to someone identified as a farmer that is not incorporated. So it seems to me we are talking about the very same thing.

Within the definitions on the bill, there is a definition of a farmer. But it does seem to me that we need some greater clarification — this is one of the points that we've made in our presentation — to attempt to define to a greater extent people that would qualify under the definition of farmer. It's my opinion that also we could qualify a farm corporation, particularly where it is identified that the principal business of that corporation is farming.

MR. EINARSON: Yes, Mr. Chairman, through you to Mr. Hall. Another question I'd like to pose to Mr. Hall, and that is this whole business and the reason why we have Bill 56 before us, I think if I follow your brief and probably you could elaborate a little bit more if I haven't quite understood you fully and that is the biggest concern that the majority of farmers have in the Province of Manitoba is the element of foreigners coming into Manitoba and buying up farm land, who don't intend to reside on that farm and actually operate it. Am I correct on that?

MR. HALL: That's right.

MR. EINARSON: Then, Mr. Chairman, would you suggest or agree that had Bill 56, such as it is dealt pretty well entirely with the foreign purchase and non-resident element, that you would have been more satisfied, rather than dealing with the restrictions that are being applied to our Manitoba citizens and Canadian citizens? Do you think that the Manitoba citizens and Canadian citizens should have been left out of this bill?

MR. HALL: Yes, this is correct. We have gone to some considerable effort to try to ascertain the feeling within the farm community and our presentation today is an attempt not for me or as individuals to give any personal consideration but to attempt to honestly reflect the feeling within the farm community. We believe that within the farm community that the concern really is on non-resident foreign ownership and the concern is not of ownership by Canadian citizens.

MR. EINARSON: Mr. Chairman, another question that concerns me, and that is when the bill describes 640 acres as a maximum number of acres that one can own, 640 acres in one part of Manitoba may be viable, as opposed to 640 not being a viable unit in another area. Would you agree Mr. Hall, that possibly the word "assessment" should be used there, instead of "acreage"?

MR. HALL: Well, if there is a limitation provision, I think it's quite correct to say that we have a great variety of agricultural land in the province. And in some areas I would agree with the statement that you are incorporating in your question, that there are areas where a given acreage is much more viable than what is a given acreage in a different part of the province.

MR. EINARSON: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Enns.

MR. ENNS: Thank you, Mr. Chairman. Mr. Hall, I suppose when the farming community is given a particular advantage over other people we shouldn't complain, but has the Farm Bureau looked at one aspect of this bill where that in fact happens. As a farmer we have unrestricted privileges of buying recreational land, as compared to our city cousins. Really the point that I am raising, I find some difficulty in the fact that the bill treats recreational land and farm land in the same way. Has the Farm Bureau checked that aspect of it at all or are you just not worried about that?

MR. HALL: Well, we have looked at it in a slightly different context when we were looking at the whole land use picture. The Farm Bureau does support that we should give very serious considerations to land use and I think when we talk about that, we talk about all land. In this particular one, we are dealing specifically with a bill that the heading is Farm Lands Protection Act, and I suppose dealing specifically with this that we were not addressing ourselves to it. But certainly the

Agriculture
Thursday, June 9, 1977

rm Bureau has expressed its concern on previous occasions of land use, which, as I previously id, would include all land.

MR. ENNS: Has the Farm Bureau had an opportunity to have a look at what has happened in some the other jurisdictions, notably British Columbia, as a result of restrictive legislation of this kind d exactly the kind of effect that that has had on farm use of farm land? It is my understanding that a situation in British Columbia has, you know, pretty well created the opposite effect in the sense at, with the provision of buying even limited numbers of acres of land or land holdings, much of the ime agricultural land since the inception of this kind of legislation in British Columbia has greatly celerated in price and, in many instances, has taken farm land out of farm production as urbanites oose to move onto that farm land under the protection of this kind of an Act.

MR. HALL: We're not sure that you can draw that kind of a parallel simply because of the ographic, I suppose, nature of the differences between the two provinces. Of course we recognize at in British Columbia there is a very limited percentage of the total area of the province that is good ricultural land whereas in Manitoba we have a much greater area and I don't think, at this point, that e've had the infringement of the urban onto the rural concern to the same degree that there is in eas such as British Columbia, and the Niagara Peninsula, and some of the areas like that.

So we haven't really felt that there was immediate concern from that kind of infringement, though we do feel that as a province we should be well aware of the possibilities and that we should ke advantage of looking at the kind of activity that has been generated because of a problem that we ay all be faced with in the future.

MR. ENNS: One final question to Mr. Hall. My experience in my own constituency in complaints at I receive in this regard tends to come in this direction: the local, or the Manitoba farmer feels that a is often competing in a disadvantaged way when attempting to bid or buy land in competition with articularly foreign buyers. When I say "unfair" it's either in the, you know, interest rates that are moured to be available to foreign buyers as compared to the interest structure that we have mplying to our own cost of money. Whether these can be ascertained to be true or not is another uestion but we know, for instance, even in the sense of our immediate neighbours to the south, the mericans, their interest rate is three points below our going rates.

The complaint often generates along these lines: if my son had access to the same kind of capital t the same cost, a lot of the complaints would disappear. There is a sense of unfairness that is being epetuated in this thing and, to some extent, that seems to form, very often, the major portion of the oplaint. It's not so much directed at the person that is buying the land. There is a feeling that our ative Manitoba boys haven't got the same opportunity of bidding in a competitive way for that land.

Is that a complaint that the Farm Bureau has recognized when they reluctantly come to the onclusion that some controls ought to be accepted and placed on foreign buying?

MR. HALL: Well, as we said earlier and in our brief, there are many concerns and, to some extent, ome of the concerns are patriotic, some of the concerns are emotional and some of the concerns elate to financial. In appearing before this committee today, we are attempting to give you what we onsider to be the feeling of the majority of farmers within the areas of the province that make up the arm representation onto the Farm Bureau.

First of all, perhaps I should say that we have to recognize that at this moment all farm land is wned by someone. We also have to recognize that when we get a reading from the farm people as to whether there should an exercise of some controls or not, as we said earlier, it depends to quite an xtent on what the particular position of the individual or individuals are in at that particular time.

Having said that the farm land is owned by someone, we recognize that with turnover of land, with verage age of farmers, that in the not too distant future there is likely to be a substantial turnover of arm land. Those people that are within that general category are very often very vehemently pposed to any restriction of any kind and so we have those people, because they are looking at the ossibility of having to purchase other homes or looking for their funds for retirement for the future.

We, of course, have the young people that would certainly like to see some way that they could get nto farming with a little bit less financial obligation than what they are faced with at the present time.

What we're having to report to you is that there is a real division of opinion, within the farm ommunity, on this issue. The only one, I think, that we can reflect to you that I think represents the majority of farmers is that they would be willing to accept or to want some limitation of any massive urchase and ownership of farm land by foreign nationals.

MR. ENNS: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. G.E. Johnston, Portage la Prairie.

MR. G. JOHNSTON: Well through you, Mr. Chairman, to Mr. Hall, I'd like to examine your group's hinking and the distinction that you draw, with reservations, being for control of foreign ownerships, like non-resident foreign ownership of farm land. I'm making a presumption here that the purchase is always made in this case for an investment, probably a long-term investment for profit . . .

MR. CHAIRMAN: Could you speak a little louder please, Mr. Johnston.

MR. G. JOHNSTON: The purchase by foreigners of land, and they have no intention of farming it

but they bought the land with the idea of turning a profit some time in the future, how do you draw the distinction between that person, who lives in another country and has no intention of coming here and no intention of going on the land, and compare it to the person or the group who live in Toronto or in Winnipeg, and do exactly the same thing? They bought the land to turn a profit sometime in the future; they have no intention of coming and farming it. What is your reasoning in drawing the distinction where you are in favour of one group but not the other?

MR. HALL: As citizens of Canada, we have some difficulty in supporting some controls within a portion of society and certainly within the farm community, that is not also the same kind of conditions under which other people within our society have to live. I suppose that, it's fair to say, one of them. We made the point here that one of the concerns is that if you put legislative restrictions on who may buy, and how much, of farm land, why then of course the farm people, within the investments, are operating within a controlled environment.

They then, upon retirement or other choice that they would leave the farming occupation and go into the other part of society, would then be transferring their investment into a society that is not controlled. This, I think, needs to have very serious thought before it takes place. In other words, we tend to support that legislative provisions should tend always to be fair to all citizens.

Now, I don't know whether I could enlarge just a little bit on the position that the Farm Bureau has taken in the past and that we support, and that is recognizing that the history of Canada is that it's made up of people in the farming community that have various backgrounds and have come from various parts of the world and are now citizens of our farming community. We had felt within the Farm Bureau that we would not want to see restriction to that kind of thing but I think you had distinguished that your question was really relating to those people — the foreign nationals — that would not want to become part of our farming community. But we feel that within Canada, as Canadian citizens, that we should always be very careful that we treat all people as equally as possible. If we're going to control and influence the financial positions of farmers as to what their investments have been and might be, why then, it seems to me we ought to be looking at something similar for other parts of society as well, so that we all live in the kind of environment. Because nobody is automatically tied or completely married to one particular aspect of occupation of earning a living.

MR. G. JOHNSTON: Mr. Hall, is it of concern to your organization where Canadians who are non-farmers form companies to buy farm land for the purpose of speculation? Does that bother your group at all? Obviously it does concern you if foreigners do it.

MR. HALL: It is fair to say that it bothers some people within the farming community, but in our attempt to reflect, as accurately as we are able, the thinking of the general farm community, there is not general support for a limitation of Canadian citizens of investing in farm land.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Mr. Chairman, I was interested very much in the brief that was just presented to us. There are some very good positive suggestions contained within that brief, some of which we hopefully will be able to act upon.

I would like to pursue a little further the point that the Member for Lakeside raised with you, having to do with legislation in British Columbia. Because it appears to me that either I am not fully informed or perhaps either you or Mr. Enns are not.

My understanding of that legislation is that it's land use legislation, not land ownership, that has allegedly caused the problem that Mr. Enns alluded to, and I am wondering whether you are at all familiar with any ownership legislation in British Columbia.

MR. HALL: I think you are correct in that assessment. You are correct, it is land use.

MR. USKIW: Okay, so it has nothing to do with land ownership control.

Now, in Manitoba, we have 136 million acres of land in total. Out of that we have about 12 million acres that is fairly good arable land or agricultural land, other than some grazing area beyond that, but about 12 million is what we would consider to be good productive land. So in that context, how does the Bureau arrive at the position that we are so over-abundantly supplied with land that it isn't much of a concern to us, given those statistics; or are you fully familiar with the actual quantity of land that is arable. It seems to me it's a very small percentage of our total land holding that is capable of producing food.

MR. HALL: Well I think you are quite right and I think if we look at the maps of Canada of the arable land capable of producing food, we recognize that it is quite insignificant in terms of the total of Canada, this is quite right, and the Farm Bureau has expressed a concern, but I think what I responded, really, was while we feel it is an ongoing concern and I think I mentioned that we should look at and follow with interest what is happening in some of the more concentrated population areas with much less agricultural land base than we have and be concerned. I think I pointed out that really the Farm Bureau is probably more concerned with farm use than what we are with ownership, other than the position that we have taken that we support some type of restriction to foreign national ownership.

MR. USKIW: All right. It takes me to the next point then, sir. The Bureau is making a distinction

tween a foreign purchase arrangement and a Canadian citizen who purchases the same amount of land. Let me take you back to the first question: Why do we need legislation at all? What is it that we are trying to do or protect by this bill? What is your interpretation of the need for protection under this kind of legislation?

MR. HALL: I think that in our opening position, in our introduction to what we were stating, that there is a concern within our community, I think with all the people of our province and certainly within the farm community. Much of it, I think, is emotional; there has been great discussion over the last several years and we recognize that we have had some difficulty in trying to pin it down. I appreciate that — okay, a figure has been brought forward because I think it was one of the original positions of the Manitoba Farm Bureau — okay, let's try to get by the emotional aspect and let's try to identify exactly how extensive foreign ownership of farm land is and then we can rationally take a position on it. But in attempting here to reflect the position of people within the farm community, as we believe it to be, we feel now that the majority of farmers would support having legislative control to at least put some limitation on to any great encroachment of the ownership of farm land by foreign nationals. It's hard to actually identify what the main areas of concern are, we think that it's many. We think it's a possibility of economic detriment which may mean that the earnings from that land might go out of Canada or out of province. We think that a certain amount of it is patriotism, that okay, Canadians should own farm land and we shouldn't just simply be operators and somebody from another country own it. We think many other emotions enter into this, but generally speaking we feel that the farm community would support some kind of legislation that would put a limitation on to the amount at least of ownership by foreign nationals.

MR. USKIW: Would it be fair to assume, would you agree with the assumption that one of the major concerns is the concern about the competitive aspect especially for the new young farmers who want to buy land in Manitoba, the competition that they are being subjected to, in terms of value. Isn't that one of the major concerns or at least one of the concerns that seem to be mentioned most often?

MR. HALL: I think it is one of the concerns. Our young people are concerned about the tremendous investment that it takes to get into farming. The position that we have taken here is that possibly, sort of in the inflationary society in which we live, it may well be that most young farmers, unless they can start as part of their family operation and get started in that fashion, may well have to start on the other route, to have some good lease arrangements that are well written and provide the kind of security that you need when you put heavy investments into fertilizer, chemicals and so on that may well be an investment for several years down the road as opposed to periods in the past. So we feel that that is one avenue that the young farmer might be in by simply getting the equipment to arm and having the know-how and the ability to do it but may well not own any of the land base or may not own any of it for that matter initially. This is one of the concerns that is there.

But I think it is true, if you get farm people into a discussion and they honestly level with you, that many of the people in the farm community will not say that it is foreign ownership that is driving up the price of land as much as it is competition from neighbour to neighbour and farm land is being bought in many areas almost exclusively by people expanding their present operations, and this is what sets the price.

MR. USKIW: The number of complaints that we have received related to a suggestion, well a statement that sort of went like this. You know, how can we compete with those dollars flowing in from outside who are really not making investments on the basis of any return from agricultural production but have some other motivation. That has been the sort of single issue we have heard most of over the last two or three years. You know, it follows from that, if that is important, an important consideration, then what difference does it make whether the investor is from Germany or from Toronto in terms of the impact of that investment in land in Manitoba. What is the difference in terms of dealing with that concern or that problem, assuming that it is defined as being a problem?

MR. HALL: We wrestled with that very same question and certainly there has been many thoughts come forth on it, but however, in attempting to arrive at a consensus, I think the feeling in taking the position of not supporting any restriction to resident Canadians in purchasing, is that they are working in the same money market as what the rest of us are. I think it can well be — and I am talking I suppose somewhat from hearsay — but it could well be with foreign investment, people from out of country, that they might be looking at a different money market in which they would be willing to invest their money; there well may be political reasons why they would be willing to accept the lesser reason; I think the general consensus was, okay, within Canada it was fair game but outside investment, from other countries, as I said, there may be political pressures, for security reasons they may want to think that they would shift into a country like Canada where they would think there was more security or there may be different money markets.

MR. USKIW: Well, you know, to follow that one through further, it's very obvious to me, to many people, that Canadian corporations, or individuals for that matter, but certainly corporations, have virtually unlimited access to foreign currency at whatever interest rate prevails in different parts of

the world. They are not precluded from using the same foreign dollars for that purpose as would the foreign buyer. The same dollar can play the same role with a different set of characters.

MR. HALL: I suppose there are a number of things that enter in here. Within a community and taxpayers, there's a concern, I think, that the ownership of the farm land, the revenue generated would be much more acceptable within the opinion of the farm community that that would stay within our country and, you know, one of the concerns then is that the monetary returns would go out. I made that suggestion within our brief that there may well be other ways of treating this that would discourage people from coming in. We might not have to legislate acreage at all if we want to take a look at alternative ways and we are suggesting to you that perhaps you might consider looking at alternative ways that would retain the benefits within the country.

MR. USKIW: You would concur with me though, that to do it that way, would be somewhat more difficult provincially, as opposed to having a national policy through taxation measures.

MR. HALL: Well I think that all of us that own property, we own it under certain criteria established, and this changes from time to time according to various levels of government under which we operate. It would seem to me, without consultation, that it would be possible to enter in provincial legislation that would have an effect on whether or not foreign nationals would be investing simply as an investment or for some other reason.

MR. USKIW: In your comments you indicated that it seems to be becoming more of a pattern and perhaps even acceptable, because of the lack of capital to purchase land on the part of many of our farmers, that they enter into long term or even permanent lease arrangements over which you would like to see some kind of legislation that would govern the rules of the lease arrangement. It comes to mind then what the Bureau's attitude is with respect to the public's option for farmers who are unable to find mortgage capital to enter into that kind of a program and whether that isn't a solution, one of the solutions for that kind of a problem. How do you view that, Mr. Hall?

MR. HALL: Would you just rephrase the question, I didn't quite follow.

MR. USKIW: Well you talked about the increasing pattern where people are going to more and more lease land because they are unable to afford to purchase it, and that we should be getting into some kind of controls or legislation with respect to the relationship between a landlord and the tenant, and that we should find out what is being done in other parts of the world in that regard and maybe do some of those things here. My point is, is the Provincial Government's Lease Program not a reasonable option for that category of people who find themselves in a position of being incapable of purchasing land because of the prices.

MR. HALL: I think it's an alternative. What we were referring to particularly is that as we know farming today, there are many investments, as I referred to, that are long term and, you know, relating to fertilizers, to pesticides, to management operations that the benefit is somewhere several years down the road perhaps. The usual practice, I think, that has been prevalent here has been cash rent or share of the crop or something like this. What we are looking at, we are suggesting that the government through government departments take a look at some of the lease arrangements that have been worked out in other countries where they have become more advanced in this area than what we had in the past, and we are not necessarily saying that it needs to be legislated. What we're saying is that if those kind of arrangements, perhaps adapted to our condition, were publicized, circulated, made available to farmers, why we have great confidence in the wisdom and the business ability of the farmers then to use that kind of lease arrangement. The information that would be incorporated there would be I think much more satisfactory to the farming community than what has been available to them by way of private lease arrangements in the years gone by.

MR. USKIW: Mr. Hall, to pursue that further, in the area of rental accommodation for people that can't afford homes, we, and in fact all provinces, have passed legislation governing the relationship between landlords and their tenants. Doesn't it follow from what you are suggesting, that on a voluntary basis it will sort of apply and not apply, depending on the goodwill and the nature of the individual, and doesn't that really lead us into the position, ultimately, of having to go that route in Manitoba with respect to landlord and tenant relationships on farm land.

MR. HALL: I don't think it is quite the same. I believe that within the farm community, farmers have been forced into the position of being business people and I think that as such that the majority of farm people would be able to properly utilize lease arrangements without there necessarily having to be legislative provisions, because I think that they are forced into the position of being more sophisticated in looking at this type of thing than perhaps many people that are renting apartments. I feel it would work. Certainly I would very much favour that it be tested and I think we would find it would work.

MR. USKIW: The reason I raised that, Mr. Hall, is that you have made that suggestion to us a long time ago and we actually followed up on your suggestion and we have here a document which would have to be translated, but this is legislation on a landlord-tenant relationship in Europe. It's very heavy legislation, heavily weighted in favour of the tenant; very much not in favour of the owner of

id and which in fact not only stops there but it is being recommended that the government, cause of the price of land in Europe being so high, that the government, as an adjunct to this, nsider the first option to purchase all land that falls into the marketplace as another means of aling with the landlord-tenant problem in Europe it's very very drastic and very radical compared what we are doing here. I'm not sure that it would be an acceptable vehicle in terms of the Manitoba Canadian situation at this point in our history. That's one reason why I tend to prefer preventing a need for that by this kind of legislation, so that we don't have to find ourselves in a position where half or three-quarters of our land will some day be owned by absentee owners in which case we will en have a tenancy arrangement for which we will have to legislate certain protective devices in der to protect their income positions and so on. This is really the hope that we have here, that we ll not have to go into this kind of thing.

MR. HALL: We certainly wouldn't support going into a document of that nature either insofar arrangements are concerned but I think our point was — and I feel that you have understood it pretty all — that there are changing conditions and if we, through your department, Mr. Minister, you ow, could make some of these outlines in a reasonable fashion of different arrangements available the farming community that I think it would be of mutual benefit that could help there. I'm not sure the document that you're referring to or exactly where it came from but our understanding is that in ngland and in some other areas that there are very satisfactory owner-lease arrangements that ovide for some security for the operator, in that if he is prepared to put a rather substantial vestment, as I mentioned fertilizer as one, that he is protected for somewhere down the road cording to how he wants to have it written in.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: You know, Mr. Hall, I think this is so worthwhile that perhaps it is worthwhile to ursue it a little longer. One example, a for instance, is the situation where a landlord has a long-term ase arrangement with his tenant, a dozen years or more, and the tenant has — as I understand some f this legislation — the right of renewal over and above the landlord. That is, if the landlord's son anted to become a farmer, the landlord is not in a position, under that legislation there in Europe, to ay, "I now want to take my land back because my son wants to farm." The legislation protects the nant who, it is alleged, has made an investment based on the assumption that they have some etime tenure. That is the strength of European legislation governing absentee ownership of farm nd and the tenants that operate that land.

MR. CHAIRMAN: Do you have a point of order, Mr. Jorgenson?

MR. JORGENSEN: Yes, I said I had a point of order. In other committees, we have run across the roblem of witnesses before the committee branching out into areas that are not really covered nder the particular legislation that they are asked to make representation on, and it has posed omewhat of a problem in that witnesses take a great deal of time to come here and express their pinions and their views on a particular subject. The subject matter before us now is Bill 56. The inister is now branching out into another one of his hare-brained schemes and is asking the witness pinions on some of his ideas for the future. I suggest, Sir, that the Minister limit his remarks to uestioning of the witness instead of feeding information to the committee. We can get that nformation at any other time. I suggest that the Minister limit his remarks to the questioning of the itness on the provisions of Bill 56, and nothing else.

MR. CHAIRMAN: Mr. Jorgenson, the Chair does not believe that you have a point of order in that Mr. Hall, in his brief, has submitted therein that the committee and the government should look at ease arrangements in Europe — in other countries — and I have allowed the Minister certain latitude n light of that. So I don't believe you have a point of order. Do you have a point of privilege, Mr. Jskiw?

MR. USKIW: Well, Mr. Chairman, on a point of privilege, the Member for Morris tried to indicate to he committee that the Minister has got a hare-brained scheme of some kind that he is proposing to he witness when merely we are dealing with an item contained in the submission that we are now onsidering, having to do with land tenure arrangements in Europe, which we were asked to prepare y the particular group who is now presenting the brief. So I don't accept for one moment, Mr. hairman, the remarks of the Member for Morris. In fact, in my opinion, it was a very rude interjection, o say the least.

MR. CHAIRMAN: Mr. Enns, on a point of order. But I would like, Mr. Enns if you would . . . That is the reason why I allowed the Minister to discuss the points that were raised by Mr. Hall in relation to legislation in Europe. Because it is Mr. Hall that brought it up in the brief and that's why I allowed that attitude. Now, what is your point of order?

MR. ENNS: Well, Mr. Chairman, I know you are a reasonable man and I will appeal to your reasonableness. Clearly it is a well-established procedure, at committees like this, to ascertain the position taken by those people that come before us. Particularly in this case we have dealt with the philosophy and the other inputs that have come into this bill from a land study group across the width and breadth of this province. Our concern right now is to get the understanding and the position of

the Manitoba Farm Bureau in this particular instance. There is time, at further readings of this bill by the Legislature, to discuss what motivates the government in the drafting of this bill. Our position right now is to get the position of the Manitoba Farm Bureau.

MR. CHAIRMAN: Let us proceed then, Mr. Enns.

MR. ENNS: And the bill, I remind you, Mr. Chairman, has little or nothing to do with what land arrangements, or land tenure arrangements, are being pursued in Europe or other parts of the world.

MR. CHAIRMAN: But the brief that is before us does bring that into discussion. So therefore let us proceed and I will call on Mr. Ferguson.

MR. JORGENSON: Mr. Chairman, I want to draw your attention, and I don't have the rule here, to a provision in the rules which says that a committee can only deal with the matters that have been referred to it by the House. What is referred to this committee is Bill 56, and Bill 56 only.

MR. USKIW: Mr. Chairman, on that point of order, I would draw attention to the fact that in the introduction of this legislation, it was pointed out the various alternatives that we were looking at in dealing with the land ownership and tenure arrangement in Manitoba and I refer the Member for Morris to Hansard. It's there in full-form, the comments that we made with respect to the possible need into the future of landlord-tenant legislation as being the necessary vehicle if we do not pass this kind of legislation. We had a debate on that very point, Mr. Chairman.

MR. JORGENSON: Well the debate on it in the House, that is not what is referred to this committee. What has been referred to this committee is Bill 56, pure and simple.

MR. CHAIRMAN: Order please. I have ruled that that was not a point of order and if you wish to challenge the Chair, that is your privilege. But I will suggest that we should proceed now and call on Mr. Ferguson.

MR. USKIW: Mr. Chairman, on a point of order. I did not complete my remarks before the rule was interrupted by the Member for Morris.

Mr. Hall, we note a number of suggestions with respect to definitions in your submission, which I think we can take a good look at very favourably, if I might say so. I'm certainly not in a position to give you a definitive reply to them at the moment, but we think you have some good suggestions in your brief. We are prepared to take a good look at them and to embody some of them by way of amendment in this legislation.

MR. HALL: Thank you.

MR. USKIW: The last point I wanted to raise with you is your point that there should not be a distinction, whatever, of any kind between the rights of an individual and the rights of a corporation. We have always viewed individual rights and liberties as being somewhat sacred. Certainly much more so than an entity undefinable, whatever it may be, a corporate structure owned by people within the province, without the province, or completely outside of the country. Why do you take the position that there is no difference, in terms of rights, to the citizens of this province and this country as between individual human rights and corporate rights?

MR. HALL: We may have erred in not qualifying that to some extent. Our remarks were specifically in reference to legislation pertaining to the land, the limitation of amounts of land and the penalties imposed there. We were not really enlarging our remarks in the broad field of individual rights. What we were saying is that there are incorporated farms that for all practical purposes are the same thing as non-incorporated farms in that they can be individuals. Our comment didn't refer beyond that.

MR. USKIW: Well, the reason I raised that, Mr. Chairman, is that there is no restriction on those farms and not intended to be. They are the same. The corporate structure doesn't deny them the privileges that an individual enjoys. Unless, of course, that corporate structure is made up of people who are not, in fact, farmers or who are, in fact, enjoying a substantial income from other sources. So that in essence I'm trying to find out from you whether, in your mind, you are not certain of the legislation or whether you believe that there should be a privilege extended to a corporate entity that is not extended to anyone else.

MR. HALL: Not being a lawyer, I might have to ask for some assistance from our legal counsel that is here. But it seems to me that within the definitions that under corporation that we have defined basically, to some extent, what a corporation is not, rather than what a farm corporation is. I've had some difficulty, in my own mind, of trying to determine the sections of the bill as to the exact interpretation that might well be taken from it. I'm perfectly familiar with what a farm corporation is if it's identified under the Companies Act as the principal occupation of the farmer. Really, in the reference here, we are saying in the subsections, "Which is not primarily engaged in the business of farming, or of which 40 percent or more of all issued voting and non-voting shares are legally and beneficially owned by persons whose principal occupation is not farming."

I think really, if we could be a bit more definitive, that what we would like to see is that where it is a farm corporation that then there not be distinguishing penalties and other concerns, as opposed to a farmer that is not incorporated. But we're having just a little bit of a problem with the definitions there, at least I am personally.

MR. USKIW: On a last point, Mr. Chairman. In the United States, we have many many corporations

olved in the agricultural industry as primary producers — very large corporations. Do you have a feeling with respect to that possibility here in Canada? Should we be restricting that kind of development, or should we not? And I raise that because, from your brief, it seems to me your preference is that we continue to enshrine the sort of family owner operated farm in Manitoba. Do you have any concerns with respect to the kind of development that we see in places like California, where huge multi-national corporations are involved in very huge acreages involved in the production of vegetables or fruits, or whatever, perhaps owned by canning companies, wineries, a fully integrated operation, chain stores, etc.

MR. HALL: I think we would want to express some concerns if that sort of thing were to start to open, or to accelerate. I think we have indicated that we feel at the present time that we haven't expressed a concern. But we held the reservation, I think, in our presentation that if in event in future years that there should be some real problems, or some unforeseen difficulties arising in our farming community or in our food production which is a part of our society, then we think that legislative provision could be taken at that time. I think we made that point.

MR. USKIW: Yes, I appreciate that you have reserved that position. But if we were to face that situation today, would you advocate the exclusion of those corporations from the ownership of more than 160 acres of land?

MR. HALL: The Farm Bureau would want to review that one. I wouldn't want to forecast the position that the Farm Bureau might take at that particular time, or the acreage, whatever position might be taken. I'm sure that as a farm community that we would want to express our concerns if we were faced with that sort of thing but I think that inasmuch as we feel that the farm community would generally support some level of restriction, or some method of restricting ownership from people outside, or are not citizens of Canada, then we would only be looking at an internal thing, if that commendation were followed through.

MR. USKIW: Well, I appreciate that you are unable to comment on behalf of your association but I really was addressing to you as an individual whether you have any particular preference in that kind of a situation.

MR. HALL: Well, I suppose if I was talking to you privately I might give you my personal feeling about it, at the moment, I think I am attempting to represent the Manitoba Farm Bureau.

MR. CHAIRMAN: Mr. Ferguson.

MR. FERGUSON: I only have one question, Mr. Hall, and that would be in the event that this proposed legislation was enacted and a Manitoban was restricted, say, Mr. . . . was restricted to 640 acres. Then would it not be fair to assume that I, as a farmer, if I started to buy apartment blocks in the city that I might also be restricted. What would your thoughts be on that?

MR. HALL: I think I have expressed that general area. We feel that there should be very serious consideration taken of the farm community being part of our total community and any provision that pertains particularly to one section, be it farming or be it other areas, I think we should always attempt to see that we are being fair and fair as citizens of a country. Because I said, you know, we're a mobile society. We move from one area into another. If I could just enlarge on that a little, I feel, and this is a personal thought, it's not something I have debated within the Farm Bureau, really, but I think it is a valid thought in that the generation that is now going into farming by and large are a well-educated generation and they have many options. Many of those people are trained professionally or technically and they can enter into a farming operation. I think they are much more likely to be mobile than what the past generation has been because many people in farming in the past generation had not had the benefit of a fair high level of training.

You know, many of our graduates from our universities, whether it be the diploma grads or whatever, or from our technical schools, there are a number of these people that are going into active farming and these people, in my opinion, could well move if that just doesn't turn out to be what they feel that they want for a lifetime vocation. They are trained to move into another vocation and I think there should be always try to be fair in that if they move from one area into another that they are governed by the same set of rules, or similar rules.

I think we need to be careful in that we may well have the farm community in a controlled society so far as their investments are concerned and other parts of society that would be non-controlled.

MR. CHAIRMAN: Mr. Einarson.

MR. EINARSON: Mr. Chairman, to Mr. Hall, in the definition of a farmer in the Act, Mr. Hall says that a resident Canadian who was actively and substantially engaged in farming in Manitoba, and whose principal occupation is farming. The question I would like to pose to you, and see how you interpret this legislation, is that if a farmer has been farming for many years and he owned two sections of land and say tomorrow that he decided to retire from farming, and decided to lease his in and out, then he would cease to be an active farmer. Do you see this legislation that he could legally lease those two sections of land out or would you see that, because of restrictions on a Canadian citizen, he would have to dispose of half that land, down to 640 acres? How do you interpret the definition of a farmer there?

MR. HALL: I might want to check with my colleagues, but I think that we have a grandfather r in there.

MR. EINARSON: Thank you. Then, Mr. Chairman, there was one other question that I wante ask. I wanted to pursue this, and I did in my first questioning, was that in the Act as it relates penalty to an individual farmer and one of a corporation, and if you understand as I do that penalties being applied, \$1,000 up to 5,000, and \$10,000 to 50,000 and it's applying to the s person, if he is a farmer farming on a family basis all of a sudden because of maybetax reasons — heaven knows we need all the benefits we can get because of the way in which farming is a diffic business today — to get the benefits, if there are any, in the way of tax field so that we incorpor And do I understand the gist of your comments in this regard, because I know when you were be questioned by the Minister that was the text of your disagreement with these two clauses insofap penalty was concerned as it applied to an individual farmer if he chose to incorporate?

MR. CHAIRMAN: Mr. Hall.

MR. HALL: We don't think that there should be a difference between an incorporated farm and individual farmer.

MR. CHAIRMAN: Mr. Jorgenson.

MR. JORGENSEN: Mr. Chairman, I take it, Mr. Hall, that you have no immediate concern that i wine industry is going to take over and integrate the industry in the Province of Manitoba.

I wanted to deal with a section of the bill that was not treated in your representation, although y did imply a suggestion that there is some unfairness in one provision of Bill 56, and that is the right the farmer to purchase all the recreation land he could possibly buy and that right being restricted other Canadians. Do you feel that that is a provision that should be treated somewhat differently a not under this particular piece of legislation? In other words what I am asking you is: Do you belie that recreation land should be treated in this bill as being given the opportunity for a farmer to have advantage in purchasing, as opposed to a Canadian who lives in the City of Winnipeg or any oth part of the province?

MR. HALL: We haven't addressed ourselves to that particular one. I think I had answered befo that really we had attempted to deal with that area in total land use, rather than ownership, and th bill, what we are addressing ourselves with right now, is designated as farmland. Our remarks we really related to farmland context, but we have previously made a presentation regarding land u that we think states our opinion pretty closely.

MR. JORGENSEN: In the introduction of this legislation, the Minister suggested that recreation land would be treated in the same way as farmland for purposes of this bill. Do you agree th recreational land should be treated, in this legislation, in the same way that farmland should b treated?

MR. HALL: I can only give a personal answer on it, I am afraid. I think I would hesitate, not havir addressed ourselves to it as a farm bureau, my answer would tend to be personal and I prefer not t give personal answers.

MR. JORGENSEN: May I ask you then a further question on another subject? When the bill wa introduced, in the press release that the Minister submitted in the introduction of this bill, he state that "The bill is aimed at preserving the ownership of lands for Manitoba farmers, and also that it hoped that the Act will help to keep land prices in line with their value in agricultural use." Do yo think that this bill is going to achieve either of those purposes, given the fact that let's say 100,00 foreigners could come in and buy up all the farmland in this province, perfectly legitimately? C 20,000 or 25,000 Canadians could buy up all the farmland in the Province of Manitoba.

MR. HALL: In our discussion within the Farm Bureau, we feel that there can be situations arise th will temporarily affect the value of land. I think we can see it move either way fairly quickly, but in th long run down the road, we still think that the value of farmland will relate to the earning capacity, th productive ability and the ability to earn revenue and to service the cost of the farming operation. I may be influenced in the short run, but we feel that in the long run it has to be related to the work supply of grain and other factors related thereto.

MR. JORGENSEN: I would gather, sir, that you would suggest that those foreigners or otherwis who have invested heavily in land at prices that, by Canadian standards, have been relatively high could stand to lose if, for example, the world wheat markets began to be depressed, as it seem possible it is liable to happen now.

MR. HALL: Yes, I think they could, as well as all the rest of us probably could too.

MR. JORGENSEN: So there is nothing secure about purchasing farmland, so secure that it can be considered an investment that can guarantee a return.

MR. HALL: Well, history has not recorded it that way.

MR. JORGENSEN: You figure that history will repeat itself?

MR. HALL: I think it could well.

MR. JORGENSEN: Thank you very much.

MR. CHAIRMAN: Mr. Toupin.

MR. TOUPIN: Mr. Hall, what percentage of full or part-time farmers are active members of the Manitoba Farm Bureau?

MR. HALL: The representation on the Farm Bureau is very broad. It is made up of representatives of eighteen different active commodity groups within the total community, and in that way we reach into every corner of the province of active farmers that have an input.

MR. CHAIRMAN: Order please. Mr. Toupin, I am not sure whether that question is really in order, because the Manitoba Farm Bureau is making a presentation here and I believe anyone has the opportunity to make a presentation. How the make-up of the organization is, I think is irrelevant.

MR. TOUPIN: Mr. Chairman, it is not related to the bill, I understand. It is only related to a personal objective of mine to be informed.

My question to you, Mr. Hall, would be, as I take it, based on your presentation, that there is a very clear distinction made by the Manitoba Farm Bureau in regard to rights of Canadians pertaining to the purchase and sale of land within our province, as compared to a foreigner wanting to purchase land — be a resident farmer but yet not become a Canadian citizen. Am I correct in that assumption?

MR. HALL: To be a resident farmer and not become a Canadian citizen?

MR. TOUPIN: I have literally dozens in my own constituency, have been for years.

MR. HALL: Certainly in the past we have people that have been resident for substantial periods of time and have not become Canadian citizens. I don't think we were clearly drawing that line. We were talking in terms of not becoming a Canadian citizen and not becoming a resident operator. We sort of qualified the two together.

MR. TOUPIN: Do I take it, Mr. Chairman, that Mr. Hall would leave that option open?

MR. HALL: Mr. Dooley was just drawing my attention to the definition under the Bill 56 of resident Canadian. It means a Canadian citizen or a landed immigrant who has resided in Canada for at least 33 days in each of the years during which he has resided in Canada. So I think we would have to refer to the definition that was in the proposed bill.

MR. TOUPIN: So I take it, based on the definition of a Canadian citizen, with that definition, Mr. Chairman, that Mr. Hall would accept the fact that a foreigner wanting to become a purchaser and a resident farmer would not. . . . We would not impose or you would not recommend that we do impose restriction on the number of years that an individual be in Manitoba, and not insist that that person become a Canadian citizen.

MR. HALL: Our expression of concern — we had addressed ourselves particularly to the issue of foreign ownership by people that did not at any time intend to become resident. We hadn't addressed our concern to people that became resident farm operators. We didn't think that that was any different concern than any other farmer in the overall concern under which we were addressing ourselves to the bill. The concern was really addressing ourselves particularly to those people that have been and possibly would be in the future purchasing farmland and never intending to be a resident operator.

MR. TOUPIN: Thank you.

MR. CHAIRMAN: Mr. Enns.

MR. ENNS: Thank you, Mr. Chairman. I just want to capsule with you, Mr. Hall, if I can, the Manitoba Farm Bureau's position on the bill as I understand it from your brief and from your answers. I would ask you whether you would want to confirm that my understanding is correct, that Manitoba Farm Bureau's position, with some reluctance, accepts controls on foreign ownership of land by persons or corporations not intending to reside and operate that land. Is that a position . . . ?

MR. HALL: That's basically correct. **MR. ENNS:** Number two, the Manitoba Farm Bureau opposes the restriction placed in this bill on fellow Manitobans and Canadian citizens in general. Is that a fair reflection?

MR. CHAIRMAN: Mr. Hall.

MR. HALL: Yes, on Canadian citizens we feel that we are reflecting the opinion of the farm community, and qualifying that there are no clear-cut opinions on drawing concrete lines within the farm community. But we feel, in this position, that we are reflecting the opinion of a substantial majority of the people in the farm community, that this is the kind of climate under which they would like to live and operate as farmers.

MR. ENNS: Mr. Hall, to you through Mr. Chairman, I appreciate how difficult it is to reach a consensus on this question, but however this is your considered opinion. Then I would go to one further point. The third point that I see as significant in your presentation is that the Manitoba Farm Bureau believes that insofar as farmland protection is concerned, that the Bureau really believes that this can best be achieved through land use policies, the kind of restrictions that we place or can place or should be placing in terms of land use in other Acts, in Planning Acts, etc., if we address ourselves to the question of farmland protection as such.

MR. HALL: Yes, we have a greater concern within land use, really, other than the area that we have covered in this one aspect of ownership.

Agriculture
Thursday, June 9, 1977

MR. ENNS: Thank you, Mr. Hall. That presents clearly the position of the Manitoba Farm Bureau to me, at least.

MR. CHAIRMAN: Mr. Uskiw.

MR. USKIW: Yes, I have one final question, Mr. Chairman. With respect to the land use question what is it that the bureau has in mind that we should change in legislation or regulation under the Planning Act? Is there something specific that you are alluding to, or . . . ? Because we do have a new Planning Act that is attempting to deal with that problem. Do you feel that there is some additional legislation needed, or what are you suggesting?

MR. HALL: Yes, there are some areas that we would like to have an opportunity to present our views on if we could, Mr. Minister.

MR. USKIW: Well, we are not dealing with the Planning Act, but are you suggesting that there be some revision or amendment required under the Planning Act to accomplish some of the objectives with respect to land use?

MR. HALL: Yes, we think there are some possible amendments that we feel would be desirable to the farm community.

MR. USKIW: Perhaps maybe that might be a point that you might undertake to take our advice and indeed submit a brief to the Department of Municipal Affairs so that they may have the benefit of those views.

MR. HALL: Thank you.

MR. CHAIRMAN: There are no further questions. I want to thank you, Mr. Hall, for your presentation.

MR. HALL: Mr. Chairman, just before I leave, the Farm Bureau would like to have an opportunity to express our comments on any amendments that may be proposed to the bill, if that is possible.

MR. CHAIRMAN: I believe that is against the regulations.

MR. USKIW: I don't believe that is a practice that has ever been followed. I don't believe the regulations provide for it. I am not certain about that, but certainly that is not a common practice. It has never been done to my recollection.

MR. HALL: Thank you very much.

MR. USKIW: There would be no end to the process if we were to do that.

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

I would like to ask if Mr. Dunford is here. Is there a Mr. Dunford? Is Mr. Dunford in the audience? Is Mike Taczynski here?

Mr. John Palamarchuk? No, he's from Winnipeg.

Bob Smith from Carroll? Maude Leland? Clark Robson? Peter Fehr from Hartney? Ernest Sloan? Will you step forward please, Mr. Sloan.

MR. ERNEST SLOAN: Mr. Chairman, I thank you for this opportunity of being able to come in and express my own and the views of the people in our area regarding Bill 56. This brief will be short: I have a short notice and I will just state the facts clearly. I, here, with many people of our area, wish to congratulate the government, and especially the Minister, for bringing in such legislation as Bill 56 pertaining to land ownership. We also consider this Bill 56 is long overdue, and we have other recommendations that we would like to add to it.

There is nothing so disruptive to a farm area as to have a purchase of land made at any price by a foreign non-Canadian buyer, or by a non-resident Canadian who, in many cases, has never seen the property and never will. Local young men lose any opportunity to purchase that land and price-wise are totally unable to do so when they compete with such opposition. The loss of the resident farmer to the area is a serious matter, helping the cause of drying up of our local towns and community social life.

To give you an instance of this, in our part of the country, if you are familiar with it — in the bend of the Pembina — we have some of the most fertile land in Manitoba, especially lying from Wood Bay down to the Snowflake — that's on that spur line off the Deloraine-CPR land. That land at one time was all farmed by individual families. It probably still is, but the land has been consolidated to such an extent that the railway is going to be disbanded now. Do you realize that that spur from Wood Bay to Snowflake was the best-paying piece of track-mile railway in the British Empire in the early Thirties? And why is it lost? Because population has gone, nothing but consolidated larger farms.

We had consolidation of our high schools in our area in the Sixties, and already there is talk that some of them have got to go. And we know there has been a decrease of young people maybe but not as much as the loss of farmers in the area. Any young farmers that are in our area are still having families; maybe not as large, but they're not childish by long ways. So our loss of population per school is nothing short of loss of farmers on the land. And I might say, in our area, there's people still farming half a section, up to a section and they are doing very well in comparison to a large farmer, very well. A size does not mean that it's an economic set up. It's how you use what you've got.

In our area we have six such ownerships of farm land. Up until this year, two parcels were farmed entirely for the United States. They brought over their machinery, their fuel, everything. They were

part enough to raise registered seed that could take back, not sell through our channels of trade. And this is the way they operated. All they left in this country was simply their tax money on property, nothing else. Is that any assistance to any district or does that give any farmer a satisfaction selling land to such people as that?

The other land is being rented locally with no security whatsoever, just year to year rent. And they are realizing a better value out of the rent on this land, than if they farmed it themselves. I don't know how they find people so foolish to pay such cash rents. That's my personal opinion.

Further, the price that is paid for the land is a price guide for the future sales regardless who buys our area. Now we had a sale of land last fall in our area at \$500 an acre. This block consisted of a section or a section and a quarter, I am not just sure. Since then, there has been a half section and a quarter of land sold at relatively the same price because nobody would sell any less and this is what happened.

And furthermore, the secretary of our municipality has informed me that he doesn't know what's going to happen when the next assessment role comes around, because this will have a bearing on the assessment of the remaining property and all the property in the area, and those who do not share this price for their land have still got to pay this excess tax.

We've been trying in this province, for a number of years, to have equal assessment over the province, but we're not going to have it under these circumstances because areas where this land has been sold at these fabulous prices, definitely their land is going to rise in assessment value. We figure at this is inflation at the worst. When a property is sold at a price that it cannot pay for itself in its own productivity, then it is totally inflation.

I consider personally land in our area — maybe I am very conservative in my view as to prices, but I figured \$200 an acre is a good price for land. And furthermore, I do not think that we should be worrying about the farmer who is selling today. A pensioner today is well taken care of in this country. He doesn't have to have this fabulous price for land. I think it is more important for that farmer to see that some young farmer in the area gets an equal chance to start farming and carry on. That's the thinking of our area besides myself. This sale of land in our areas started approximately about three years ago. And now it's continuing very fast.

To my thinking, Bill 56 is too lenient allowing foreign ownership up to 160 acres. This will be hard to control. What is to stop several members of a foreign family — I've got nothing against foreigners — but what what is to stop members of a foreign family each buying a quarter section in one block. It'd be the same money out of the same family. What's to stop a business firm in a foreign country, buying up quarter sections of land in a block under a different title? How are you going to control this? And there was a question here from the previous speaker as to — probably they'll take a loss in the future. It's like Germany today with the inflation of their money, they'd have to go down an awful lot before they can take a loss on their money because they can't invest it at home, like they're doing here.

Also the allowing of purchase of 640 acres of farm for non-resident . . . is too lenient. Why are these purchases made? I would say for speculative reasons only. I realize that there is the possibility of land ownership by inheritance and this, I realize, will have to be dealt with fairly as it comes up under a different category. They'll have to be given time, probably to dispose of this land, not before it's done, because it takes a while to settle estates.

To my way of thinking, land is to produce food, fibre and wood products, not to create a business of speculation by lenders of money and real estate agents.

Also in our area, large farmers who own now several sections of lands, are still steadily buying and up at these ridiculous prices. They can only do this because they have a base of land that they can work from to pay it. And it seems a senseless move on my part to add a debt to a paying proposition that you already own. I think in the future that this may be found radical; I think we'll have to control the size of farms by assessment value. What right has any individual farmer to own ten or 12 sections of land and young men in the area begging the opportunity to buy? We had a forum sale of land a year ago and there was four young men bidding for that and they weren't looked at at all. They never were given a chance because he was given able to get the cash like one lump sum and that was it. He wasn't going to break the land up.

Now I'd like to reply to some of the statements that have been made previously — social aspects in the area affected by consolidation of farms. Well I've answered that a certain amount.

But you know, this railway line abandonment, partly this is due to lack of farmers in an area. When you're a farmer, you're a consumer as well as a producer, so you import as well as you export over that rail.

When you get to a certain size in farming, you are no asset to your local area at all because you go afield to do your purchasing. That's what happens our way. They buy at near wholesale level, and this is the argument I have against large farming. Why do they have to have privileges to be able then to carry on because they farm big? Why can't they buy the same as the ordinary half section, section and a half farmer?

Agriculture
Thursday, June 9, 1977

The B.C. Land Act has not affected the price of land out there whatsoever. I happened to be in that winter when the bill was passed pertaining to the use of land and there was a scream there at this and in no way — it has brought the price of land up, not down, because the land is now being for what it should be used.

Again I repeat, to purchase land at a price regardless of money available — this is foreign money — is not the answer if the price of land cannot productively pay for itself. I see no difference in the Canadian non-resident owner buying land than foreign ownership, not in any way whatsoever. We are only doing this for one reason only: speculation, betting on a capital gain in the future. Canadian non-residents are investing money for an income far greater than from farm income. That's why local farmer cannot compete with, say — I have got nothing against doctors, lawyers or professional people in any way. Thank God we got them. — but they have an income that's in excess TO FARM AT ALL TIMES, A SURE INCOME, WHERE FARMING IS A FLUCTUATION INCOME. I have far long enough to know this and in no way can local farm boys compete with non-resident Canadian income.

Well, I don't think I can add much more to this, Mr. Chairman, and I wish to thank you for opportunity.

CMR. CHAIRMAN: Thank you, Mr. Sloan. I have some questions here from some of the members. Mr. Patrick.

MR. PATRICK: Mr. Chairman, I have a question for the witness. You indicated that because of consolidation that has taken place because of the foreign buyers and perhaps other Canadian corporations buying land. Hasn't consolidation been taking place for the last 25 years, and has there been a decrease in the number of farms in Manitoba as well as other provinces, and hasn't there been small communities abandoned in Saskatchewan which had nothing to do with foreign buyers at all? Is it not true that to have an economic unit had the farms had to expand and there to be so consolidation?

MR. SLOAN: A certain amount of what you've stated is true. What started to cause consolidation of land actually in our area, was the Thirties, the depressed price of farm products, land going cheap, that people bought it on speculation to a certain amount, and then started farming big when we got rubber-tired equipment. But now, with the size of our farms, they don't need to get any bigger. Could I add further to that? In most cases, not all, in most cases we have poorer type farming as far as conserving the soil for future by large farming than we do by small farming. When I say small, I mean family-sized farm, say section, we'll base it on a section. Now I know right local we had a terrific storm this spring — the only rain we've had so far in our area. It started by the Turtle and landed down by the Pembina, south of Manitou. We had hurricane wind with four or five inches of rain coming in through there and washed the soil somewhat terrible. I would say, just guessing there's 100,000 acres that had to be reseeded, and most of this is being done by large farms because they had have a quarter section or a half a section laying black because they have to farm that way with that type of machinery. It's no asset to the province to have that style of farming.

MR. PATRICK: Can you indicate what should be the size of the farm or what would you envisage what is the right size?

MR. SLOAN: You'd have to judge that by the assessment value of your land. If you had cattle land that's suitable only for cattle, you'd have to have many more acres.

MR. PATRICK: What about grain?

MR. SLOAN: If a person cannot make a real good, substantial living in our area, with a section, even less, he is a poor farmer.

MR. PATRICK: Is it not true that your farm economists all over the North American continent have concluded that it is pretty difficult to farm a grain economic unit, perhaps, with less than section and a half or two sections of land?

MR. SLOAN: Well, I've never owned more than a section, myself.

MR. CHAIRMAN: Are there any further questions? Mr. Patrick.

MR. PATRICK: Yes, I have one more question. You've questioned, you see that 640 is too lenient for Canadian citizens as well. Wouldn't this be some sort of discrimination because the farm people can come to the city and buy farm or invest in properties and you'd be saying to anyone that perhaps may want a farm in the future. Let us assume — I'll use an example. It may be me, I want to buy half section now and half a section in a few years when I can afford it. What you're stating is that that shouldn't be done, I shouldn't be allowed to buy. Isn't this some form of discrimination?

MR. SLOAN: No, I don't think so. I think that maybe the Act could be changed so that if you bought land with the intent of going farming in the future, you should place a bond or there should be some way of proving and if you don't go farming, you have to forfeit it. That's the only way I could say outside of death or sickness, and then that naturally would be sold. With regard to your investment in the city, I don't know what to say because I haven't got that kind of money.

MR. PATRICK: In your area, is there much tenant farming? Are there many tenants . . .

MR. SLOAN: There used to be. That is a question I cannot answer fully because who knows who

is land unless you go and search the assessment rolls. These properties that are being bought by foreign buyers, definitely that is tenant farming.

MR. PATRICK: Is there very much?

MR. SLOAN: Well, if you total it all up, there's a number of sections. There's none of those blocks and I've mentioned that's under a section, and some of them go up to two and three sections.

MR. PATRICK: What about a landed immigrant. Are you also against him buying a farm or not?

MR. SLOAN: Not if he is going to come and live here.

MR. CHAIRMAN: Mr. Henderson.

MR. HENDERSON: Mr. Chairman, I'd like to ask Mr. Sloan, who is referring to an area there down around Snowflake up towards Pilot Mount where they're going to take out the railway. You said nothing to the fact that the railway was going out because of larger farms. But really, do you not believe that even though there is fewer farmers, that there's really more grain going out on that road?

MR. SLOAN: Yes, but . . . I don't know if there is or not. I can't answer you that question, Mr. Henderson, because with the trucking today, how much leaves the area to other sources of channels sales, I can't answer that question. I'll agree with you that there's probably more grain grown there today.

MR. HENDERSON: Well, I understand there's a lot more grain growing in that area today because actually, as you know, in the Thirties, that was a very dry area and there was very little. And then there is mixed farming and much of it was feed, so like even though I sympathize with the railway going out, it isn't because of larger farmers then that it's going in on.

MR. SLOAN: Well, it has a lot to do with it, a lot to do. You want to remember, this statement I made at this piece of railway line, that was published in the Daily Mirror from England. I read it myself and was surprised. My mother used to get the papers from the Old Country, and this picture was of Woodbury and the sidings, Herb Siding and different sidings up along there, Purves, Snowflake, the best riding piece of track truck mile in the British Empire. Now just imagine that statement. And they give statistics. Now I wish I had always kept that clipping for reference. What has gone wrong?

MR. HENDERSON: Mr. Sloan, I would say that it isn't so much the problem of fewer farmers. I think the thing is these trucks and trucking it out further, that there isn't the need of the railway the same. But I don't want to bring the railroads into this too much, but I don't believe that your argument is completely right in connection with the abandonment of this line and larger farmers.

The other thing I'd like to ask you is, you spoke about speculators, you know, like people that might live in town and own land. What's really wrong with that? What's really wrong with that? If a fellow's doing well in town, if he's a doctor, if he's a dentist and he buys a piece of land with what money he makes — something that he may know something about — at least something that he can be boss of himself. What's wrong with that? What's so holy about him putting it into, shall we say, mutual companies or oil wells or any of these other mines or something else. What's wrong with him buying land?

MR. SLOAN: You are meaning, what's wrong with him investing it in farm property?

MR. HENDERSON: Yes.

MR. SLOAN: Well, as I stated before, a man with that kind of income against a farm boy — I don't care what education he's got — competing to buy that land, he has no opportunity at all. That Doctor has a sure income of money coming in. He knows that and he can pay a far greater price for that land. He's doing it.

MR. HENDERSON: Why should you restrict him from buying farm land then, if you don't restrict him from buying apartments in the city? Houses in the city or any other type of investment like hotels or whatever you want to call it.

MR. SLOAN: Well, the way I look at it, we have city's now overcrowding themselves. Young people are driven from the farms because they have no access to start farming. Is it not more rightful for a young man in the area to have the opportunity to buy that land than for a doctor to speculate when he has at the time a sufficient income?

MR. HENDERSON: You are assuming that they are always driving up in price, but I am also saying that these people will be renting this land and that many of these people could start off renting land on occasions like this, and they wouldn't even have to buy it if they could rent from this individual. Is that not right? Now what is wrong with renting from an individual just the same as from the government, what's wrong with that?

MR. SLOAN: I can give you an answer to that in one case locally. We have a parcel of land that was sold last fall in our district that's been owned by an individual as long as I can remember, and this lady just all of a sudden decided she would sell it. The gentleman that was renting the land was supposed to have first opportunity to buy. He'd been trying to buy and he hadn't been successful because she had not decided to make a sale. All of a sudden she decided to sell that land last fall and he lost the opportunity to buy. It's before the courts I understand to see if he can't get his rights on that land, but it's already sold, transferred and everything. There is no security on the private. Our government

Agriculture
Thursday, June 9, 1977

Land Lease Program, we have security.

MR. HENDERSON: That might be a difference of opinion, because if I remember reading the law that the government issued, if a farmer wasn't farming it right he would be put off.

MR. SLOAN: Do you not suppose they would not have been put off that farm if they hadn't been making a return for this lady?

MR. HENDERSON: Right. If he wasn't farming it right she had every right to put him off just like the government would. I don't think anything has to be binding to the extent that if it's not being done properly that you're stuck with it. I don't believe the government should be either, but I don't see anything wrong with a fellow in town investing in land and renting to another farmer or to a young farmer that's trying to start. —(Interjection)—

MR. SLOAN: If everybody was honest and that gentleman who was renting that land was getting a fair deal with security that his buildings were kept up and that — okay. But, in this case the buildings have deteriorated for as long as I can remember — nothing done to them. There's been four farmers on there in approximately thirty years and they left because of insecurity — no buildings, house poor. All that lady wanted was a net out of that land. She saw the opportunity to sell, I guess she got scared. It was thought last fall that farm land was going down in price so she stepped up and sold just when she found a buyer quick.

MR. CHAIRMAN: Any further questions? Mr. Henderson.

MR. HENDERSON: Mr. Chairman, I just wonder that the witness is so worried about somebody speculating and taking a chance on either making or losing. You know, if a person is making money in business where should he put his money then according to your way of thinking? If he can't put it in land, where should he be putting it. It doesn't do an awful lot of good in the bank with inflation anything like that, so if he is doing well and has paid his tax on his money and he is a Canadian and he's living right in the area — why shouldn't he be able to invest in something in the area? What's bad about that?

MR. CHAIRMAN: Mr. Henderson, you've asked that question, if I may point out, about three times now and I believe the witness has answered and he doesn't have to answer if he doesn't wish, but you may answer it, Mr. Sloan, if you desire. I just wanted to point out to Mr. Henderson, that he had raised that question three times.

MR. HENDERSON: Okay, I'll bring up another question. Mr. Sloan was talking about the price of land being completely out of line and he didn't believe it should be over \$200.00 an acre.

MR. SLOAN: I'm speaking about our area.

MR. HENDERSON: Well, when land across the border is the price it is and they're making money, you know, other farmers are farming it. When land east of you and west of you are high prices and when crops can be grown like they can now with flax, or with rape or with other crops which do give a very good return in certain years, the price of land is really going to move up anyway and it isn't just speculators or foreign investors that are doing it, there's a combination of things. Maybe it's worse conditions, but I don't believe that really as you say, that land is accessibly priced because I know your land varies a great deal and I know you have good land and you have poor land, but you also have some very good land in that area too.

MR. SLOAN: Well, first I would like to reply to that, you mention the United States. Mr. Bergland was on our farm broadcast this last winter and he stated that wheat only had to drop just a matter of some few cents at that time in the United States when twenty-five percent of the young farmers would be broke in the United States because they did the same thing as we did here. They went out when we had two prosperous years, you know that in farming, the only two prosperous years I ever can remember in farming, that would be what? 1974 and 1975 I think was our two good years. They went out and they bought machinery at no end. They paid any price to get hold of more land and this is what's happened here. Mr. Bergland, I think we'll have to recognize, he's got a little bit of authority now — he's Minister of Agriculture in the United States — this was his statement; "Twenty-five percent of the young farmers would go broke." These were ones that were financing on their own.

You talk about prices of certain commodities like flax and rape on certain years. That was a very good word to use — certain years — very good. Those inflationary prices that we got in grain for those two years have done us more harm than good as far as I'm concerned, more harm than good. They put the price of land up, they put the price of machinery up, they put the price of herbicides up. Why herbicides are lower in price this year, with oil going up and freight going up. Now answer the question for me please. I can buy herbicides far cheaper this year than I could last year. —(Interjection)—

MR. CHAIRMAN: Mr. Henderson is pointing out to the Chair that the witness may not answer questions of the Committee. Mr. Henderson.

MR. HENDERSON: Well, I think this very point could be debated and talked about in different ways, so I don't think it really should be pursued in connection with foreign ownership of land.

MR. CHAIRMAN: Mr. Toupin.

MR. TOUPIN: Mr. Sloan, first of all I appreciated your presentation very much. I'm very happy to

a presentation of a long time farmer in the area that knows the business and knows what farmers suffering in this province. One of the comments that you made pertaining to corporate farms as compared to individual farmers that are not incorporated, could lead members of the Committee to be concerned in my humble opinion.

You were indicating a preference of having individuals farm on their own as compared to big corporations as I take it, and leaving the inference that big corporations do not contribute as much to the region as would individual farmers, would that be a good assumption on my part?

MR. SLOAN: Would you repeat that word again?

MR. TOUPIN: Would that be a reasonable assumption on my part of your comments?

MR. SLOAN: Yes, I will have to agree with what you have said. A corporation owning land is there for one reason only — for monetary gain. They are not worrying about the area, they are worrying about that land will bring them in revenue to pay their shareholders.

MR. TOUPIN: Mr. Chairman, I would indicate to you, Mr. Sloan, that you have no reason to change your opinions in regard to the rise in cost caused by speculation in a lot of cases. I can cite my own example. I live in the rural area — I represent a rural constituency. Only five years ago I could have bought an acre of land in my area for approximately \$2,000.00. Today, right across the road from my own residence if you want to buy an acre of land it will cost you \$20,000.00.

MR. CHAIRMAN: Mr. Einarson.

MR. EINARSON: Mr. Chairman, through you I would like to ask Mr. Sloan a couple of questions to make sure that I understood him clearly. You say that you are speaking on behalf of the community from where you come.

MR. SLOAN: No. I can't say I'm speaking on behalf, I'm speaking on behalf of a number of the people in our area that we have discussed this about.

MR. EINARSON: I see. You mentioned, Mr. Sloan, that you were prepared to be satisfied with say a maximum of \$200.00 an acre for your farm supposing you were to sell it tomorrow — Is that correct?

MR. SLOAN: Yes I would.

MR. EINARSON: Is this the feeling that is mutual amongst many of the farmers in your community?

MR. SLOAN: I've never discussed that with them, but I think that they were wanting to see their son or their neighbour's son get started, they would be willing to take a fair price.

MR. EINARSON: I see. Another question I would like to pose to you, Sir, is that because of the marks that you had made and you related the problem that we had this spring of soil erosion such as blowing and erosion from that heavy rain, and I think, if I understood you correctly and I want to make sure that I understood you correctly, that because of the much larger farmers today, they are more incompetent, and as a result of the much larger farmers, had they been much smaller in size, we could not have seen the soil erosion or the dust flying as we saw this spring. Is that the interpretation that you were giving the Committee with your comments in that regard?

MR. SLOAN: Well, I don't know if I am getting your question right, Mr. Einarson, but I'll answer it the way, and if I'm incorrect, you correct me. We used to farm our land in our area, we'll say in 40 - 50 acre lots, because our land is a lighter soil than what you have around this city here or other parts of the province — good soil. When you widen the field and you get under such climatic conditions as we do this spring and you get a high wind, you're making it more vulnerable, and when you lay open a quarter section — I've a neighbour, that they used to farm about a section and three quarters and now they're up to about five sections of land. They used to farm in 40 - 50 acre fields, then they went up to a quarter section. Now they are farming in half section blocks — half section flax, half section rape, half section barley, and they work it all in one go and it's all in in a matter of days and hours, that's all it is, with the outfit they've got to work with. Well you lay a half section open, you've got a half mile wide and a mile long, and you're going to have no protection from a high wind whatsoever, either way. This is a style of farming and you know yourself, there is nothing worse to this country than wind and water erosion for future farming.

MR. EINARSON: Thank you, Mr. Chairman. That sort of gave better information on what he was talking about.

MR. CHAIRMAN: Are there any further questions? If there are none, I want to thank you, Mr. Sloan, for your presentation.

The Committee will be reconvening for those who wish to present briefs this afternoon. My understanding is that there is an agreement that the Committee will reconvene after the question period in the House so we will be coming back here after the question period perhaps around three o'clock thereabouts. Committee rise.