



**Second Session — Thirty-Second Legislature**  
of the  
**Legislative Assembly of Manitoba**

**STANDING COMMITTEE**

on

**AGRICULTURE**

**31-32 Elizabeth II**

*Chairman*  
*Mr. A. Anstett*  
*Constituency of Springfield*



MG-8048

**VOL. XXXI No. 20 - 10:00 a.m., WEDNESDAY, 17 AUGUST, 1983.**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

**Members, Constituencies and Political Affiliation**

Name	Constituency	Party
<b>ADAM, Hon. A.R. (Pete)</b>	Ste. Rose	NDP
<b>ANSTETT, Andy</b>	Springfield	NDP
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BANMAN, Robert (Bob)</b>	La Verendrye	PC
<b>BLAKE, David R. (Dave)</b>	Minnedosa	PC
<b>BROWN, Arnold</b>	Rhineland	PC
<b>BUCKLASCHUK, Hon. John M.</b>	Gimli	NDP
<b>CARROLL, Q.C., Henry N.</b>	Brandon West	IND
<b>CORRIN, Brian</b>	Ellice	NDP
<b>COWAN, Hon. Jay</b>	Churchill	NDP
<b>DESJARDINS, Hon. Laurent</b>	St. Boniface	NDP
<b>DODICK, Doreen</b>	Riel	NDP
<b>DOERN, Russell</b>	Elmwood	NDP
<b>DOLIN, Hon. Mary Beth</b>	Kildonan	NDP
<b>DOWNEY, James E.</b>	Arthur	PC
<b>DRIEDGER, Albert</b>	Emerson	PC
<b>ENNS, Harry</b>	Lakeside	PC
<b>EVANS, Hon. Leonard S.</b>	Brandon East	NDP
<b>EYLER, Phil</b>	River East	NDP
<b>FILMON, Gary</b>	Tuxedo	PC
<b>FOX, Peter</b>	Concordia	NDP
<b>GOURLAY, D.M. (Doug)</b>	Swan River	PC
<b>GRAHAM, Harry</b>	Virden	PC
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry M.</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HEMPHILL, Hon. Maureen</b>	Logan	NDP
<b>HYDE, Lloyd</b>	Portage la Prairie	PC
<b>JOHNSTON, J. Frank</b>	Sturgeon Creek	PC
<b>KOSTYRA, Hon. Eugene</b>	Seven Oaks	NDP
<b>KOVNATS, Abe</b>	Niakwa	PC
<b>LECUYER, Gérard</b>	Radisson	NDP
<b>LYON, Q.C., Hon. Sterling</b>	Charleswood	PC
<b>MACKLING, Q.C., Hon. Al</b>	St. James	NDP
<b>MALINOWSKI, Donald M.</b>	St. Johns	NDP
<b>MANNES, Clayton</b>	Morris	PC
<b>McKENZIE, J. Wally</b>	Roblin-Russell	PC
<b>MERCIER, Q.C., G.W.J. (Gerry)</b>	St. Norbert	PC
<b>NORDMAN, Rurik (Ric)</b>	Assiniboia	PC
<b>OLESON, Charlotte</b>	Gladstone	PC
<b>ORCHARD, Donald</b>	Pembina	PC
<b>PAWLEY, Q.C., Hon. Howard R.</b>	Selkirk	NDP
<b>PARASIUK, Hon. Wilson</b>	Transcona	NDP
<b>PENNER, Q.C., Hon. Roland</b>	Fort Rouge	NDP
<b>PHILLIPS, Myrna A.</b>	Wolseley	NDP
<b>PLOHMAN, Hon. John</b>	Dauphin	NDP
<b>RANSOM, A. Brian</b>	Turtle Mountain	PC
<b>SANTOS, Conrad</b>	Burrows	NDP
<b>SCHROEDER, Hon. Vic</b>	Rossmere	NDP
<b>SCOTT, Don</b>	Inkster	NDP
<b>SHERMAN, L.R. (Bud)</b>	Fort Garry	PC
<b>SMITH, Hon. Muriel</b>	Osborne	NDP
<b>STEEN, Warren</b>	River Heights	PC
<b>STORIE, Hon. Jerry T.</b>	Flin Flon	NDP
<b>URUSKI, Hon. Bill</b>	Interlake	NDP
<b>USKIW, Hon. Samuel</b>	Lac du Bonnet	NDP
<b>WALDING, Hon. D. James</b>	St. Vital	NDP

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON AGRICULTURE**

**Wednesday, 17 August, 1983**

**TIME — 10:00 a.m.**

**LOCATION — Winnipeg**

**CHAIRMAN — Mr. A. Anstett, Springfield**

**ATTENDANCE — QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Adam, Bucklaschuk, Uruski and Uskiw.

Messrs. Anstett, Downey, Harapiak, Manness and McKenzie.

**MATTERS UNDER DISCUSSION:**

Bill 3 - The Farm Lands Ownership Act; Loi sur la propriété agricole. (Hon. B. Uruski)

Bill 23 - An Act to amend The Real Property Act (2). (Hon. R. Penner)

Bill 24 - An Act to amend The Registry Act (2). (Hon. R. Penner)

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**BILL 3 - THE FARM LANDS OWNERSHIP ACT**

**MR. DEPUTY CHAIRMAN, H. Harapiak:** I call the committee to order. We have a quorum. The business before the committee is Bill No. 3. What's the wish of the committee? Bill-by-bill? How would the committee prefer to move, page-by-page?

Mr. Uskiw.

**HON. S. USKIW:** Mr. Chairman, I am assuming that there are a number of amendments to Bill 3 and, therefore, we will have to proceed at least page-by-page, I would assume.

**MR. DEPUTY CHAIRMAN:** Mr. Downey.

**MR. J. DOWNEY:** Mr. Chairman, on that point that the Member for Lac Du Bonnet raised, the Minister of Highways, when we left the committee yesterday, the Minister of Agriculture indicated that he would, I believe, take into consideration some of the briefs that were presented. Maybe he should make a comment. I would have thought he would have had a brief statement this morning, either withdrawing the bill in total or saying he's going to listen to the severe opposition to it and take another few months to reconsider his position, that maybe it would be in the best interests; state what his plans are.

**MR. CHAIRMAN, A. Anstett:** Mr. Uruski.

**HON. B. URUSKI:** Mr. Chairman, we will be proceeding with the bill, and I will be moving amendments to Section

3(2) in order to address some of the concerns expressed by persons that have an active interest in farming, but do not meet the requirements of Section 2 of the act.

One of those who made presentations, Mr. Kroeker, in his presentation to the committee, stated that to sustain Kroeker Farms Limited, the corporation required the flexibility to exchange leases with neighbouring farmers and possibly to buy and sell land as the need required. He noted that, among other things, the exchange of leased land with neighbouring farmers was essential for purposes of crop rotation. We believe that his concern is a legitimate one.

To deal with those concerns and possibly other farmers in a similar situation, Section 3(2) will have to be amended. We will be moving those amendments, and I will be dealing with them and highlighting what the definite change is and proposing those changes.

Furthermore, I want to indicate to the committee that the concerns raised by the non-profit, charitable organizations, such as, the Manitoba Wildlife Federation and the Ducks Unlimited, in terms of their proposals, they will be dealt with by regulation, but they will have to come for approval for the parcels of land, as they do now through Natural Resources, for the parcels of land that they require for wildlife purposes.

As you know, Ducks Unlimited, questions were raised with their future proposals dealing with the Heritage Marsh Program which they have a number of areas in the province that they would like to further develop. Those proposals have to be approved by government initially in terms of the lands and the scope of the project, so there is no problem with dealing with them under this legislation because there is a prior approval. But their concerns will be handled through amendments and through the bringing in of regulations as well as other groups that we proposed to exempt from the requirements of the legislation.

**MR. CHAIRMAN:** Page 1—pass. Mr. Downey, on Page 1.

**MR. J. DOWNEY:** We're voting against, on division.

**MR. CHAIRMAN:** Did you wish a count or . . .

**A MEMBER:** On division.

**MR. CHAIRMAN:** Page 1—pass on division; Page 2—pass - Mr. Manness.

**MR. C. MANNES:** Mr. Chairman, I would like to ask the Minister whether he feels completely comfortable with the definitions of farming - "family farm corporation" particularly, and "farming" further down the page. First of all on the first point, the family farm corporation means and I'll read, "a corporation that is primarily engaged in the business of farming," and "the two-thirds of all issued and outstanding shares

of a class as legally and beneficially owned by farmers, the resident spouses of farmers," and so on.

I am curious as to whether he's bringing in any amendments regarding lineal descendancy at all, which was presented to us the other evening.

**HON. B. URUSKI:** We will not be bringing amendments dealing with lineal descendants. We hope to deal with that question, as I indicated earlier, by the amendments to Section 32, and not by the definition of the family farm corporation.

**MR. C. MANNES:** Well, that then does not change in any way the definition of family farm corporation. It's still one that has to have at least two-thirds of the shares owned by somebody who's deemed to be a farmer.

**HON. B. URUSKI:** That is correct.

**MR. C. MANNES:** I then would move down to the definition of a farmer. In view of the number of court cases that we've had, particularly in the area of municipal affairs, determining whether an individual is a farmer or not, and whether therefore he or she is eligible for exemption on taxation on their home, are we going to find ourselves in that same type of situation where a farmer is defined as something one year and something another year because of their source of income?

**HON. B. URUSKI:** Mr. Chairman, we have left the definition in the act flexible so that we may be able to allow especially people who would want to enter agriculture on a part-time basis that kind of flexibility to enter. We could give - I could throw out some possibilities of what the regulations might contain about an elaboration of the definition of a farmer who would, of course, have to be a resident of the Province of Manitoba, who receives a significant portion of his gross income from farming and spends a significant portion of his time actively engaged in farming.

For example, an individual to be actively engaged in farming must participate in management decisions and apply labour to the farm operation, unless one is precluded from doing so due to age or physical disability, because we recognize that there are farmers who are unable, because of physical disability, to farm.

To spend a significant portion of time actively engaged in farming, I would say that it means that an individual should be able to allocate at least two to three days per week to the farm during the period in which the commodity which he is farming is being produced or marketed, and the time commitment depends to some degree on the type of farming that one does.

**MR. C. MANNES:** Mr. Chairman, I can't accept that, because as an individual who has had the assessor come to me to try and determine whether I'm a farmer or not - and, of course, you can say, well, what's an assessor have to do with that - but I see where this definition is very little different from what I see under The Municipal Act. As a matter of fact, nothing has really changed.

As someone who has seen an individual come to my door and ask me to prove that I'm a farmer and what

I have had to go through to prove that, I can tell you it makes one's hair stand on end. I am particularly concerned as to how a farmer again receives that indication or that he is a farmer by passing a number of tests, particularly when also on that page is the definition of a farmer as one who remains a resident who receives a significant portion nowhere defined. Again, it seems to me that — (Interjection) — well, the Minister says that the board will define that.

Well it still falls into, to me, a situation where, if the maximum or the majority of income comes from farming, that person is a farmer. That's the way the income tax people do it. If it doesn't, that person is not considered a farmer. Or is this board going to rule on the basis of whether I spend one day a week on the farm or two or three?

I think really some very clear definitions are needed, because how is a person on this so-called board supposed to rule, because obviously it has great impact as to whether one's a farmer and, therefore, whether or not the corporation of which that person may be part is a farm corporation?

**HON. B. URUSKI:** Mr. Chairman, first of all, the member made mention to The Municipal Act as being one method that's being used and one has to prove. As you know, The Municipal Act talks about net income in terms of defining whether one's residence is being used for assessment. There is no intent under this legislation, and that's why it has been left purposefully - and I say purposefully - flexible so that one coming to the board and saying, I'm intending to farm and these are my plans, so that every reasonable consideration can be given to the allowance of an individual who may initially be ineligible for purchasing, and those would be people outside the Province of Manitoba who we're talking about, not residents, because it would not apply to residents; it would be people who would be coming in, non-residents of the province or previous residents of the province coming back and wanting to say, look, I'm intending to come farming, here are my plans, and the definition is left fairly flexible so that the board can consider that kind of an application.

**MR. CHAIRMAN:** Mr. Uskiw.

**HON. S. USKIW:** Mr. Chairman, we're bogging down into a great deal of debate on speculation as to what the regulations will say, which are not yet before us, and what the board will say. I think we can spend days in that kind of debate and I don't think it's very productive in this exercise to get into that area.

I think the only debate or discussion that we can have would relate to the principle of delegating that to the board by way of regulation, and maybe that's where the debate should be limited; whether or not that is satisfactory as opposed to having each possibility spelled out in the act, which I believe is very much impossible, because you can't spell out in the kind of detail that would have to . . .

**HON. B. URUSKI:** Wouldn't want to.

**HON. S. USKIW:** It would have to be done, the qualifiers that would have to be put in, and how do you deal

with all the unforeseens? So really we're into a question of principle, of spelling out in the act versus regulatory legislation to some degree.

I know that there's an argument to be made for minimizing the regulatory side, but if the board is going to be able to function in a way which will be able to respond to particular needs of particular people or roots of people, then I cannot see any other method than by regulations that may be amended from time to time. So let's not debate potential regulations that the Minister may foresee or the members opposite may foresee; let's address the question of the bill itself, and if we don't agree that so much should be left to regulation, then let's simply vote on that question. Otherwise, we will be discussing this for days, Mr. Chairman.

**MR. CHAIRMAN:** Mr. Downey.

**MR. J. DOWNEY:** Mr. Chairman, I think it's important that we do get some answers from the government and if it takes days, then it is important that we do spend some time on it. The reference was made to that this bill, or this particular section, when it comes to the clarification of what a significant proportion of income is or who is actively involved in farming, applies more to just than the people who are coming from outside of Manitoba. It applies to any Manitoban who wants to use the instrument of incorporation; and we are now asking the people who want to invest in agriculture, be a part of the financial backing of an agriculture community or involved in that industry, they have to go to a board and prove that they spend two or three days of the week, or do they have to show their callouses on their hands, or what do they have to do, Mr. Chairman? This is ridiculous that we have this kind of legislation before us, and the Minister of Highways makes me more nervous then ever when he says they have to do all that by regulation and we will have a chance to see it.

Once this bill is passed, the only chance we will have to see regulations is after they've gone through Cabinet and been passed. We, as an opposition, and the public of Manitoba do not have the opportunity to deal with the regulations once this bill is passed. We have the chance to criticize them but no chance to change them and that, Mr. Chairman, is why we have to have from the Minister some clear definitions.

Why is the Minister trying to legislate people to the land? He's trying to tell us that to be a farmer or to be part of the farm community through investment or through a corporate instrument, that they have to spend two to three days a week. Well, what if it's a grain farm, Mr. Chairman, and they don't have anything to do for three months in the wintertime, other than prepare their books and their seed planting programs for the next year? This is so ridiculous that we can't help but spend some time in pointing out to the government how foolish they are, and ask us to sit here and debate this kind of thing. The withdrawal of the bill would be the most commonsense approach that we could deal with, and follow some of the other recommendations put to us.

Can the Minister tell us what he expects of a farmer? Does he have to clean the barn once a day himself?

What are we doing here? I think he better be prepared to answer to the farm community as well. What's a significant portion of his income?

**A MEMBER:** 50 percent? 75 percent?

**MR. J. DOWNEY:** What is a significant portion of income?

**HON. B. URUSKI:** Mr. Chairman, what would the Honourable Member for Arthur say is a significant portion of his income?

**MR. J. DOWNEY:** Mr. Chairman, he's the Minister. It's his legislation. I don't have to answer that question. I don't think we need it at all.

**HON. B. URUSKI:** Mr. Chairman, I have indicated . . .

**MR. CHAIRMAN:** Order please.  
Mr. Downey, finished?

**MR. J. DOWNEY:** Mr. Chairman, he should be answering the question. He should be able to tell us what a significant portion of the income should be to qualify under his legislation, as well as what time should be spent actively engaged in farming. I don't think it's a waste of time, because he is going to appoint a political board that are going to make decisions based on these interpretations. We have to know.

**HON. B. URUSKI:** Mr. Chairman, the definition of "significant farmer" will remain vague in the legislation, purposefully as I said earlier, to allow for the situations of people who want to begin farming, and to take every consideration of those who wish to begin farming on a part-time basis. That is why the definition is particularly vague in the section. If we were to go very specifically and try to narrowly define what all the parameters might be, certainly someone can come along and say, hey, that doesn't meet my situation, because I am going to do this kind of thing. Would I be excluded from purchasing farm land? We would not want to do that.

Then the honourable members would be able to get up and say, hey, you've now tightened this thing up so tight by our recommendations that we want to have it tight and say, all right, make the definition clear in the act and then not allow anyone who may be legitimate whose plans may not clearly fit into the section here now.

**MR. CHAIRMAN:** Order please, order please.

**HON. B. URUSKI:** I should point out to the honourable members that the section here within this act is no different, in fact it's very similar to the section within the Saskatchewan legislation that has been in place for a decade.

**MR. CHAIRMAN:** I'd ask honourable members to please direct their remarks at the Chair, and only have members who are recognized speak, otherwise those members who are listening to the member who is speaking or answering a question, may have some difficulty.

Mr. Downey, were you finished with your direct question? I was going to recognize Mr. Manness next.  
Mr. Downey.

**MR. J. DOWNEY:** Still dealing with significant portion, and the actively engaged in farming, and I'll use some examples that the Minister is well aware of. Both he and myself, as practicing farmers and politicians, while he is the Minister of Agriculture in the Province of Manitoba he receives a different portion of his income from the people of Manitoba, through his ministerial wage. While in opposition, he was receiving approximately half that. Now, you know, is that significant?

Personally, one can have a good crop and a reasonable income in one year, and then the next year because of drought conditions or because of the nature of incomes on the farm - the Member for Ste. Rose knows this as well - it isn't a constant income as a fixed dollar value but it does fluctuate with the seasons and the market conditions and a few other things and the whole picture can change. Here we are going to go through this kind of red tape and disqualification from individuals - I'm using the politician as an example - and who determines that? Do we keep a running tab on every farmer or every person who owns land in Manitoba? It's really an unfortunate situation that you have to have this kind of legislation or this kind of a bill in place to get at what one would consider the control of foreign investment in the province. That is definitely not good legislation.

**HON. B. URUSKI:** Mr. Chairman, just so I would understand the honourable member. Implicit in his remarks, if I'm reading him correctly, he is making the assumption that there will be some kind of a large police force checking on every farmer who is farming in the Province of Manitoba. What the act is envisaged to do is - people who will want to enter farming, and will be making their ideas known to the board for the purposes of buying farm land. After the original criteria are met, unless there are some major complaints from either municipalities or other farmers that these people are really not meeting the intent of the legislation, there would be no further contact with those individuals. There is no intent to set up a police force to go and check on every farmer every month or every day of the year, because that's what is implicit in his comments, and that's not at all what is envisaged in the legislation.

**MR. CHAIRMAN:** Mr. Manness.

**MR. C. MANNES:** Mr. Chairman, the Minister may be correct but my concern is the definition of the farmer as it leads towards the corporate farm; that's my concern is it leads into the corporation. I suppose I understand the reason for leaving a large latitude. It leaves a lot of discretion to the board who I believe the Minister believes will always rule in the best interest of somebody who has bona fide intents to be a farmer.

My concern is, by leaving it that open, that this will become the major loophole because my experience is as I watched court cases proceed, particularly under The Municipal Act, that when people challenge this and the judge will have to rule, he'll fall into this area. I've

seen where, in some cases, growing \$10, and let's say even \$100 or \$200 worth of vegetables, could construe to deem you to have earned some portion of your income directly from farming. I can see this as becoming the major loophole for which the same people that the government wants removed from being involved and owning land becoming the area in which they can find entrance, because I have a belief that they will be able to achieve farmer status under that type of system.

**HON. B. URUSKI:** You know, that's an interesting scenario that the honourable member points out. On one hand, they argue that the act is too restrictive and, on the other hand, they're saying it's not restrictive enough. The fact of the matter is one has to give the legislation and the board time for the chance of this legislation to be tested and see how it will work out, because there's no doubt there may be areas which we don't envisage now in this legislation that we may want to have the flexibility of allowing people into farming, that we do not know what their operations might be, and there has to be flexibility in there. That's the reason for the - what I would say - flexibility given in this section.

**MR. C. MANNES:** Mr. Chairman, let the Minister interpret my remarks any way he wishes, but just let me say for the record that I'm not advocating tougher restrictions. I'm saying that it's unworkable and I don't see where it'll be feasible, unless regulations and amendments come forward every year.

**MR. CHAIRMAN:** Page 2 - Mr. McKenzie.

**MR. W. MCKENZIE:** Mr. Chairman, the Minister put his finger on the problem right there as to the board. The Minister says it's deliberately vague. One of the witnesses here - I think Mr. Henteleff - said it's too specific, and there you are. There's going to be the problem as to how the board is going to arrive at a decision. The Minister says it's deliberately kept vague; the witness, Mr. Henteleff, said it's too specific, and there is the problem.

**MR. CHAIRMAN:** Further discussion? Page 2—pass. Page 3 - Mr. Manness.

**MR. C. MANNES:** Mr. Chairman, the definition of "farming" at the top of the page, "but does not include . . ." - and I'm reading about 5 lines down - "the purchase and resale of agricultural products, or the commercial processing of agricultural products."

On our particular farm, we run a seed cleaning operation - where would that fit? - where we don't particularly buy an awful lot of grain for resale, but we process, in a sense, our own grain. Where do we fall in that definition? — (Interjection) — Well, really what we've done is we removed dockage.

**HON. B. URUSKI:** Yes, I believe that even the courts have not ruled against farmers who have claimed - I know there have been applications for DREE grants - that the seed cleaning plants, or certain seed cleaning plants were eligible because they were not considered processing plants in those terms of the word because

certain dockage was removed. In fact, I use the example of a neighbour of mine who is a farmer in the seed cleaning business, applied for a federal incentive grant and was not considered eligible because the cleaning of seed was not considered the processing of a product. The ruling was it would not change materially the item that was being produced.

**MR. CHAIRMAN:** Further discussion on Page 3?  
Page 3—pass.

**A MEMBER:** On division.

**MR. CHAIRMAN:** On division. Page 4 - Legislative Counsel has asked me to ask the committee for permission to change the letters in Section 1(2) to alpha designations (a), (b) and (c).

**HON. B. URUSKI:** Leave it as printed.

**MR. CHAIRMAN:** Leave it?

**HON. B. URUSKI:** Leave it.

**MR. CHAIRMAN:** The request has been rescinded.  
Page 4—pass.  
Page 5 - Mr. Downey.

**MR. J. DOWNEY:** You have some amendments. Do you have any amendments on Page 5?

**MR. CHAIRMAN:** I don't believe so. The amendments start at Section 3(1).

**MR. C. MANNESS:** Are you calling sections or page-by-page?

**MR. CHAIRMAN:** I've been calling pages. However, if at any time there's a motion to consider sections to break out a page, I will entertain that.  
Mr. Downey.

**MR. J. DOWNEY:** Mr. Chairman, when we get to the bottom part of Page 5 on "Unrestricted ownership," we have heard from many people in committee, we've heard from many people other than in committee through surveys and through general comments throughout Manitoba that not only Manitoba residents should be allowed to own land in Manitoba, but Canadian residents should be allowed to own land. We believe very firmly in that - that it is a right of Canadians to do so. If this government wants to continue to divide this country through this kind of legislation, I don't think it's advisable.

I think because of the arguments made by both the opposition and by many people, whether it be the organization of Rights and Liberties, that it is infringing upon the rights of Canadians under the Canadian Constitution; that this, in fact, is not going to stand up in any court, that it can be challenged and will be struck down.

I think it would be a good gesture on the part of Canadian unity and, as well, in the best interests of all people in Manitoba and Canada that we treat them equally and, therefore, would suggest that we add a

further amendment to the Part 2(a) where it says "a resident," that we say "a Canadian resident," and would suggest that the Minister consider that amendment and introduce it, because the argument has been made by everyone.

I am sure that if you, as we have done, Mr. Chairman, had done a poll through the Manitoba Co-operator and asked the question dealing specifically with that particular question - we had the question, "Should Canadians be allowed to own farm land in Manitoba?" - 89 said yes, 7 said no - this is a percentage - and 4 there were no answers; so we got a poll of one of Manitoba's widest spread farm papers indicating that Canadians should be allowed to own land. I think it would be advisable for the Minister to move and amend this particular section.

**HON. B. URUSKI:** Mr. Chairman, could the honourable member tell me how many responses he received?

**MR. J. DOWNEY:** There was a response of 509 replies, Mr. Chairman.

**HON. B. URUSKI:** For the question?

**MR. J. DOWNEY:** Yes.

**HON. B. URUSKI:** To the question. Mr. Chairman, I don't know whether the honourable member heard my speech in the Legislature about the questions they were asked but I think he knows that anyone who has done any type of polling or asking of questions - I think the news media depicted it correctly in the headline dated April 18th: Manitoba Tory Survey Asks Loaded Questions - Pollsters Claim. And the questions were loaded, let's not kid ourselves what the questions were.

I dealt with that matter in debate, that if they were asking for a legitimate expression of opinion, and I'll give you someone who has done polling, from the statement made by Canwest Research Corporation, it says, "The Tories have said, here is our view and do you agree?" That's basically the kind of question it was. Here's what we think and do you agree? — (Interjection) — Well, one could say as propaganda, no different than that. That isn't any less legitimate for them to not ask the question, but let's understand what was intended to be illicit in terms of the way the question was put. Certainly had they wanted to put the question in a fair light, to really get people thinking and get their views, they could have used the questions I posed to them when I spoke in debate.

**MR. CHAIRMAN:** Mr. Downey.

**MR. J. DOWNEY:** Mr. Chairman, the Minister makes the accusation that the questions were loaded. They sure weren't loaded. Let me read them into the record, Mr. Chairman, because I wanted to do that, and this is on Section 2, on Page 5, it's dealing strictly with the bill. The question was this, it's 7(a) on our questionnaire: "Should foreigners be allowed to own farm land in Manitoba? 29 percent said, yes; 67 percent said, no; there were 4 percent no answer.

"(b) Should Canadians be allowed to own farm land in Manitoba?" I read this earlier. "89 percent said, yes; 7 percent said, no; 4 percent no answer.

"(c) Should all Manitobans be allowed to own farm land in Manitoba? 87 percent said, yes; 8 percent said, no; 5 percent had no answer.

"(d) Should Manitobans be allowed to own farm land in other provinces? 85 percent said, yes; 10 percent said, no; 5 percent no answers."

Those aren't loaded questions, Mr. Chairman. I asked the questions on a broad scale and that's why I'm suggesting, not only that, but the presentations we had here in committee, the general comments that we're getting from Manitobans who are Canadians; Canadians first and Manitobans, as well, I believe, feel strongly about this. It is in our best interest, in Canadian unity. The Minister made reference to Saskatchewan. Two wrongs don't make a right, Mr. Chairman, and that's something that the Minister should take into account. It would be very simple to put the word "Canadian" into 2(a) and I'm sure it would go a long way to getting more support for the bill than he has.

**MR. DEPUTY CHAIRMAN, H. Harapiak:** Any further discussion? Page 5.

Mr. Manness.

**MR. C. MANNES:** Mr. Chairman, we're going to be preparing an amendment for Section 2, but before we present that formally, I would like to ask a full explanation of Section 1(3) Deemed control or ownership. I take it from all the clauses under that, (a) (b) and (c), that in every case, unless it is shown in detail what the breakdown is of ownership of a corporation between supposedly those that are farmers and those that are not farmers and, in all cases up to that point, that corporation will be deemed to be a non-farm corporation, or is there a different interpretation? If so, can it be explained to me?

**MR. DEPUTY CHAIRMAN:** Mr. Uruski.

**HON. B. URUSKI:** On 1(3)(a) that is correct, I'm advised.

**MR. C. MANNES:** Okay, then 1(3)(b) and (c), what is the difference as related to those clause?

**HON. B. URUSKI:** I'll ask legal counsel, Mr. Freedman, to explain it.

**MR. R. FREEDMAN:** The honourable member is correct on his interpretation of 1(3)(a), 1(3)(b) is a concept derived from The Income Tax Act which provides, in effect, that a person who is the owner of the share, but who has granted an option to another person, whereby that other person may buy the share, the result of that will be that the person who has the option to buy the share is deemed to own the share and control it for the purposes of this act.

Item (c) is a similar concept of that presently found in the regulations under The Agricultural Lands Protection Act so that joint ownership is, in effect, the ownership of the whole which, as I say, it's presently found in the regulations now.

**MR. DEPUTY CHAIRMAN:** Mr. Manness.

**MR. C. MANNES:** Well, I'd like to just follow this one step further then. If the corporation then is deemed to

be non-farm, then it's up to the principals of that corporation to come forward in front of the board to prove that, in fact, two-thirds of the shares, or more, are owned by bona fide farmers, is that correct? The onus comes then on the corporation to prove its status.

**HON. B. URUSKI:** That is correct.

**MR. C. MANNES:** That's fine. Maybe you'd like to call.

**MR. DEPUTY CHAIRMAN:** Before passing Page 5 . . .

**MR. C. MANNES:** No, 1(3), I think we could vote on.

**MR. DEPUTY CHAIRMAN:** 1(3)—pass on division.

Before we move on to that, we want to go back to Page 4, legal counsel has some . . .

**MR. DEPUTY CHAIRMAN:** We want permission of the committee to change (i), (ii) and (iii), to (a), (b) and (c). Mr. McKenzie.

**MR. W. MCKENZIE:** Mr. Chairman, just for interpretation, in a lot of the legislation, to a legal counsellor, what's the difference between a natural person and a person.

**MR. DEPUTY CHAIRMAN:** Do we have permission to change that lettering? Okay, we have permission to proceed then with the changing in the lettering; also in the French version.

Okay, we'll proceed. Legal counsel wants to give him an interpretation of natural and person.

**MR. R. FREEDMAN:** Thank you, Mr. Chairman. There is a definition in Bill 3 of the word "person," which includes corporations, partnership, trustees and what we call in this bill and in other legislation, natural persons being human beings.

**MR. DEPUTY CHAIRMAN:** Mr. Uskiw.

**HON. S. USKIW:** I believe for the record, it should be Page 4, as amended—pass.

**MR. DEPUTY CHAIRMAN:** Page 4, as amended—pass; Page 5, Section 2.

Mr. Downey.

**MR. J. DOWNEY:** Mr. Chairman, I want to propose an amendment to 2(a). I move, seconded by the Member for Roblin-Russell

THAT 2(a) be struck out and replaced with the words "a Canadian resident."

**MR. DEPUTY CHAIRMAN:** Any discussion?

**HON. B. URUSKI:** Mr. Chairman, the honourable member can actually vote against the section — (interjection) — he doesn't want to. He wants to amend this section, all right.

**MR. DEPUTY CHAIRMAN:** On the amendment, is there any discussion on the amendment?



Those in favour of the amendment? Those opposed?  
The amendment is defeated.

**A COUNTED VOTE** was taken, the results being as follows:

**MR. ASSISTANT CLERK, G. Mackintosh:** Yeas, 3; Nays, 4.

**MR. DEPUTY CHAIRMAN:** The amendment is defeated on division.

No. 2—pass on division. Page 6, do we have an amendment?

Mr. Bucklaschuk.

**HON. J. BUCKLASCHUK:** I move,

THAT Subsection 3(1) of Bill 3 be amended by striking out all the words and figures of the subsection immediately after the word "it" in the 5th line thereof.

**MR. DEPUTY CHAIRMAN:** On the amendment, Mr. Manness.

**MR. C. MANNES:** Explanation, please. It seems like there is no retroactivity at all built into the bill any longer, but if there's something further to that . . .

**HON. B. URUSKI:** Mr. Chairman, that is precisely that, that we are removing the retroactive provisions of the act. As the member knows, what was in the legislation, that if any corporation should change any of their share structure and might be deemed ineligible under the definitions of this act, they would have had to divest. What we are saying is that any purchases made before this legislation coming into law are deemed to have been legitimate purchases and their holdings can be retained to the extent of those purchases.

**MR. CHAIRMAN, A. Anstett:** Further discussion on the amendment?

The amendment, as moved—pass; and an amendment to Section 3(2).

Mr. Harapiak.

**MR. H. HARAPIAK:** THAT subsection 3(2) of Bill 3 be struck out and the following subsection be substituted therefor,

Certain acquisitions permitted

3(2) Where on the coming into force of this act, a person other than a person referred to in the act, Section 2, holds aggregate interest in farm land in excess of 10 acres and as a result of the actual or proposed sale, lapse or other disposition of termination of such interest in full or in part of his aggregate interest in farm land are or would be less than they were on the coming into force of this act, such person may acquire another interest in farm land if it is of a nature similar thereto and, if the interest is a lease, if it is also of a duration similar thereto, provided the acquisition would result in such a person having aggregate interest in farm land not in excess of those held by him on the coming into force of this act or not in excess of such greater amount as the board may by order allow.

**MR. CHAIRMAN:** Is there any explanation or discussion?

**HON. B. URUSKI:** Mr. Chairman, the proposed amendment states that persons other than residents and family farm corporations have the right to acquire and dispose of interests in farm land of a similar nature, provided that their aggregate interests in it don't exceed those held on the date of the proclamation of the act.

For example, the position made by Mr. Kroeker to us, where he indicated that his corporation, no matter, would not fit the definitions of the act, would have the flexibility of buying and selling land or to exchange leases with neighbouring farmers to continue their operations under the existing corporate structure, not having to diminish any of their holdings should any changes be made in that corporation by virtue of changing leases or the purchase or selling of land.

Furthermore, the amendment states that such corporations may also increase their aggregate holdings subject to the approval of the board. If they were to expand their holdings, they would have to come to the board if they were ineligible corporations under the definition of the act.

**MR. CHAIRMAN:** Any discussion?

Mr. Manness.

**MR. C. MANNES:** Mr. Chairman, I guess it begs the question. On what basis then will this board allow corporations who don't meet the proper definition as farming corporations to expand in one case, and deny a corporation that does not meet the existing regulations on the other hand? How would the board differentiate between one corporation that's deemed to be non-farming because of the interpretation and another one, so as to allow one to expand and one not to?

**HON. B. URUSKI:** Mr. Chairman, I gave members of the Legislature a number of examples of Manitoba corporations and Canadian corporations, but there were a number of Manitoba corporations who were involved specifically in the area of flipping land and speculation. Those would be allowed to hold onto their holdings, but they have never been involved in the area of farming. They have been there to buy land and resell it. They have not been actively engaged in farming as is the case of, for example, the brief that was presented by Mr. Kroeker.

There are a number of those examples that I gave members of the Legislature of those kinds of instances. Those corporations will be allowed to retain their holdings and exchange them, but if that kind of a corporation came to the board whose history has not been in the area of farming at all, chances are, I would believe, that the board would say, look, all that you have been in the business of through your corporation is buying and selling of land. You have not been involved in farming. They would not be approved if they wanted to increase their holdings.

Where you have a corporation which has been farming for a number of years and, in fact, does not meet the definition and they wish to expand their holdings, the board would have to determine - and as noted in Section 3(3) giving flexibility to the board to allow that corporation to expand.

**MR. C. MANNES:** Mr. Chairman, I am having some difficulty with that, because I'm trying to decide in my

own mind where the difference would occur. Using Mr. Kroeker's farm as an example, if two generations removed on his farm, there were now only 10 percent of the share held by people who were actively farming versus the so-called speculative corporation in the business only to make profits and exchanging farm land who have in their midst, one shareholder who has 10 percent of the value and is farming. How does one differentiate between those two corporations?

**HON. B. URUSKI:** Mr. Chairman, if the purchase that is being made by that corporation for that individual to farm who may have 10 percent of the shares, there certainly is an option for that individual to either set up another corporation, buy it as an individual if he wants to farm, or if that corporation, that farm, will be farmed by that individual, that would have to be made clear to the board to be determined. But if that corporation has not been known to be engaged in farming they would not be considered eligible.

**MR. C. MANNES:** Well, obviously the Minister understands to what I'm referring. Now what happens if that corporation sets up or again does not actively farm, but manages that farm by doing nothing more than having a paid manager on it, where does it fall then? Is it a farmer for the purposes of this act?

**HON. B. URUSKI:** Mr. Chairman, for example the situation - let's deal with the Kroeker situation - you have 60-some shares, I believe, 67 shares Mr. Kroeker indicated, five of whom are actively engaged in farming, and I believe another four or five who come in for summer employment. The remainder of the shareholders are non-residents of the Province of Manitoba, the majority of shares would not be eligible to fall under the definition of the family farm corporation, whereby more than one-third of the shares are owned by non-residents of the Province of Manitoba. They would, under the terms of the legislation, not be eligible. We have move amendments to allow that corporation to do that. One would have to show whether or not that farm is owned by owner/operators. That's basically the intent of the legislation. If the owner/operators are not actively engaged in farming it would be a corporation that would not be eligible under the act.

**MR. C. MANNES:** I guess my concern is, Mr. Chairman, that I have difficulty in discerning or determining, a difference between two situations which conceivably could occur one generation removed, where the same corporate farm, which this amendment is intending to support by allowing it to meet the provisions of the act in one case; and I'm having difficulty determining where there would be a difference between that group and another corporation which may not be involved in active farming today, but which, through just by setting up a management system, could gain the very same status and come in through the back door, in a sense. I'd wonder how the board could rule differently between those two situations.

**HON. B. URUSKI:** Well, Mr. Chairman, any new corporation that would be precisely set up for the purchase of farm land, and not farming, would be

ineligible; they will be excluded; they would not even start. Anyone who would start on a part-time basis, and would be eligible initially, would continue.

**MR. CHAIRMAN:** Mr. Ransom. Oh, further questions? Mr. Manness.

**MR. C. MANNES:** Just a general question. Why did the Minister prefer to go to this route leaving it to the discretion of the board rather than accepting the proposal by some of the witnesses to include lineal descendency in the definition of corporate farms?

**HON. B. URUSKI:** We have not accepted that proposition. I should mention to the honourable member that the existing corporations who will not have to go to the board for permission to make any changes in their existing holdings, as noted in the amendment that we moved in 3(2). Those corporations who would be ineligible under the act now, who are in existence, would not have to go to the board if they wished to buy and sell land provided they did not increase their aggregate holdings, or lease. Only if they wish to increase their aggregate holdings would they come to the board. That should be made clear to the honourable member.

**MR. C. MANNES:** I see what they've done, but I still don't see why they've rejected the lineal descendency argument.

**HON. B. URUSKI:** Mr. Chairman, if one were to go the lineal descendant route, and there is a Manitoba corporation that may have been established, let's use the example of someone in the '40s, the corporation no longer is eligible to farm and none of the children live here but the corporation still exists somewhat, under that provision there would be no limits regardless of where the residents are, the shareholders of that corporation are, to increase their holdings in the Province of Manitoba. Clearly we would then be giving greater rights to corporations than we would be giving to individuals and we are not about to do that.

**MR. C. MANNES:** Maybe I misunderstood the Minister, but there's no limits on the size that a farm corporation, which is probably a non-farm by this definition, can grow either because all they have to do is apply to the board. As long as it's satisfied that the family is still running the farm they can go with any size.

**HON. B. URUSKI:** Provided the corporation's family is engaged in farming.

**MR. C. MANNES:** Regardless of the size, or the amount of active shares that are involved.

**HON. B. URUSKI:** On the existing ones.

**MR. C. MANNES:** Thank you.

**MR. CHAIRMAN:** Further questions Mr. Manness? Mr. Ransom.

**MR. B. RANSOM:** Thank you, Mr. Chairman. I have some very specific questions for the Minister that relate

to my own situation and I make that clear right from the start. I raised this a couple of times in debate and didn't hear answers from the Minister.

Let me say I need a confirmation from the Minister whether or not our corporation would be considered to be controlled by farmers. First of all, is someone who spends as much time as we do in the Legislature, and who does not draw any money from the corporation, could that person be considered a farmer?

**HON. B. URUSKI:** Someone who does not have any income from the corporation would not be considered a farmer.

**MR. B. RANSOM:** Mr. Chairman, I would assume then that that disqualifies both myself and my brother, who happens to not draw any money from the corporation either, who has other sources of income. That being the case then, if we are both disqualified as farmers then our corporation, Ransom Farms Limited which has been in the business of farming since 1968 when it was incorporated, would not be considered a family farm corporation.

**HON. B. URUSKI:** Provided that the two gentlemen, you and your brother, own more than one-third of the shares of that corporation. If you and your brother own more than one-third of the shares of that corporation you would not be considered, under the definition of the act, as a family farm corporation.

**MR. B. RANSOM:** Mr. Chairman, that of course would be the case that each of us owning slightly over 40 percent of the shares in the corporation. Now then, Ransom Farms Limited not being a family farm corporation under the definition of this act, that corporation then would not be able to buy or lease any more land without having to go to the board and beg for leave to continue what we've been doing for 15 years.

**HON. B. URUSKI:** You would not be able to lease or buy any more land than what is presently under the corporation holdings, that is correct.

**MR. B. RANSOM:** Mr. Chairman, that is as I suspected and argued all along, and it is an absolutely outrageous position.

**MR. CHAIRMAN:** Further discussion on the amendment to Section 3(2).  
Mr. Lyon.

**HON. S. LYON:** Can I ask the Minister of Agriculture, Mr. Chairman, following upon the questions put by the Member for Turtle Mountain, how is the public interest being served by, in effect, freezing the position of Ransom Farms Limited or any other of a myriad of family farm corporations who will find themselves in the same position? How does that impact to serve the public interest, or how does it work against foreign land purchases? What relevance does it have to this legislation?

**HON. B. URUSKI:** Mr. Chairman, what the legislation aims to do is increase the position of the owner/operators of farm land within the Province of Manitoba.

**HON. S. LYON:** It's foreign land. It's foreign purchases you are against.

**HON. B. URUSKI:** The Leader of the Opposition talks about foreign purchases. He should bring himself back to what the legislation is aimed at doing. It is not aimed totally at controlling foreign purchases.

**HON. S. LYON:** Yes, it is.

**HON. B. URUSKI:** Well, Mr. Chairman, the Honourable Leader can put whatever definition he wishes on the legislation, but that is not the total impact of the legislation.

If a corporation is not owned by active farmers, it is not a family farm corporation. If the participants in the corporation are active farmers, they would have no difficulty in . . .

**MR. CHAIRMAN:** Order please.

**HON. B. URUSKI:** . . . involving themselves in purchasing farm land. There is no restriction on individuals of the Province of Manitoba, but there is a restriction on the formation of corporations.

**HON. S. LYON:** But if the tax laws of the country permit people to order their affairs through family farm corporations in order to make the best arrangements that they can for tax purposes, how is the public interest served in Manitoba by, in effect, negating that right that is conferred, or that right that is opened up by federal tax law? What public interest? What is served by this negation of this right of people freely associating themselves within a family farm corporation for the purposes of taxation or for the purposes of carrying on a farm operation? Why has that, all of a sudden in Manitoba in 1983 under a Socialist Government, become sinful? What's sinful about it?

**HON. B. URUSKI:** Mr. Chairman, there is nothing sinful about it. There is no prohibition under this legislation that does not allow farmers in the Province of Manitoba who are actively engaged in farming, to set up family farm corporations, nothing prohibiting them. What it does not allow is individuals who, through the means of corporations, who are not actively engaged in farming, or they can participate in a corporation, up to the limit of one-third of the shares of that corporation.

**HON. S. LYON:** Then I come back to the earlier question. What has that got to do with preventing foreign land ownership in Manitoba?

**HON. B. URUSKI:** Mr. Chairman, the Honourable Leader of the Opposition should know that some of the loopholes within the present legislation in terms of allowing speculation into farm land - and even his former Minister indicated to yourself as Premier and your colleagues - that one of the ways in which the present legislation was being circumvented was through the setting up of Canadian corporations to circumvent the act for the purposes of buying farm land for speculative purposes.

**HON. S. LYON:** Mr. Chairman, I believe I made the suggestion weeks if not months ago. Would it not be

much simpler than merely to pass an enabling piece of legislation which would say that, where it becomes apparent that land has been purchased by a Canadian corporation for the purposes of circumventing this act, that the board will have the power then to investigate and to order divestiture, if indeed it can be found that the purpose of the purchase was to avoid the purposes of this act? Why not try that? Why cast a net against family farm corporations which do no harm in the makeup of farm ownership in Manitoba?

**HON. B. URUSKI:** Mr. Chairman, in terms of what the Leader of the Opposition has said, those provisions are within the legislation, but what we are also saying and we are indicating in this legislation, as the Province of Prince Edward Island, Quebec and our neighbouring Province of Saskatchewan has done over a decade ago, that to maintain farm land ownership within the province, we are in fact conferring a greater status on existing farmers within the Province of Manitoba.

**HON. S. LYON:** But in the course of doing that, you are denying farmers in Manitoba the right to order their affairs in a family farm corporation.

**HON. B. URUSKI:** Mr. Chairman, we are not denying the right of farmers of ordering their affairs in a family farm corporation at all. What the Leader of the Opposition has said, if I as one who am not farming own a greater amount of shares in the corporation than the active farmers, then that is correct. They would not meet the definition of the legislation.

If, in fact, you are suggesting that if the corporation has not paid dividends to individuals who normally might be considered as farmers or who have been considered as farmers, we may want to have a look at that provision, but I would have to look at that.

**HON. S. LYON:** If I may ask what, to me, is a question which can only be answered in one way, what right has the state got to make a determination as to how a family farm corporation pays its dividends, other than through taxation law? What business is it of the state to poke their nose into the internal affairs of a family farm corporation, which it permits to be incorporated? Then according to this law, the state comes along and says, but we must look into the internal workings of this corporation to see if, in fact, all of the partners, all of the shareholders, are in fact farmers according to the narrow social engineering definition that we have put into the act. How does that serve the public interest?

**HON. B. URUSKI:** Mr. Chairman, first of all I don't agree with the definition that the Leader of the Opposition has put on, his terms of the family farm corporation. If the family farm corporation is eligible for the purchase of farm land, there is no one going to be going around and saying you are no longer eligible. The time of test comes in when there is to be a further purchase of farm land, whether or not the shares of that corporation are, in fact, controlled by active farmers, or the majority of shares.

**HON. S. LYON:** Is there not then the possibility, which I think would be quite real, but which your legal advisors

can tell you better than I, that by this kind of legislation you're going to spawn a whole series of ersatz corporations, one will become a holding corporation for another corporation, in order to get around this kind of social engineering provision. In other words, good lawyers, good accountants, will ensure that their clients are enabled to do whatever they want to do vis-a-vis family farm corporations or whatever, notwithstanding your silly law. Has that not occurred to you?

All you're going to be doing is creating an awful lot of extra trouble for good farm people in Manitoba, some of whom may not be on the farm, but they're still good farm people, farm family people; you're going to create a lot of trouble for them; you're going to create a lot of business for lawyers and for accountants. For what purpose? To what end? And then two years from now have it all repealed. I mean why put people through all of that trouble for no good purpose, other than socialist social engineering? That's all it seems to be.

Now I don't want to lay the indictment. If that isn't what you're attempting to do, if you're not trying to serve some of these silly shibboleths of the left, then for God's sake, say so. But I can't, for the life of me, see how the public interest is served by this section which pokes, which presumes to allow some bureaucrat to poke his nose into a family farm corporation to see whether or not B. Ransom has drawn part of, or all, of his income from that corporation this year; to see whether A. Smith is disabled and thereby unable to contribute to the farm operation. What have you got against the disabled? What have you got against people who don't earn all of their income from the family farm corporation, or a majority of it? Why do you have this kind of silly definition which makes second-class citizens out of people who aren't physically working on the farm? This isn't Maoist China where people have to go out and pick raspberries twice a year just to prove they're egalitarian. What are you trying to make of Manitoba farmers, second-class citizens, or what?

**HON. B. URUSKI:** Mr. Chairman, the Leader of the Opposition wants to argue that someone is being made a second-class citizen. He doesn't want to acknowledge the difficulties that have occurred and the problems that have occurred, as a result of speculation in farm land by non-farming interests. What this bill intends to promote is owner-operator farm operations in the Province of Manitoba. The Leader of the Opposition may not want to acknowledge that that is the intent of the legislation, that he is free to do so and he will go on and speak as he wishes.

The fact of the matter is there is no prohibition on any Manitoban into entering into farming and purchasing farm land, whether or not he enters into farming. What the argument here is, is whether or not one should be able to be actively involved in farming, or not involved in farming, and the definition of what a family farm corporation is to the Leader of the Opposition and to myself, as Minister.

**HON. S. LYON:** Well, are we not then moving very close to that silliness that has been advocated for a generation that I am aware of, by the Manitoba Farmers

Union and other left-wing groups, that farmers, real farmers in Manitoba said 20 years ago, they should be licensed so we would know who this select group were. Are we not moving rapidly toward that kind of silliness in this legislation?

**HON. B. URUSKI:** Mr. Chairman, this legislation is not far different, in fact, I believe even less restrictive than the legislation in three other provinces in this country.

**HON. S. LYON:** That doesn't make it right.

**HON. B. URUSKI:** Well, Mr. Chairman, the honourable member . . .

**HON. S. LYON:** Stupidity is stupidity no matter how many people enact stupidity.

**HON. B. URUSKI:** The Honourable Leader of the Opposition has had a chance to speak, he can certainly say his piece. What I am saying is that this legislation is no different than legislation in three other provinces in this country, has been place for a decade in some provinces, and has worked reasonably well and not to the detriment to the farmers of that province.

**HON. S. LYON:** Mr. Chairman, if you're prepared to subjugate the rights of individual citizens; if you're prepared to say that a farm corporation is quasi-meaningless, because we choose to legislate who its members shall be and who the control people shall be even though that has nothing to do with the establishment of the corporation in the first place; if you choose to say that because rights have been subjugated for social engineering purposes in other provinces and that that, ergo, makes it right in Manitoba, then you follow a line of reasoning that is totally alien to mine and I would say to the vast majority of Manitobans. But if that is your will, then proceed with it.

I suggest all we can say, Mr. Chairman, is that along with some other pieces of legislation which are going through in this Session, we have to advise the people of Manitoba that this kind of trampling of their individual freedoms and rights will not be tolerated and that it will be repealed at the earliest possible moment, which will be immediately after the next election, as indeed, we had to cure their bad legislation in this field in 1977 when we first came into office. The people of Manitoba, the farmers wouldn't tolerate it.

I'm not telling my honourable friend, the Minister, Mr. Chairman, anything he probably doesn't know, but I say why put the people of Manitoba to this trouble and expense for 18 months, or whatever the period will be? It's not going to last; it won't be permitted; it has no foundation or basis in common sense, in equity, or in serving the public interest in this province. Why put the people of Manitoba through this kind of pain and torture for the sake of your own left-wing shibboleths which don't work?

**MR. CHAIRMAN:** Mr. Ransom.

**HON. S. LYON:** Let the record show that there's no answer to that one.

**MR. B. RANSOM:** Mr. Chairman, I would like to have something confirmed by the Minister. My understanding is that under this bill, I, as an individual resident Manitoban, could own unlimited amounts of farm land? Is that correct?

**HON. B. URUSKI:** That is correct.

**MR. B. RANSOM:** I also assume then that it would be possible for me to rent that land to a farmer; it would be possible for me to hire a manager to farm it; I could own the equipment, or I could work it on a custom basis. Those things would all be acceptable, would that be correct?

**HON. B. URUSKI:** Yes.

**MR. B. RANSOM:** But under this legislation I could not form a corporation to rent that land from me; to own equipment to farm it; to hire a manager to farm it, would that be correct?

**HON. B. URUSKI:** I don't believe so, unless you are an active farmer.

**MR. B. RANSOM:** So, Mr. Chairman, what we have then is a situation where I, as an individual, could do all those things, but I could not incorporate, as a means of doing business, and do exactly those same things. Now does that not strike the Minister as being a ridiculous situation? Mr. Chairman, surely I, as an individual, could own an apartment block and I, as an individual, could decide that there were advantages - for whatever reason, for whatever legal reason - I could decide to hold that apartment block through a corporation. I cannot do the same thing with the farm land, that I could hold, and farm, and operate, and abuse, or whatever I wanted to do to it as an individual. That is an absolutely outrageous, discriminatory situation. My colleague from Morris may hold his land as an individual, not in a corporation. He may be in the same situation I am, in not drawing money from it, he may be building for the future as other people are doing and he is able to do that and I am not, so I submit to you, Mr. Minister, that dozens of other people in Manitoba are in the same situation because there are people who are building for the future; there are people who are trying to establish a base for their families.

I have a son who is going into Agriculture this fall. I don't know whether he's going to be a farmer or not, but he might be, and you're going to destroy the base that he might have as an opportunity because you are not going to allow that corporation which, by any commonsense definition, is a family farm corporation because it's held by people who have been on the land for decades and who continue to be on the land, and it's only because of your ridiculous legislation that deems that that corporation is not a family farm corporation, then you are going to destroy that, Mr. Minister. If you're going to persist in doing that then this legislation is going to help to destroy this government.

**MR. CHAIRMAN:** Further discussion on the amendment to Section 3(2)?

The amendment as moved—pass on division; Section 3(2) as amended—pass on division; Section 3(3), there is an amendment.

Mr. Harapiak.

**MR. H. HARAPIAK:** I move that subsection 3(3) of Bill 3 be struck out and the following subsection be substituted therefor:

Exemptions granted by board.

3(3) The board may on application or on its own initiative, subject to any regulations and to such terms and conditions as it may impose by order and pursuant to and in accordance with it, the exemption guidelines established by regulation exempt a person, class of persons, farm lands, class of farm land, interest in farm land, or class of interest in farm land, from all or any part of this act.

**MR. CHAIRMAN:** The amendment as moved. Any explanation or discussion?

Mr. Uruski.

**HON. B. URUSKI:** Yes, Mr. Chairman. The subsection has been redrafted to ensure that the board decisions concerning exemption orders will be subject to exemption guidelines and regulations issued by the Lieutenant-Governor-in-Council.

**MR. CHAIRMAN:** Any discussion? The amendment to Section 3(3) as moved. Agreed? Agreed on division.

Section 3(3) as amended—pass; Page 6—pass on division; Section 3(4) on Page 7—pass on division.

Section 3(5) an amendment.

Mr. Harapiak.

**MR. H. HARAPIAK:** I move

THAT subsection 3(5) of Bill 3 be amended by adding thereto at the end thereof the words and figures, "other than for the purpose of Section 15."

**MR. CHAIRMAN:** You've heard the amendment, is there any discussion?

Mr. Uruski.

**HON. B. URUSKI:** Mr. Chairman, the amendment means that board orders concerning debt obligations are conclusive for all purposes of the act other than those pertaining to criminal prosecutions.

**MR. CHAIRMAN:** You've heard the amendment, is there any discussion? The amendment as moved, agreed? (Agreed) On division.

Section 3(5) as amended—pass on division; Section 3(6) - Mr. Manness.

**MR. C. MANNESS:** I would like some explanation of this section particularly as it regards banks taking over a particular piece or parcel of land. Is it the intent here that they have to divest in a certain number of years and specifically how many? I guess it's written here but . . .

**HON. B. URUSKI:** Mr. Chairman, as I understand this section - and maybe I'll get legal counsel to put it -

but as I understand it, it does not prevent banks and financial institutions from holding mortgages. It clearly allows recognized institutions to hold mortgages on land.

**MR. C. MANNESS:** Well, that wasn't quite my question. I'm thinking specifically of cases and I'll use the word "banks," but I'm meaning anybody who lends money to another person. Where that individual is not being able to meet the debt obligations and the person, in this case meaning the bank or any individual, takes control of the property and begins to rent it out, either have it managed or has it rented out, does that person have to divest? And again when I say person, I'm asking the question in terms of institutions.

**HON. B. URUSKI:** If it's an individual, the individual would have to be a non-resident to divest. It would have to be a mortgage from an individual who is non-resident.

**MR. CHAIRMAN:** Further questions on Section 3(6)? Section 3(6)—pass on division; Page 7—pass.

Mr. Manness.

**MR. C. MANNESS:** Yes, just one further question and it's to do with 3(6) - Trust Company - how long could a trust company hold land in its name?

**HON. B. URUSKI:** Three years.

**MR. C. MANNESS:** Three years. Okay. That's the question.

**MR. CHAIRMAN:** Thank you. Further discussion on Page 7. Hearing none, Page 8, Section 3(7)—pass on division; Section 3(8)—pass on division; Section 3(9)—pass on division.

An amendment for a new section 3(9.1) - Mr. Harapiak.

**MR. H. HARAPIAK:** I move

THAT Section 3(9.1) of Bill 3 be amended by adding thereto immediately after subsection (9) thereof the following subsection:

Other share ownership in family farm corporation.

3(9.1) A corporation that was a family farm corporation may continue to hold all interest in farm land held by it, notwithstanding that a person who was a shareholder of the family farm corporation has died. If the shares in the corporation that were owned by such person, immediately before his death, passed by device or intestacy or by right of survivorship to the natural person, wherever resident, for as long as these shares remained owned by that natural person, but not otherwise.

**MR. CHAIRMAN:** You've heard the amendment, is there any explanation or discussion?

Mr. Uruski.

**HON. B. URUSKI:** Mr. Chairman, 3(9.1) stipulates that a former shareholder in a family farm corporation may will shares to any natural person wherever resident and

the corporation may retain its holdings. That's basically what the amendment deals with.

We did not have provisions initially that shares of corporations might be willed, and this amendment makes that provision.

**MR. CHAIRMAN:** Any discussion? Hearing none, Section 3(9.1), new motion amending the bill as moved—pass; Section 3(9.1)—pass on division; Section 3(10)—pass on division; Page 8—pass; Page 9.

There are no further amendments until we get to Section 8. Is it the will of the committee to proceed page-by-page?

Mr. Downey.

**MR. J. DOWNEY:** Yes, Mr. Chairman, I have some comments to make on Page 9, however. We can do it page-by-page.

**MR. CHAIRMAN:** All of Page 9.

Mr. Downey.

**MR. J. DOWNEY:** Mr. Chairman, the 3(11), on Page 9, "A person acting in the capacity of an executor or administrator or a trustee in bankruptcy of the estate of another person may take, acquire, receive or hold an interest in farm land, for so long as is reasonably necessary." What would the Minister say is a reasonably necessary period of time to perform those kind of duties? Who will make the judgment on the time, will it be the board or . . . ?

**HON. B. URUSKI:** Mr. Chairman, the Act indicates that if the administrator, in terms of disposing of an estate, requires a year, two years or so, he will have that right to do so.

Mr. Chairman, I'm advised that it cannot be answered in the abstract, it is a question of fact as to how long it will take to perform the duties as an executor. It does take a certain amount of time, and how long it takes it will be granted, that right is there.

**MR. J. DOWNEY:** Mr. Chairman, you go to 3(13). Again there's been some many questions brought forward by the farm community, and people who are interested in this bill, because of the mobility of Canadians, and the mobility of Manitobans. We find families going to different parts of Canada to take up other occupations or, in fact, retire or just to be a part of other occupations mainly, that if the only way in which they can become owners of that property, as I understand, is if the person giving them that property is directly connected, as they have indicated, spouse, child, grandchild, brother, sister, nephew, niece of that individual. But first of all the individual has to have farm for 10 years. Why is that period of 10 years in place? Why would the Minister or the government place that particular number of years? What was wrong with a person not having farmed at all, or even have been involved for one year? Why would the period of ten years be important? What are we talking about here?

**HON. B. URUSKI:** Mr. Chairman, the figure of 10 years was no magical figure that we arrived at. We generally said that if anyone who was actively involved in farming,

what would be a reasonable length of time by which someone would be considered active in agriculture, and we use the term of 10 years as being a reasonable figure of anyone who had been connected in agriculture.

**MR. J. DOWNEY:** Mr. Chairman, is the Minister sure that this would qualify within the Canadian Constitution? Has he had legal opinion in this regard that if I, for example, owning a piece of property, and had someone that I felt, outside of the province, I wanted to give them a piece of property, and they were directly related to me in this way, that I'd only been a farmer for eight years that, because of that number of years, that I would be disqualified from giving, and they'd be disqualified from taking, ownership of that property? Does he think that would stand up under the rights of Canadians and the constitution? Does he believe that?

**HON. B. URUSKI:** Mr. Chairman, the section here is that anyone who has been involved in agriculture may retire and will retire.

**MR. J. DOWNEY:** Oh, that's nice of you.

**HON. B. URUSKI:** Well, Mr. Chairman, if the honourable member doesn't want an answer I won't give him an . . .

**MR. J. DOWNEY:** Well, sure I do.

**HON. B. URUSKI:** If one wishes to will land he can will the land to anyone, wherever resident. Upon retirement we are saying that in order to be classified as a farmer one would have to have been engaged in agriculture for at least 10 years. In that period of time then one is able to transfer his/her land to their children wherever they are resident and retain the holdings.

**MR. J. DOWNEY:** Mr. Chairman, I'll challenge the Minister because I don't believe that he has the right, as a member of any government, or any government has the right to tell me, or any people of the Province of Manitoba, who they can leave what to. Any sane, or any responsible judicial system in this country would not strike down that kind of wish of anybody. I don't believe that this is constitutional. I believe it's ridiculous and I think it should be taken out of this act. I think that the act should be scrapped, as I've said many times, but I don't think that government has that kind of power to enact that kind of legislation on people. I think it's as wrong, as wrong, as wrong.

**HON. B. URUSKI:** Mr. Chairman, the honourable member knows that farm land can be willed to whomever, in terms of the willing of farm land. Mr. Chairman, it is the gifting of the land, as noted here upon retirement. — (Interjection) — Well, Mr. Chairman, it may very well be, as will other statutes which are similar in nature.

**MR. J. DOWNEY:** Which other ones are similar in nature?

**HON. B. URUSKI:** You have the Province of Saskatchewan; you have the Province of Prince Edward

Island, which has similar provisions. The amount of time may vary somewhat but I believe this one is similar to our neighboring province.

**MR. J. DOWNEY:** Well, Mr. Chairman, he makes reference to time. How long do you have to be a farmer in P.E.I. before you can give somebody some land; or how long do you have to be a farmer in Saskatchewan before you can give somebody else in Canada a piece of property?

**HON. B. URUSKI:** I believe in Saskatchewan, and I've just checked, the Province of Saskatchewan is five years.

**MR. J. DOWNEY:** Well, then why are we 10?

**MR. CHAIRMAN:** Mr. Downey, would you repeat your question for the record.

**MR. J. DOWNEY:** You know, it's so ridiculous, Mr. Chairman, I'll forego any further questions on it.

**MR. CHAIRMAN:** Mr. Manness.

**MR. C. MANNES:** I'd like to ask a question specifically related to 3(12). I know on two occasions when I've spoken on Bill 3 I've asked for a clear definition from the Minister as to whether the right to will ends after the first generation. We had witnesses here the other night that took it, in their interpretation, to mean that, in fact, that right ended after the willing down of the next generation.

Can the Minister now, at this particular time, tell us whether it ends or whether, in effect, it could continue forever?

**HON. B. URUSKI:** It does end if they are non-residents of the Province of Manitoba.

**MR. C. MANNES:** So what the Minister is telling us, that somebody that is 70 years old today and wills his land or her land to a son in Edmonton, that son in time will have to divest himself of that land, or come back and farm it.

**MR. CHAIRMAN:** Order please. The discussion that's now taking place relates to Section 3(9), and Section 3(9.1) although . . .

**MR. C. MANNES:** I thought we had passed that.

**MR. CHAIRMAN:** We have passed those already. Now I am at the will of the committee if members wish to discuss those items further.

**HON. B. URUSKI:** We passed Page 8 on division. You called it, Mr. Chairman.

**MR. CHAIRMAN:** I am pointing out that the question Mr. Manness is raising relates to Section 3(9) or Section 3(9.1), as I understand it, rather than to 3(13).

**HON. B. URUSKI:** 3(12).

**MR. C. MANNES:** I'm on 3(12).

**MR. CHAIRMAN:** Oh, you're strictly 3(12).

**HON. B. URUSKI:** Yes.

**MR. CHAIRMAN:** Oh, because the question of the generational transfer limited to one generation is in 3(9).1.

**MR. C. MANNES:** No, it's not. That's corporation.

**HON. B. URUSKI:** That's corporation. He is talking about individuals.

**MR. CHAIRMAN:** Okay, so I just want to make sure we're not going back into something we've already covered. My apologies to the committee.

Mr. Manness.

**MR. C. MANNES:** Mr. Chairman, I think then that it's incumbent upon the government to tell us how individuals, what the mechanism will be then, should this bill continue to be in existence 20 years from now, of individuals who are non-residents in the province for having to divest their property, because obviously that will become the case on their death. That land will have to be divested.

**HON. B. URUSKI:** That is correct.

**MR. C. MANNES:** I'm finally glad to hear that definitive statement. I, myself, have been waiting for it for a long period of time. I am shocked to hear it, but I . . .

Mr. Chairman, I think we have said we were covering Page 9, so I would move to Section 4 on that, and ask whether the government has any answer to the comment made yesterday by a representative for the Winnipeg Chamber of Commerce who, on behalf of some grain companies, I think, was making the proposal that in some cases they would not be able to purchase land for the building of an elevator operation, specifically because quite often there are acreages that are over 10 acres close to a select ideal site. What regulations or stipulations would be put in effect to allow them to build on a piece of property larger than 10 acres?

**HON. B. URUSKI:** Mr. Chairman, under this act, they would have to come to the board for approval to purchase additional land than 10 acres, if it is more than 10 acres.

**MR. C. MANNES:** That's my concern, Mr. Chairman. I'm not speaking on behalf of any grain company, but I know I was associated with one at one time which found itself buying sometimes 30 or 40 acres, because that happened to be the ideal site and it happened to be the minimum amount of acreage that the farmer who owned the land previously would sell to them.

Now my question is, if these happen to be private grain companies and the Government of the Day, through their political appointments on this board, choose not to see these companies expand or develop . . .

**A MEMBER:** It might be Cargill.



**MR. C. MANNES:** Well, potentially it could be Cargill. Could this board in their wisdom hold up the building of an elevator on a site larger than 10 acres?

**HON. B. URUSKI:** Mr. Chairman, it would be no different than if any corporation would come to the government, just as Alcan did, for property. The approval would have had to have been approved by the Provincial Land Use Committee as to the nature and the type of the project — (Interjection) — well, they would have and they did. Under the Provincial Land Use guidelines of the province, they would have had to have approval.

Is it conceivable that it would be held up if the reason is given as to the need? I would assume that it could be held up, but in terms of the needs of that grain elevator if it required more than 10 acres, I don't see any difficulty of that, provided everything is straightforward.

**MR. C. MANNES:** Mr. Chairman, the Minister uses a horrendously bad example. Alcan's coming represented the first situation of that type of industry wanting to come here.

Elevators in the history of this province, of course, have been here for many many years.

**HON. B. URUSKI:** Have not needed more than 10 acres.

**MR. C. MANNES:** The point that they have not taken more than 10 acres isn't the point I am trying to make. What I am trying to suggest is that we have a history of elevators existing in this province for some 100 years, and the denial could be made specifically on political reasons.

**HON. B. URUSKI:** Mr. Chairman, that accusation is as absurd as going around the province saying every elevator has needed more than 10 acres in which to build on. Some of them might have needed close to that amount if they needed a right-of-way for a road and the like if they were away from the main road, but in terms of the actual site of the elevator, I don't believe that there will be many, very few if any, individual sites that require more than 10 acres of land in the case that the honourable member has put forward.

**MR. CHAIRMAN:** Further discussion on Page 9?

Page 9—pass on division; Page 10 - any discussion on Page 10?

Mr. Downey.

**MR. J. DOWNEY:** Mr. Chairman, the Minister will be establishing a board. What criteria will it be using, because this board will have extremely large powers or extensive powers? What criteria or what kind of qualifications will he be looking for in board memberships?

Who will the people of Manitoba - like my colleague for Turtle Mountain, who has suggested that if he were to do anything further within the kind of business or only him - but anybody who had a corporate structure were not classified as a family farm and wanted to rent a piece of property from their neighbour that would give them a larger land holding, maybe 100 acres or

50 acres that adjoins their property and would have to go before the board, who will they have to go to get that kind of permission? What kind of qualifications would he expect those people to have?

**HON. B. URUSKI:** Mr. Chairman, I would hope that the people who serve on the board would be Manitoba citizens who have a reasonable knowledge of the farm community.

**MR. J. DOWNEY:** Mr. Chairman, would he be following the same kind of precedent that he has already set by appointments to boards; that they would be predominantly of the New Democratic political belief, that type of thing? Would that be - because those are political boards that have been established - is that the kind of thing that we will continue to see? Will they be the kind of people that we'll see on here?

**HON. B. URUSKI:** Mr. Chairman, I have had discussions with some farm organizations in which I said I was open to suggestions as to the makeup of the board. I should tell the honourable member, not all the individuals appointed to our boards are and have been card-carrying New Democrats, as the honourable member suggests that, but certainly we will want a mix on the board that reflects the various regions within the province.

**MR. J. DOWNEY:** Mr. Chairman, there is presently a board in place under The Farm Lands Ownership Act. Would that board be transferred? Would those individuals, because of the experience they've had, be put on the Farm Lands Ownership Board? Will they be transferred over, reappointed to this act when it becomes enforced?

**HON. B. URUSKI:** They may or they may not, Mr. Chairman.

**MR. J. DOWNEY:** Mr. Chairman, because the Minister said they may, who are presently on that board?

**HON. B. URUSKI:** The chairperson of the board is Richard Loeb. He's a farmer from the Hazelridge area.

**A MEMBER:** Lydiatt, not Hazelridge.

**HON. B. URUSKI:** Lydiatt? Mr. Chairman, I'll have to get all the names for the honourable member. I know there's a farmer from the Swan River area, but I don't recall.

**MR. J. DOWNEY:** Well, I think it's important that we know because if it is strictly on political basis, then I think it is unfortunate that they are given that kind of power under this act, because they could become very discriminatory and I think it's not in the best interests of Manitobans to have that in place.

**HON. B. URUSKI:** Mr. Chairman, the honourable member should be aware that unlike the present legislation, the board's decisions can be challenged in the courts and the board's decisions are subject to appeal. So that, Mr. Chairman, the board's decisions

can be and are appealable and the terms of reference of the board will be made public in terms of under what procedures the board will be operating.

Mr. Chairman, I have been given the names of the members of the board by the Executive Director. The Chairman is Richard Loeb, as I said; the Vice-Chair is Sandra Chorney; Clark Robson; Walter Kolisnyk, he's from Swan River, the Swan River area; and Paul Dupuis.

**MR. CHAIRMAN:** Further discussion on Page 10 - Mr. Manness.

**MR. C. MANNESS:** Mr. Chairman, I guess I'd like to just pose one question in this whole area, and it's the political consideration that disturbs me, because as my colleague, the Member for Turtle Mountain was indicating, in his case, the only way that his family farm corporation - which would now be considered a non-farm corporation - could expand its holdings would be if they were to go to this board and request special permission to grow. Of course, when you have one politically-appointed board dealing and making decisions particularly on the basis of a situation like this, where the person coming forward is a political animal of a different stripe, then obviously there is a potential for a decision being made strictly on a political basis. Of course, you can say there's an appeal process, but I would say that the appeal process, because the non-farm corporation does not really meet the act, really would be of no value to that particular - so the decision made at the board level could not be overruled.

**HON. B. URUSKI:** Mr. Chairman, a determination made by the board can be challenged by whomever, by the person affected by the decision.

**MR. C. MANNESS:** I didn't argue it couldn't be challenged.

**HON. B. URUSKI:** Yeah, okay.

**MR. CHAIRMAN:** Further discussion on Page 10? Page 10—pass.

**A MEMBER:** On division.

**MR. CHAIRMAN:** On division. Page 11 - Mr. Downey.

**MR. J. DOWNEY:** Mr. Chairman, on Page 11, I'm shocked to see that the people of Manitoba or the people that are requesting a ruling will go before a board, and I look at 7(1) "All hearings conducted by the board and all proceedings of the board shall be governed by rules adopted by the board." My goodness, what kind of a kangaroo court are we asking people to go before? That is insane! That is horrendous power you give the board to establish the guidelines and the ground rules of which they're going to hear people.

**A MEMBER:** Set their own rules.

**MR. J. DOWNEY:** Set their own rules. What are we doing here? I, for the life of me, can't understand the government giving power to a board and then allowing them to set their rules on how they're going to have

their hearings. What if they will disallow witnesses and that type of thing? What if they aren't going to have people have representation on their behalf because the board doesn't want that to happen?

I would think the Minister would have serious second thoughts about that kind of heavy-handed approach to hearings of such major importance in the province.

**HON. B. URUSKI:** Mr. Chairman, I find the honourable member's comments amusing. He should have listened to what is happening while he was Minister. The present board operates under no formal rules. People don't know how the board is operating and therefore don't know their rights. We are saying that in law the board has to have a set of published rules and procedures so that anyone . . .

**MR. J. DOWNEY:** No, no, you're not saying that.

**HON. B. URUSKI:** Oh yes, we are. That the board shall be governed, and since the law says they shall be governed by rules, the rules have to be made public by the law. Mr. Chairman, that's exactly what the law is saying, and so that people will know what the rules of procedure are and they will have some indication as to how the board operates, unlike what is presently the situation.

**MR. CHAIRMAN:** Further discussion?

**A MEMBER:** On division.

**MR. CHAIRMAN:** Page 11, on division. Page 12, Section 7(2) - Mr. Downey.

**MR. J. DOWNEY:** Mr. Chairman, will the Minister explain that please, Section 7(2)?

**HON. B. URUSKI:** Mr. Chairman, I'll have to call on legal counsel on that Section 2, that the board is not bound by technical rules of evidence.

**MR. J. DOWNEY:** After they set their own rules.

**MR. CHAIRMAN:** Mr. Freedman.

**MR. R. FREEDMAN:** Mr. Chairman, this provision is commonly found in connection with administrative tribunals, the Labour Relations Board, and other boards in this province and elsewhere have similar kinds of flexible hearing procedures. What this means technically is that the board could, for example, admit hearsay evidence which would not be admissible in court; the board could admit documentary evidence other than in accordance with what is called "the best evidence rule," in other words, photocopies of documents instead of originals. The board is not intended to be a court and thereby is not intended to be bound by the strict court rules and procedures.

**MR. CHAIRMAN:** Any further discussion on Section 7(2)? Section 8(1); Section 8(2), I believe there's an amendment.

Mr. Harapiak.

**MR. H. HARAPIAK:** I move

THAT Clause 8(2)(f) of Bill 3 be amended by adding thereto at the end thereof, the words and the figures, "other than for the purpose of Section 15."

**MR. CHAIRMAN:** You have heard the amendment, is there any discussion? The amendment as moved—pass?

**A MEMBER:** On division.

**MR. CHAIRMAN:** On division. Section 8(2) as amended - Mr. Manness.

**MR. C. MANNES:** Section 8(2)(e). Mr. Chairman - Mr. Minister, I suppose I should pose my question to. When conceivably could we expect the board would exercise this incredible power under (e)?

**HON. B. URUSKI:** Section 8(2)(e)?

**MR. C. MANNES:** Right.

**HON. B. URUSKI:** I'm sorry, repeat your question again. When?

**MR. C. MANNES:** When could it be expected that the board would use the powers given to it under (e)?

**HON. B. URUSKI:** Those powers would be utilized, as I understand it, as they are presently for corporations, the filing of annual reports to the board.

**MR. C. MANNES:** Well, it says, ". . . such information in such form as it may require." I guess it's the "such information" could . . .

**HON. B. URUSKI:** Mr. Chairman, the honourable member should be aware that the section is almost, I believe, identical to the one presently held.

**MR. C. MANNES:** I accept that, but it doesn't make me feel any easier . . .

**HON. B. URUSKI:** Section 16(4) of the present act, Clause (d), "without restricting the generality, require any person or corporation purchasing or acquiring lands to submit to it such returns in such forms as it may require," is in the present legislation, amended to August, 1981.

**MR. C. MANNES:** My understanding is, Mr. Chairman, that existing act applies only to foreigners where this, of course, could apply to any individual who is involved in a . . .

**HON. B. URUSKI:** No, Mr. Chairman, the member should be aware that the present act applies to all corporations. You should be aware that there is a lengthy provision of information gathering by all corporations in the province.

**MR. CHAIRMAN:** Further discussion on Section 8(2), as amended?  
Mr. McKenzie.

**MR. W. MCKENZIE:** Mr. Chairman, I wish the Minister, or the legal counsel, could explain the 8(c), ". . . where the board has reason to believe"; what that means?

**HON. B. URUSKI:** Mr. Chairman, there has to be some reasonable grounds before a hearing is conducted. There has to be information provided to the board that there has been an alleged infraction against the act whereby there has been a purchase of farm land by an ineligible corporation or person. They have to receive that kind of information.

**MR. W. MCKENZIE:** Mr. Chairman, as one of the witnesses said here, could that be gossip?

**HON. B. URUSKI:** They could receive third-hand information which would empower them then to at least gather information and see how accurate that information was. They would not be able to order a divestiture without reasonable and probable grounds and, on that basis, their decision would be, of course, subject to appeal.

**MR. W. MCKENZIE:** Mr. Chairman, why couldn't we bring in the standards of privacy and confidentiality in this section, the powers of the board?

**HON. B. URUSKI:** Mr. Chairman, just so I understand the honourable member, is he saying that the hearings of the board should be confidential to the people affected? Is that what he is saying?

Mr. Chairman, the honourable member will probably have his answer in Section 12 about information as being confidential.

**MR. W. MCKENZIE:** Maybe the Minister can explain again on privacy and confidentiality. In (d) it says, ". . . submit to it at such time and from time to time as it may require." Again, that confidentiality and privacy enters into the picture.

**HON. B. URUSKI:** Mr. Chairman, the honourable member should be aware that one of the problems that his government has with attempting to enforce the present legislation is that Canadian corporations who have been allowed to buy Manitoba farm land virtually thumbed their noses, if the corporation is domiciled outside the Province of Manitoba, about the provision of information about their dealings. The board has been totally hamstrung in trying to determine what these types of corporations have, in fact, been up to in their land dealings in the province. That has been the great difficulty that your administration has had in light of the paper that was presented to your Cabinet by your colleague.

**MR. W. MCKENZIE:** Further, Mr. Chairman, to that is that the confidentiality of the witnesses have to be kept within the confines of the board and the privacy has to apply.

**HON. B. URUSKI:** The information that is supplied to the board is of a confidential nature.

**MR. CHAIRMAN:** Further discussion on Page 12? Page 12, as amended—pass on division; Page 13 - I believe

there is an amendment to Section 9(2), unless there's a discussion on earlier sections.

Mr. Manness.

**MR. C. MANNES:** Yes, 8(5) Report to minister. Why does the board have to submit a report to the Minister?

**HON. B. URUSKI:** Primarily that section is there so that there is a safeguard that the board is operating within the aims and objectives of the legislation.

**MR. C. MANNES:** Mr. Chairman, I can't accept that. I was a chairman of a board that followed an act, and I never remember having to report to the Minister findings and comments and recommendations.

**HON. B. URUSKI:** Yes, you have.

**MR. C. MANNES:** I did not — (Interjection) — To the decisions, sure; that could be referred.

**HON. B. URUSKI:** Well that's exactly what it is.

**MR. C. MANNES:** "... a report of its findings, comments and recommendations."

**MR. CHAIRMAN:** Further discussion?

**MR. J. DOWNEY:** Mr. Chairman, because I made the point earlier that it would appear that it be a political board and that the reporting of this board would be, I think, important to all the people in the Legislature, would it be possible, or would the Minister give consideration to have the board report to the Agricultural Committee of the Legislature, as well as to the Minister? Mr. Chairman, it would be an opportunity for members of the Legislature to question them on their activities. Has consideration been given to that?

**HON. B. URUSKI:** Mr. Chairman, Mr. Downey's colleague, the Member for Roblin-Russell, just said that the board's activities should be totally confidential, while he now says, let's have the board appear before the Legislature.

It has been historical practice, Mr. Chairman, that boards which normally are of a commercial nature within the Province of Manitoba, dealing with funds that are appropriated by the House, and operate commercial ventures, would be those that do appear before a standing committee of the House. I doubt whether I am aware of any boards of a regulatory nature that do appear. Staff members would appear during the Estimates of the appropriate Minister during the course of the debate during the Estimates.

**MR. CHAIRMAN:** Section 9(2), an amendment, Mr. Harapiak.

**MR. H. HARAPIAK:** I move,

THAT subsection 9(2) of Bill 3 be amended by adding thereto at the end thereof the words and figures "other than for the purposes of Section 15."

**MR. CHAIRMAN:** You've heard the amendment, is there any discussion?

**HON. B. URUSKI:** Mr. Chairman, 9(2), this section has been redrafted to ensure that board members or employees may not disclose confidential information, except in relation to the administration and enforcement of the act as required by law.

**MR. CHAIRMAN:** Any further discussion? The amendment as moved—pass on division; Page 13, as amended—pass; Page 14 - there is an amendment to Section 10. Is there any discussion on the sections before Section 10?

Mr. Harapiak, Section 10.

**MR. H. HARAPIAK:** I move,

THAT Section 10 of Bill 3 be amended by adding thereto immediately after the word "act" in the 1st line thereof the words and figures "other than for the purposes of Section 15."

**MR. CHAIRMAN:** Is there any discussion on the amendment?

Mr. Uruski.

**HON. B. URUSKI:** Mr. Chairman, as I understand it, the amendment means the onus of establishing that an interest in farm land has not been acquired in contravention of the act, lies with the person who has acquired the interest except insofar as criminal prosecutions are concerned and in those instances the board would have to prove that there was an intent to commit that crime or that offence.

**MR. CHAIRMAN:** Mr. Manness? On the amendment? The amendment as moved—pass. Any further discussion on Page 14?

Mr. Manness.

**MR. C. MANNES:** Yes, I'd like to pose a question on Section 10, as amended. I know that the existing act has - well, is it the same? Does it have the same reverse onus clause in it?

**HON. B. URUSKI:** Mr. Chairman, the honourable member should remember that the original amendments to the present act, which were proposed by his colleague dealing with reverse onus, were placing the onus on the vendor as having to determine whether or not the purchaser was legitimate. It was the then Member for Inkster who, in fact, raised this with me and said, you know, if you want to have some fun with the government, leave it in, because then the onus will fall on every farmer in the Province of Manitoba to prove that the purchaser of their farm land was legitimate and it wasn't the onus on the purchaser to prove that he was legitimate, it was on the farmer. We didn't go that far. We raised it in the House and the then Minister of Agriculture saw the dilemma and the error and accepted an amendment. But I should tell you that that was the original proposal that was in the present legislation.

**MR. J. DOWNEY:** We saw the error of our ways and changed. Are you going to do the same?

**MR. CHAIRMAN:** Further discussion on Page 14?

Mr. Manness.

**MR. C. MANNES:** Mr. Chairman, I would then ask the Minister, if the government feels that it is necessary to have reverse onus in this particular bill, is it necessary to uphold the act by that power, by maintaining and having within the act the power of reverse onus?

**HON. B. URUSKI:** Mr. Chairman, in the conducting of investigations, not in the prosecution, but in the conducting of investigations and trying to get information, it is very difficult and it has been very clear that one of the major problems the board has encountered is with the receiving and getting of information from Canadian corporations domiciled out of the Province of Manitoba. In fact, information has been provided but never in many instances of a type of nature not relevant to the questions raised and whether we believe that this provision is necessary in order for the board to be able to conduct its investigations.

**MR. C. MANNES:** Well, two points, Mr. Chairman. Firstly, I don't know with the existing act where the shortcoming was in that regard and to what degree this, plus what follows, strengthens the ability for the new board to acquire information.

Secondly, again, I harken back to my experiences when I was involved in a regulatory board, which did not have this power. In other words, it cannot dwell upon an act upon gossip or third-hand information that came forward and then presume to investigate with all the powers at hand. Again, I'm asking if this is absolutely necessary, particularly in view of the other regulations that have been presented earlier, that this board require all these powers.

**HON. B. URUSKI:** Mr. Chairman, one can't categorically say - and I can't - there may be some instances can be given in which this section will be required to be used. However, I should tell the honourable member the difficulty that the board faced under the present legislation is, of course, primarily with Canadian corporations' domicile out of Manitoba in terms of their activities.

While that is now not allowed under the act, I would have to say that the section itself is there and is in a number of statutes. Whether or not when it will be used, I'm sorry, I cannot give a ready-hand example of when that section might be used. Possibly legal counsel might be able to give me an instance in which this section would have to be used. The onus section.

**MR. CHAIRMAN:** Mr. Freedman.

**MR. R. FREEDMAN:** Mr. Chairman, the circumstances where the onus provision would come into play would be - I guess the best example is where the board is conducting a hearing which it can only do under certain circumstances which must exist first under the other sections - and at that point the person, who is alleged to have contravened the act and to hold an interest in farm land contrary to the provisions of the act, would then be required to demonstrate that that interest was held in compliance with the act and not in contravention

of the act and reverse onus provisions are sensitive issues.

This one is intended to assist in the administration of the act in cases where the true knowledge of the state of affairs is not possible to be determined within the confines of Manitoba. Obviously the board would be able to obtain whatever evidence existed within this province, it has the jurisdiction and authority to do that. It has no authority to go into Kenora or into Estevan, let alone other countries.

If there is a hearing - and grounds must exist to hold a hearing - at that stage the person, whose interest is in question and in whose mind the facts are known, is required to come in to the board and establish his holding in conformity.

**MR. CHAIRMAN:** Mr. Downey.

**MR. J. DOWNEY:** Mr. Chairman, as I understood this in my times of preparing legislation, the biggest case that was made was from the people who were administering the act in trying to get a handle on those people who were living outside of the province so I suppose it makes it easier for them.

I do think in principle, when I've had more time to think about it, that it is somewhat different than the way we would normally write legislation in this country. Maybe the Minister or legal counsel could give us other examples where this type of reverse onus is used to help support or to administer acts. Are there other areas that examples could be used?

**MR. CHAIRMAN:** Mr. Freedman.

**MR. R. FREEDMAN:** Mr. Chairman, I would be happy to provide whatever we can provide if I have a little time to do that. This evening I'd be able to do that.

**HON. B. URUSKI:** Mr. Chairman, the provisions are the same, or similar to these acts, are contained in the other provincial acts, as well as some Federal Statutes, in terms of, for example, I believe the Customs Act has a reversal in its provision. There are a number of statutes that have them in there but I know the Federal Customs Act has a reverse-onus provision. — (Interjection) — Probably has, there's probably a number of them.

**MR. CHAIRMAN:** Mr. McKenzie.

**MR. W. MCKENZIE:** Mr. Chairman, on the same. Wouldn't it be simpler to put the onus on the board to prove that the acts been contravened, that would simplify the matter.

**MR. CHAIRMAN:** Further discussion on Page 14. Further discussion?

Mr. Downey.

**MR. J. DOWNEY:** Mr. Chairman, the Member for Roblin-Russell asked the Minister a question, wouldn't it be better to put the onus directly on the board, as would be the normal case to prove that the act is being contravened?

**HON. B. URUSKI:** Mr. Chairman, should the honourable member be aware of the various techniques that have

been employed, and his colleague would be one that would be able to tell him, to circumvent the present legislation, that without those kinds of provisions it would be meaningless. In turn the legislation would, in fact, be meaningless. It would be, in certain instances, a matter of words on paper, and with no powers to gather information to determine whether or not there may have been a contravention of the act.

**MR. J. DOWNEY:** Mr. Chairman, I'm somewhat surprised at the Minister's response because he keeps continually telling us that the act that's in place isn't effective and there are loopholes in it. Now he's saying he's using this particular clause to support the present act, so what is wrong with the current act that's in place with this in there? Why would the Minister now want to write a whole new act taking away the rights of other Canadians, and the rights of Manitobans, using the instrument of incorporation to accomplish what he said has to be accomplished when, in fact, right here he's saying what's in the present act is used to support it and keep the individuals from outside of this country from using loopholes. So, in other words, what he's been telling the public, over the last many years, that there are loopholes in the present act has been a falsehood.

**HON. B. URUSKI:** Mr. Chairman, to make sure that there is ample authority . . . you know, I wish to investigate any possible contraventions. Mr. Chairman, there is no law, and the honourable member well knows it, there's no law that is written and provides some flexibility where someone will not be able to find an opportunity, or devise a way, in which, if one is desirous, to circumvent a piece of legislation.

So, Mr. Chairman, you know nothing is just black and white, and cut and dried.

**MR. CHAIRMAN:** Further discussion on Page 14. Page 14 pass, as amended on division. Yes, as amended, and on division. Page 15, any discussion. Mr. Downey.

**MR. J. DOWNEY:** I have a question of the Minister. Is this basically the same as the current act, the compulsory production of books and information, Mr. Chairman?

**HON. B. URUSKI:** I'll just check the legislation, I had it here just a moment ago.

Mr. Chairman, there is a provision under Section 9(1) of the present act for the production of documents.

**MR. J. DOWNEY:** Is it basically the same? This would appear to be fairly tough . . .

**HON. B. URUSKI:** Well let me see here.

**MR. J. DOWNEY:** . . . law that is being introduced but I'm just wondering if that's the kind of power that's necessary.

**HON. B. URUSKI:** Yes, for example, ". . . may at all reasonable times demand the production of, and may inspect such books and documents and papers or

records of the person, corporation being investigated" is in the present act.

**MR. J. DOWNEY:** Who would have the authority under this act to request that information? Who would be the officer, or the individual in charge of requesting this information? Would a board member have that power or would it be an employee of the board?

**HON. B. URUSKI:** It would be an employee of the board. There is one person who has been in the employ of the board for a number of years who conducts investigations. Mr. Osborne is the person who has conducted the investigations on behalf of the board.

**MR. CHAIRMAN:** Further discussion on Page 15. Mr. McKenzie.

**MR. W. McKENZIE:** I wonder there in the issuance of a search warrant for any member of the board, why shouldn't that be the Chairman of the Board?

**HON. B. URUSKI:** Issuance of a search warrant?

**MR. W. McKENZIE:** Yes.

**HON. B. URUSKI:** Mr. Chairman, the Chairman of the Board has no authority to issue a search warrant. The board has to go before a judge in which they have to show reasonable and probably grounds.

**MR. W. McKENZIE:** This is any member of the board; why shouldn't it be the Chairman, he's the Chairman of the Board? Where a provincial judge is satisfied, by information on oath of a member. I was wondering why it couldn't be the Chairman of the Board.

**HON. B. URUSKI:** Mr. Chairman, in the event that the Chairman may be away it's a member, any member of the board.

**MR. CHAIRMAN:** Further discussion on Page 15. Page 15. Sorry, Section 11(4). Mr. Harapiak, an amendment.

**MR. H. HARAPIAK:** I move THAT Clause 11(4)(b), of Bill 3 be amended by adding thereto immediately after the word "reasonable", in the 1st line thereof the word "probable".

**MR. CHAIRMAN:** You've heard the amendment. Is there any discussion on the amendment? The amendment—pass.

**MR. W. McKENZIE:** On division.

**MR. CHAIRMAN:** On division. Page 15, as amended—pass.

**MR. J. DOWNEY:** On division.

**MR. CHAIRMAN:** On division. Page 16—pass.

**MR. J. DOWNEY:** On division.

**MR. CHAIRMAN:** Page 16—pass on division.  
Page 17, Mr. Harapiak, amendment to Section 12.

**MR. H. HARAPIAK:** I move  
THAT Section 12, of Bill 3, be struck out and the following section be substituted therefor:

Confidentiality.  
12 Information obtained by or furnished to the board or any member, employee or agent of the board shall not be communicated by the board or member, employee or agent, other than for the purposes of, or in connection with this act, or as required by law.

**MR. CHAIRMAN:** You've heard the amendment as moved. Is there is any explanation or discussion?  
Mr. Uruski.

**HON. B. URUSKI:** Mr. Chairman, this section has been redrafted to ensure that board members, or employees, may not disclose confidential information except in relation to the administration and enforcement of the act and as required by law.

**MR. CHAIRMAN:** Mr. Manness.

**MR. C. MANNESS:** I see earlier on that could have been disclosed to the Minister, that has now been removed.

**HON. B. URUSKI:** Yes, that has been removed. It doesn't preclude the Minister from receiving the information but it makes sure that it is not released to anyone else who may not be legally entitled.

**MR. CHAIRMAN:** Mr. Manness.

**MR. C. MANNESS:** What are your intentions regarding rising at this time?

Committee rise?

**MR. CHAIRMAN:** Did you want to finish discussion on this amendment?

**MR. C. MANNESS:** Yes, I think it would be fine.

**MR. CHAIRMAN:** Would that be appropriate? Unless you expect the discussion of this amendment to take some time.

Mr. Manness.

**MR. C. MANNESS:** No, fine, if you want to finish this amendment, I have one question.

**MR. CHAIRMAN:** Further discussion on the amendment on Section 12? The amendment as moved—pass.

Mr. Manness.

**MR. C. MANNESS:** One question, Mr. Chairman, before we rise. I'm wondering if the government is considering at all any amendments along the lines of the proposals made by the Farm Bureau where a dual system determining residency or citizenship could be included in this bill.

**HON. B. URUSKI:** No, Mr. Chairman, we are not intending to bring about amendments to the act to set up a dual system.

**MR. CHAIRMAN:** I can't advise the committee when the next meeting will be. I don't know if we will be in the House all of the normal afternoon sitting hours. If not, it may well be that the meeting will be announced after the adjournment or this evening.

Committee rise.