

LAND: A COMMODITY OR A RESOURCE?
The Evolving Land Ethic in Canada

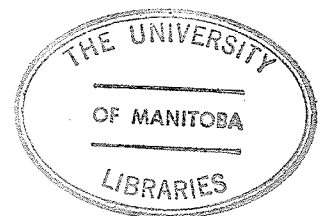
A Thesis

Submitted to the Faculty of Architecture
and the Faculty of Graduate Studies
in Partial Fulfilment for the Requirements
for the Degree of
Master of City Planning
in the Department of City Planning
University of Manitoba

by

David Thomas Smith
Winnipeg, Manitoba
August, 1977

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ACKNOWLEDGEMENTS

The production of this thesis would not have been possible, without coaching and assistance from a number of people. At this point, I would like to express my sincere thanks.

First of all, I would like to thank Terri Madill and Sandra Dyck, for their patience and care in the typing of my thesis, as well as, the xeroxing which they did for me. Without their efforts, this thesis would not have been completed.

Dr. Kent Gerecke, Head of the Department of City Planning at the University of Manitoba has been extremely helpful to me. Despite having tremendous demands made upon his time in terms of re-organizing and modernizing the City Planning program which he has recently taken over, Kent has found time to be my thesis advisor. Being under direction was very helpful. Many of his ideas have inspired me and his encouragement has helped to give me confidence in myself, which I lacked prior to being under his direction.

Prof. Basil Rotoff, Professor at the Dept. of City Planning, University of Manitoba, the first reader of this thesis, was also very helpful. He is a valued friend who provided constructive criticism and was always willing to help. His advice, and his teaching of many of the practical aspects and technical skills necessary for someone who hopes to be employed in the field of planning, are greatly appreciated.

Thanks are also in order for Dr. Ruben Bellan, Dept. of Economics, University of Manitoba, the external reader, for his help and his patience in this regard.

I would also like to thank those people who granted me some

time for an interview, despite having busy schedules. These included: Professor Greg Mason, Department of Economics, University of Manitoba; Dr. David Delisle, Department of Agriculture, Province of Manitoba; Bob Douglas, Manitoba Farm Bureau; Michael Rennie, Department of Finance, Province of Manitoba; and John N. Whiting, Director, Municipal Planning Branch, Province of Manitoba.

There were also some people in other provinces of Canada, working with various government agencies on programs, who sent me up-to-date information included: G. Runka, Chairman, B. C. Land Commission; J. R. Gylander, Executive Director, Alberta Land Use Forum; Thomas Heath, Director, Niagra Escarpment Commission; and John McClellan, Executive Director, Prince Edward Island Land Use Commission. Two Politicians in Ontario; The Honorable Arthur Meen, Minister of Revenue; and Steven Lewis, Opposition Leader, were also helpful, and I am grateful.

Finally, I would like to thank my father and mother, Tom and Betty Smith. How can one find the right words to thank two people who have done so much for me in my lifetime - including some assistance from dad in doing some editing work.

Thanks to all concerned.

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CHAPTER 1

INTRODUCTION TO THESIS

CHAPTER 1INTRODUCTION

A long-standing academic debate has been evident in Canada for many years on the subject of our land. The debate generally has taken the form of basic questions such as: Is Land a Resource, or is it a Commodity? Should land be recognized and treated as a resource, or a commodity? While Canada is by no means the only country in the world which is asking questions such as these, it is important to view this subject in Canadian context not only because of Canada's political status as an individual and independent nation, but also of its unique historical, cultural, and economic traditions and development. While many Canadian publications, articles, and conferences have touched on this subject, there is a need to draw much of this material together and determine such things as how a range of Canadians view land, where current land policy efforts are leading us, and what direction is needed to cope with current and future land-related problems.

The terms commodity and resource are generally used to represent an opposite "state of affairs". These terms have been explained by Samuelson and Scott's economic theory:

Economics is the study of how men and society choose, with or without the use of money, to employ scarce productive resources, which could have alternative uses, to produce various commodities over time and distribute them for consumption, now and in the future, among various people and groups in society. ¹

A commodity is defined as a material good - something of value which yields satisfaction and is bought and sold in the market. Natural resources, strictly speaking, are given by nature and are untouched by human hands such as rivers, mineral deposits, and virgin farmland or virgin timber stands. However,

when human effort is applied to a resource, such as trees and stone removal, drainage, and fertilizers along with other aids in production are added to farmland, for example, it could be considered a material good - a commodity. However, even after farmland is improved, it still has such characteristics as quality of levelness, soil texture and composition, natural rainfall, and climate for all time, and in this sense, it is still a resource. ² For purposes of a more concise analysis, the economic definitions of commodity and resource will be modified slightly in this thesis in order that they are in line with land use and planning concerns. These are:

Commodity

- something of value which is bought and sold in the market with little or no public intervention into its disposal in the market.

Resource

- something which is of unique capability and of limited quantity necessitating public intervention into the market to perpetuate and sustain its unique capability.

There are a number of reasons why our "land" - how we recognize its value and how we treat it in terms of land policy - has been selected as the primary element of discussion in this thesis. World population is doubling in the space of 35-40 years. If this trend continues, there will likely be much more pressure put upon affluent western nations by under-developed nations to grow food and provide material needs to improve the state of the poorer countries. Can the finite quantity of land, as well as, the water and food supplements obtained from oceans, lakes, and rivers, continue to support increasing human populations? The quality of the Canadian environment is gradually being reduced in many ways such as - many of North-western Ontario's lakes and rivers have become poisoned with mercury, the Great Lakes are heavily polluted with industrial wastes, oil tankers have occasionally been damaged and lost their cargo which has destroyed underwater fisheries, birds, and parts of the coastline. High-rise urban living is thought of by some as unaesthetic, hazardous in the event of a fire, and perhaps even bad for one's mental health. Canada has plans for expansion of Nuclear energy in the country, even though the dangers of nuclear waste upon humans and the environment are not fully known.

Is it possible that we could destroy our environment and human life (in Canada or on the planet earth) through misuse of our water and our land?

Another major concern relates to foreign investment in Canada. While we may be aware that most primary resource extraction in Canada is undertaken by foreign American or European multi national corporations, we may not be as aware that many of the land development companies owning large tracts of land within and around the larger Canadian cities are owned by foreign - and mostly European interests. Is this a healthy position for a nation's economy to be in? Are Canadians satisfied with foreign investors playing such a dominant role in Canada's economy and Canada's urban development?

Land costs have had a considerable impact upon the high cost of housing. Many years ago, land costs represented a small proportion of total housing costs, but in recent years the cost of land represents much higher proportions of the cost of housing. Factors such as land speculation, monopolistic elements on the supply side of land, and the requirements of municipal finance appear to be largely responsible. Many individuals or real estate interests make a business of buying and selling land - often withholding it from the market (speculating) in hope of inflating its value and making large personal profits. Major land developers have the ability to contribute to shortages of developed lots by withholding land from development in order to maximize profits, and they are suspected of doing this. Also, Municipalities generally consider new developments based upon their relationship to revenues and expenditures. This often results in shifting the burden of financing of the Municipalities to the developers - which has the impact of reducing smaller firms and market competition. Can these characteristics of the land market be allowed to continue, pushing up land and housing prices, or is there justification for public intervention into this market?

Not to be underestimated are a large number of land use problems and issues which public planning is currently attempting to cope with.

Many problems relate to growing urban centers, and the conflicts in the urban-rural fringe areas where urban activities and population infiltrate the rural areas and can actually threaten the farming community and rural life styles. Deteriorating neighbourhoods within larger urban centers represent a land use issue and social responsibility for decision makers and planning personnel. Controlling heavy recreational development on fragile shoreline areas, and providing the population with sufficient access to outdoor recreation are among the major land use problems confronting public planners. Should collective community interests such as the interests of the farming community and rural life-styles, the interests of the urban neighbourhoods, the interest of protecting fragile shoreline and providing the access to recreation areas to a majority of the population be more important than the individual interest in land - to do as one pleases with privately owned property?

Federal, Provincial, Regional (where they exist), and Municipal governments throughout Canada are all involved in certain defined ways with the management, planning, or administration of various aspects of land. It is probably safe to say that the civil service of nearly all levels of the government have been increasing in numbers over the years. The functions of governments - the number of departments and programs set up - have broadened over the years. Many new functions relate to land, such as the British Columbia Land Commission Act, the Ontario Land Speculation Tax Act, Prince Edward Island's restrictions on non-resident ownership, the new National Housing Act, the Federal Foreign Investment Review Agency or the Greater Vancouver Regional District Plan. Does most of the newly created government legislation relating to land recognize and treat land as the resource? Does the legislation represent significant public intervention into the land market in the attempt to perpetuate land's unique capability for a specific use?

A number of serious issues and problems related to land in Canada have been pointed out. Questions such as those asked so far in this

introduction have prompted the following hypothesis of this thesis:

There has been a significant shift from perceiving land as a commodity towards perceiving land as a resource.

In attempting to prove this hypothesis, this thesis should provide a thorough analysis of many dimensions of land policy within Canada.

It should be noted that this thesis will be written in the "City Planning Tradition". The research will be in the nature of an applied science, and not a pure science. A large amount of the data is non-quantitative. Much of the substance, in other words, deals with values which are not measurable, such as societal attitudes, and subjective opinions by prominent academics doing research in a field related to land policy. Analysis throughout this thesis will be of subjective and non-quantitative nature.

In preparing this thesis, a methodology was used. This methodology encompassed 5 steps:

1. Data Collection Stage - The subject area of land was pursued. In this stage a large volume of literature was reviewed. Many books, newspaper articles, magazine articles, and journals were studied.
2. Hypothesis Formulation Stage - On a wide range of data on the subject was reviewed, a specific area or focus was identified, and a hypothesis was formulated.
3. Organization Stage - In this stage data on the subject was arranged and sorted out. Any missing data was obtained from wherever possible. This stage also included writing to various government agencies across Canada for information and conducting interviews with knowledgeable people in the Winnipeg area on the subject. There was also periodic consultation with the thesis advisor.
4. Written Stage - With the data having been organized, an analysis of the data, and the writing of the thesis began. Where there was data missing, attempts were made to obtain the data. An effort was made during this stage to continue to keep in contact with various provincial agencies, by mail so that the activities of the programs and committees (B.C. Land Commission, Alberta Land Use Forum etc.) were up to date. There was also some re-organization of the structure of the thesis in this stage.

5. Evaluation of Hypothesis Stage - On the basis of the analysis of the data in the draft of this point, the ultimate fate of the hypothesis was determined in this stage. Personal impressions of the research conducted and the state of the subject was expressed here as well. This stage encompassed chapter 7 of this thesis.

The state of research related to land is so widespread, that it would probably be impossible for any one person to read all the valuable information related to the subject. Such fields as city planning, geography, geology, economics, political science, archeology, sociology, psychology, law, engineering, land surveying, agriculture, biology, ecology, and architecture, to name a few, are all concerned in some way with land, and one could find research relating to land in all of these fields. With the knowledge of this, one might ask the question, that since so much data and research has already been done on the subject, why write a thesis about land? The large volume of data on land may in itself be justification for writing this thesis. Because most of the data on land is fragmented, and even isolated from other data. There is a need to draw the different types of academic research together on land. This may help to promote better inter-disciplinary understanding of the subject. An attempt at bringing different research together may help to reduce confusion about land which appears to be confronting many Canadians.

With literature being so widespread on the topic of land, it is highly unlikely that all sources could have been tapped. Due to the amount of time available, the extent of the research is limited. For example, certain land issues such as native land claims, have not been examined in detail in this thesis. A vast number of sources, however, have been used.

Certain assumptions may be apparent in this thesis. Obviously, an assumption is that there is a need for inter-disciplinary research on the subject of land. Also, it has been assumed that there is a rather clear - cut distinction between treating land as a commodity and treating land as a resource - this point could perhaps be debated at some

length. Another assumption, is that there is a need to review land policy in Canada.

Along with these assumptions, an attempt has been made throughout this thesis to not be totally constrained by what John Kenneth Galbraith has referred to as "the concept of conventional wisdom".³ Galbraith suggests that ideas which are more acceptable to people will generally be prevalent amongst the public - even if other ideas are more relevant. The acceptability of ideas, he says, are generally a manifestation of their general familiarity, and it is these ideas which are usually easiest to understand. Galbraith says that conventional wisdom accommodates itself not to the world it is meant to interpret, but to the audiences' view of the world, and is always in danger of obsolescence. According to Galbraith, even in the academic community, including the highest levels of social science scholarship, old truth is most often put in a new form and the accepted ideas become increasingly more elaborate.

Many issues relating to land are of a very serious nature for both Canadians and for mankind as a whole. Prior to a United Nations Conference on Human Settlements held in Canada, a background paper stated the following:

There can be little doubt that, in terms of both quantity and quality, the settlements of modern man are confronted by increasing complexities and deepening crisis. There are difficulties, too, on the side of evolving effective policies to meet the crisis. Few bold visions or new ideas have emerged to counter the increasing environmental pressures on human settlements.⁴

At the United Nations Conference on Human Settlements, some serious recognition was given to the future treatment of land on the globe. One of the recommendations was:

Land is a scarce resource whose management should be subject to public surveillance or control in the interest of the nation. ⁵.

While there is some management of land within Canada, like other nations of the world, we too are facing serious problems on the nation's land. This thesis will include looking into many of the land-related problems in Canada, and it will critically look at the impact of some attempts at rectifying the specific problems. Some changes in the perception of our land will be suggested.

The research in this thesis has been organized into three parts. Part 1, is entitled "The Contradiction". In this part, there are two chapters. Chapter 2, examines arguments why land should be perceived as a resource. It examines some imperative world needs such as current population trends, environmental deterioration and ecological concerns, limited sources of energy and natural resources, urban sprawl and the loss of productive agricultural land, the preservation of wild life, and the world-wide concerns and co-operation as expressed by the United Nations. It also looks at some of Canada's national, provincial, and local area land use and planning issues and problems. Chapter 3, looks at various dimensions of Canadian attitudes towards land. It looks at attitudes in relation to Canadian culture and history, as well as from the perspective of various interest groups in society - the individual homeowner, the farming community, the land developer and related real estate investor, some academics and politicians, and some other associations concerned with issues of land policy. There appears to be a contradiction in Canada as to how we perceive our land. While present world trends and land related issues and problems within Canada tend to point out that we need to perceive land as a resource, the majority in Canada have historically perceived land as a commodity. This represents "The Contradiction".

In Part 2, the question of "Is there a Shift?", is reviewed. Part 2, includes Chapters 4, 5, and 6. In Chapter 4, different

aspects of land as a commodity in Canadian context are explored. There is an analysis of imperfections in the current urban land market, and some information which points out who is benefitting from current urban land development. Some trends of ownership and sale of land in non-urban land will also be examined. The chapter also makes reference to the influence on the land market and Canada's economy of foreign investment in, or ownership of resources, non-urban land, and urban property and land. Chapter 5, reviews the roles of the Federal, Provincial, and local Government's in areas effecting the use, the ownership, and the sale or disposal of land within the country. Chapter 6, looks at land legislation and programs in five provinces in Canada. This contains an analysis of the British Columbia Land Commission Act, the Alberta Land Use Forum, the Manitoba Planning Act, (1976), the "Official Plan" concept in Ontario, the Ontario Land Speculation Tax Act, the Ontario Land Transfer Tax Act, the Prince Edward Island Land Use Commission, and Non-Resident Ownership Restriction in Prince Edward Island.

Part III of the thesis will attempt to answer the question "where do we stand?" This part contains chapter 7, the conclusion. It will prove, or disprove the hypothesis, and some personal impressions from the research and analysis in this thesis will be put forward. This final chapter will make some recommendations for Land Policy in Canada.

CHAPTER 1

NOTES

1. Samuelson, P.A. and Scott, A., Economics: An Introductory Analysis (Toronto: MacGraw-Hill of Canada Ltd., 1968), p. 5.
2. Reynolds, L.C., Economics: A General Introduction (Georgetown: Richard D. Unwin Inc., 1969), p. 4-5.
3. Galbraith, J.K., The Affluent Society (Toronto: A Mentor Book Publication, 1958), p. 20.
4. Ward, B., Human Settlements: Crisis and Opportunity (Ottawa: Published by the Federal Ministry of State for Urban Affairs, 1974), p. 6.
5. Community Planning Association of Canada, Recommendations for National Action (Ottawa: Community Planning Association of Canada, summer newsletter, containing recommendations of the United Nations Conference on Human Settlements - Habitat, August 1976).

PART ONE

"THE CONTRADICTION"

Considerable evidence in the world indicates that greater attention should be given to lands value as a resource. For example, urban settlements near tropical regions are expanding into the jungle. The depletion of jungle forest land has had the impact of reducing the hunting territory and agricultural land of primitive natives who have existed undisturbed for hundreds of years. The native and the wildlife populations have suffered as a result.

In Canada, we are beginning to realize that land is a valuable resource. However, the private ownership of land and the existence of land as a commodity is still strongly engrained as a fundamental "human right", as reflected in the attitudes of most Canadians. The contradiction as to how Canadians view their land will continue to come to the front as an issue of major importance as long as the nation continues to grow and the demands put upon our land increase.

CHAPTER 2

The Argument for Land to be
Perceived as a Resource

Commoner and Ehrlich see land use as central to the issue of survival of the planet. At stake is not simply the arrangements of man's artifacts, but the potential disappearance of his life support system.

Barry Commoner, University of Washington

Paul R. Ehrlich, Stanford University

The Argument for Land to be Perceived as a ResourceA. INTRODUCTION

A number of global trends and world statistics bear our information which suggests that the use of our land is of great concern- and that the use of it should be carefully managed and looked upon as a resource. Certain trends and statistics reveal a very dismal and shocking fate for the future of mankind. Topics of this nature which will be discussed here will be:

1. increasing world population and finite resources, limited resources of energy, minerals, water and land.
2. urban sprawl and the loss of agricultural land.
3. water resources management.
4. man and environmental deterioration
5. international and national concern.

Section B of this chapter will consist of these topics:

Other issues which are evident, more so as short-term problems of land use aside from the issues relating to the future fate of mankind and they will be discussed here. These problems, however, may have serious long-range implications for a nation, a region, or a community if a solution is not found. It can be argued that the solution to these problems is also to shift our emphasis from viewing land as a commodity towards viewing land as a resource. These short-term problems to be discussed here are:

1. planning in the public interest
2. inequities and discrimination of conventional property assessment- and taxation
3. natural disasters on fragile lands
4. the future need for recreational land
5. urban and urban fringe planning problems:

Section C of this Chapter contains these topics.

B. The World Imperatives: The Need to Shift Toward Perceiving Land as a Resource

1. Increasing World Population and Finite Resources

The issue of the over-population of the world, the exhaustion or deterioration of the earth's natural resources and widespread disaster for mankind has been a recurring controversial subject for many years. The subject was first discussed by Reverend Thomas Malthus, in 1798,¹ when he pointed out the relationship between the increasing population of the world, and the world's capacity for agricultural and resource production. Human populations, if not checked would increase more rapidly than the means of subsistence, Malthus suggested. Populations always increase up to the limits imposed by the means of subsistence, that is, until they are prevented from increasing further by insufficient food and by disease and war, he said.

Malthus predicted disaster for the western world, but the western populations have grown far beyond the levels he would have considered possible, and the poverty and deprivation so widely spread in Malthus's time was enormously decreased. It is clear that Malthus's reasoning and the principles he enunciated were sound. His extrapolation into the future suffered not from lack of proper reasoning, but from lack of sufficient knowledge of the potentialities of technological development.

Since Malthus's time, the subject of world population has been the pursuit of many academics. Borgstrom, a man with considerable expertise in the field of nutrition, has projected a gloomy future for the world:

If the world's population continues to expand at the present rate (double every 35-40 years) within 120 years the present production of foodstuffs will have to be increased eightfold if the present standards have to be maintained... If the minimum requirements of the entire present population were to be met, food production would have to be doubled immediately.²

The most thorough work in this subject area in recent years has been done by the Club of Rome, consisting of a group of 30 individuals (scientists, educators, economists, humanists, industrialists, and national and international civil servants) on a project entitled The Predicament of Mankind.³ This study entailed massive expenditure of funds and very sophisticated computerized technology.* The project had two immediate objectives in mind:

1. To gain insights into the limits of our world system and the constraints.
2. To help identify and study the dominant elements and their interactions that influence the long-term behaviour of world systems.

The first objective examined the continual and often accelerated pace in the growth of population, land occupancy, production, consumption, waste, etc. It is often assumed that the environment will permit such expansion, or that science or technology will overcome any such obstacles. The degree to which such an assumption for growth is compatible with the dimensions of the finite society and the world's political and social tensions was examined.

The second objective was an analysis of current trends, their influence on each other and the possible outcome. It was hoped that the results would provide warnings of potential world crisis if the trends were to continue, and enable the opportunity for changes in political, economic and social systems to make sure that any catastrophe will not take place.

*Massachusetts Institute of Technology, Professor Jay Forrester presented a global model (developed with others) in the field of Systems Dynamics uniquely suited to research demands. Financial support came from the Volkswagon Foundation.

The results of the Predicament of Mankind Study of the Club of Rome, published under the title of Limits of Growth have shocked the world in the seventies. * The conclusions of the project are as follows:

1. If the present growth trends in world population, industrialization, pollution, food production, and resource depletion continue unchanged, the limits to growth on this planet will be reached sometime within the next one hundred years. The most probable result will be rather sudden and uncontrollable decline in both population and industrial capacity.
2. It is possible to alter these growth trends and to establish a condition of ecological and economic stability that is sustainable far into the future. The state of global equilibrium could be designed so that the basic material needs of each person on earth are satisfied and each person has an equal opportunity to realize his individual human potential.
3. If the world's people decide to strive to this second outcome rather than the first, the sooner they begin working to attain it, the greater will be their chances of success. ⁴

Even though the assumptions and calculations of the project could be incorrect, the notion of limited amount of human liveable space, and limited amounts of supporting natural materials available on the planet earth, necessitates that land use must be managed and perceived as a resource. The Club of Rome acknowledged that many have looked at the world from a long-term, global perspective and reached similar conclusions, but that the vast majority of policy-makers are actively pursuing goals which are inconsistent with their results.

*Many have strongly refuted the project and findings of the Club of Rome. John Maddox, in his book, the Doomsday Syndrome (reviewed in Winnipeg Free Press, Saturday, February 9, 1974) states that in all its complexity, the Club of Rome's computer model of the world has made a naive assumption. It is silly to assume that the world's stock of raw materials can be represented by a single number (x) to last for 100 to 250 years at the present rate of consumption. The calculation, he says, makes no allowance for any changing pattern of material useage, for the vastness of the supply of such materials as aluminum, and for the certainty that the threat or scarcity will encourage further exploitation and recycling. The calcuations in the view of Maddox are irrelevant to the real world.

The 'energy crisis' in the recent years has brought this issue to the 'limits of growth' into the spotlight. Although the crisis was artificially created by the Organization of Petroleum Exporting Countries (OPEC) and their freeze on exports to western nations in 1973, and possibly as well by multi-national oil corporations based in the United States who may have been manipulating the supply and demand factors of the market to obtain higher profits as suggested by Laxer,⁵ the inevitable fact that non-renewable resources are not in endless supply has become obvious to the affluent western world. Peter Thompson,⁶ has stated that the future energy supply is the most important question confronting Canada today. The problem is not as severe or immediate for Canada as it is for many countries, because we have oil supplies for 15-20 years discovered and waiting to be used, and a 20-30 year supply of natural gas. With the world situation now changed from a buyers to a sellers market, Canadians face the prospect of paying very high prices for energy in the future, consumption cutbacks, and possibly energy rationing.

In Appendix IA-C, some national concerns for Canada's population growth and supply of resources are indicated.

2. Loss of Agricultural Land to Urban Sprawl

What could be better evidence for the urgent need of a policy for the management of land, and for land to be looked upon more as being a resource^{*} than the knowledge of people dying of starvation. This is the case for a large portion of the world's population. Recent journalistic research done by Lee Griggs states the following:

*In the Soviet Union, the state owns all land. The agricultural sector has performed miserably over the last decade in that country, and many would argue that the reason for this is because of the state control of land, the lack of individual initiative for above average agricultural output. What is meant by treating land use more as a resource in this context may mean in terms of farmland, productive land as agricultural land in that use, but finding the incentive means in terms of agricultural policies to encourage high productivity.

Nearly half a billion people are suffering from some form of hunger; 10,000 of them die of starvation each week in Africa, Asia and Latin America. There are all too familiar severe shortages of food in the sub-sahelian countries of Chad, Gambia, Mali, Mauritania, Senegal, Upper Volta, and Niger; also in Ethiopia, North-eastern Brazil, India, and Bangladesh. India, alone needs 8 to 10 million tons of food this year (1974) from outside sources, or else as many as 30 million people might starve.

Only less serious are the situations in Honduras, Burma, Burundi, Rwanda, the Sudan, and Yemen.... In Haiti, because of disregard for soil conservation, hundreds of thousands of subsistence farmers face starvation.

A number of measures have been suggested to encourage nations to adopt more efficient agricultural techniques to increase output.

1. Cultivate new lands
2. Use more fertilizer
3. Increase the supply of water
4. Improve food distribution and storage
5. Develop new varieties of crops
6. Open agricultural research institutes in underdeveloped countries.

Most of the measures are being practiced in Canada today, but they are done more to increase farm production and improve farm profits than to assist starving foreign countries. The cultivation of new lands could be important in world terms, but in Canadian terms, there is no current urgency for further cultivation.

One-half of the worlds estimated 7.8 billion acres of potentially arable land is currently farmed by man. The richest and most

accessible half, is currently under production, and studies indicate that the remaining lands will require immense capital inputs to reach, clear and fertilize before it is ready to produce food. The most promising used lands, soil technicians, indicate are located in:

- the Amazon basin of northeast Brazil
- the savannahs of Columbia, Venezuela, Equador, and Brazil where livestock could graze if plant varieties are bred that would thrive in the high-acid soil.
- a broad band of 1.7 billion acres across Central Africa now infected with the debilitating Tsetse Fly.
- areas in Malaysia, Thailand, Burma, Indonesia (notably Borneo and Sumatra) and the fertile, but politically fragile Mekong River Basin.
- the U. S. currently has 400 million acres under cultivation, but an additional 264 million acres now productive as pasture and timberland could be farmed, but poor conditions, and location would mean that tremendous investment would be required to grow crops there.

In the Canadian context, research done by Hoffman ¹⁰ indicates over 200 million acres of land are estimated to be arable for agriculture use, 174,124,846 acres are now developed, and 26,446,000 acres, he estimates, could be developed as arable land in the country.

For the last quarter century, Canada, New Zealand, Australia, Argentina, and the U. S. (which plays by far the greatest role) have consistently harvested surpluses of grain and satisfied the growing demand in both industrialized, as well as, in many developing countries. ¹¹ These surplus producing countries, and their citizens of the Western World will decide whether they have the moral obligation

to feed the starving.

It may be possible that if the world's food supply were evenly divided among the planets inhabitants, hunger could be curbed - even for several decades, Griggs says, for a wealthy nation, or a nation with a considerable surplus of food production to donate food or give financial and technical aid to starving nations, this is an act of human compassion and generosity, and demonstrates goodwill on the part of this nation - such an act of diplomacy cannot help but gain worldwide applause.

It has been pointed out that food production, the agricultural sector, is of vital importance to the world's individual nations, and the provinces and regions of Canada. Urban expansion, often referred to as 'urban sprawl' accounts for large amounts of productive farmland being taken out of agricultural use each year in Canada and other parts of the world. In the U.S., an estimated 600,000 acres of fertile land are lost each year due to the construction of highways, shopping centers, and housing developments.¹² In Canada, this problem is also very much in evidence in that nearly all of its major cities are located on good agricultural soil, and their expansion continues to absorb arable land. Historically, our cities generally developed along rivers with a fertile hinterland surrounding them. Most people wish to avoid the rigorous climate of the north, its muskeg and bare rock, the exception being enjoying limited outdoor summer recreation activities such as fishing and camping. As a result, most of the occupied land is in Southern Canada. Only 10% of our 2,272 million acres is cultivated arable land, the rest is physically (either climatically or in terms of terrain) unsuitable for agricultural purposes. But the same land that is available for agricultural purposes is the most desirable for other purposes.¹³ In some areas of Canada, case studies have shown that the loss of fertile land to urbanization has indeed been critical. In the Niagara area of Ontario, for example:

It is estimated, that before colonization there were about 35,000 acres of tender fruit soils in the Niagara area, and that by 1958 about 13,000 acres, or 37 percent had been lost to urbanization... Between 1934 and 1954, only 24% of urban growth took place on tender soils. The annual loss was 84 acres average per year over a 20 year period. But in the period 1954 to 1958, the annual rate of loss jumped to an annual average of 322 acres, with about 60% of urban expansion on tender fruit acres. 14

For the province of Ontario, the following trend has been indicated:

Between 1966 and 1971, for every additional person in the population, there was a loss of almost two acres (8 hectares) of farmland. At this rate, Southern Ontario will lose 1/3 of its agricultural area when its population reaches 10 million. A reasonable projection shows Ontario reaching the 10 million mark by 1991. 15

In British Columbia, for example, studies completed by the provincial government in 1972 indicated some shocking trends.

- agricultural land was being eroded due urban sprawl which by 1972 had reached 15,000 acres per year.
- 90% of B. C.'s land area is mountainous and non-arable - only 5% of the land is suitable for production of food crops.
- of the land area west of the rockies, only 3% of the land area is suitable for agriculture and only 1% is of high agricultural capability - only 1/100th of 1% is suitable for production of fruit trees.
- to satisfy domestic needs and maintain the option of a trading position in the food markets of the world, B. C.'s remaining agricultural land must be safeguarded. 16

The loss of productive farmland in some areas of Canada has reached dangerously high proportions. What this has shown is that policies and programs regarding urban and urban fringe land use, in British Columbia and Ontario in the past years, lacked the foresight and comprehensiveness to cope with the dynamic process of urbanization. Good agricultural land is not seriously viewed as a valuable and limited resource. Several other environmental factors have an important impact upon mankind and his existence on land.

3. Water Resources and Watershed Management

The Watershed Region is extremely important in any analysis of land. According to Van Ginkel,¹⁷ the use of the land and water resources might be considered the most important element, "Kingpin in the organization of the life of the nation". An example is cited of the water level of the St. Lawrence River having dropped in the 1960's, causing increased problems of water pollution and spoiling of much shoreline for recreation, and a diminishing harbour capacity resulting in economic loss to, in particular, the city of Montreal. To some extent, this was due to the city of Chicago, which took water from Lake Michigan and began to divert it to the Mississippi River system. Of course, numerous other reasons, it is suggested, may have also accounted for this drop in water level, but the impact of the Chicago diversion upon other regions was never fully understood - until, perhaps, after the fact. Van Ginkel, suggests some concerns in water management:

Water used for the development of hydro-electric power can result in the establishing of new industries, which in turn use water for processing. The new industries, result in more employment and opportunities and in population growth, which increases the domestic consumption of water. New residential development may occupy farm land, this decreasing water retention in the soil, increasing erosion, and decreasing the supply of water - in this case for power - can in

turn create a further demand - and further depletion of water resources... the initial establishment of industry as a result of power supply may attract a new labour force to the area... If this does occur - that industry attracts industry - primary industry attracts secondary industry, etc., it is easy to see that the demand for water is cumulative. 18

Compounded to the problem of water consumption is the problem of re-use upstream pollution by industry can kill existing communities downstream. Water re-used may become not only unfit for domestic consumption, but also unfit for use by certain downstream industries.

Van Ginkel suggests that the roots of the water resources problem lie in the socio-economic life of the region in which industry, commerce, residence, shipping, agriculture, and recreation are independent, and the only real solution is an integrated solution in terms of regional planning.

4. Man and Environmental Deterioration

Concern for the environment has been expressed by many people. Dr. Paul Erhlich,¹⁹ relates some fundamental concerns of the future state of mankind and his existence in the world environment. He points out, like many others have, the problems of increasing numbers of people (continually increasing crude birth rates in underdeveloped countries in particular, combined with the declining Mortality Rates throughout the world over the last two centuries), and the effect that many more people will have upon the stock of the world's finite non-renewable resources, and renewable resources as well. To Ehrlich, however, the "Population Bomb", as he describes it, is evident in the overdeveloped (affluent) countries of the western society. This problem is primarily in the form of environmental deterioration. Several examples are cited. One example is, the use of pesticides and herbicides for use in agriculture. It is pointed out that indivi-

duals which have been born since 1945, and have had considerable exposure to DDT since before birth may have shorter life expectancies than they would if DDT had never existed. Another example he cites, is that over 70% of the total oxygen produced by photosynthesis, is largely produced by planktonic diatoms in the ocean. The dumping of toxic substances such as pesticides, radioisotopes, and detergents, research indicates, is reducing photosynthesis by marine diatoms, and may well be bringing disaster upon ourselves.

To cite a current example, mercury pollution of some of the waters in Japan, and in Northwestern Ontario in recent years by industry, has resulted in human death and environmental damage. Mercury poisoning or "Minamata disease", a crippling disease of the nervous system affected more than 800 people and killed more than 100 people in a small Japanese town in 1956. ²⁰ Indian Reserves of Grassy Narrows and White Dog in Ontario have been seriously affected because the main diet of the native people is the fish which have become contaminated by the high mercury levels in the waters of the reserves. It will take hundreds of years for mercury pollution levels to disappear from where they now occur. As of yet, the total damage and deaths caused in Northwestern Ontario is not known, but the environmental quality has been damaged for many generations.

Preserving areas for wildlife habitat is another important field in the large scale question of land use and the resource base. Indeed, the expanding human population and mankind's increasing penetration into former wilderness areas for resource exploration and recreation have had a profound effect upon non-human, as well as, the human populations. According to Ehrlich:

As a direct result of this explosion, some organisms, such as the passenger pigeon, are not extinct. Many others such as the larger wild animals of all continents have been greatly reduced

in numbers. Still others such as sewer rats and house flies enjoy much enlarged populations... Ecologists - these biologists who study the relationships of plants and animals are especially concerned about these changes. They realize how easily disrupted are ecological systems (called ecosystems), and they are afraid of both the short and the long range consequences for those ecosystems of many of mankind's activities. 21

If we accept this premise that wildlife should be protected and that our existence as humans is dependant upon the ecosystem - including wildlife around us, then it is essential that land and its use management be the tool for the designation and preservation of wildlife, a necessary resource.

Such authors as Commoner and the Ehrlichs see land use as central to the issue of survival of the planet. At stake is not simply the arrangement of man's artifacts, but the potential disappearance of his life support system. 22

In the long run, it is evident that population growth, finite and declining resources, and the future condition of the environment necessitate a shift towards viewing land more in the context of a resource.

5. International and National Concern

Response to these pressing issues of world-wide concern has resulted in the United Nations authorizing a series of conferences. The conferences held so far have been:

1. ENVIRONMENT CONFERENCE (Stockholm, Sweden, 1972), the monitoring and preservation of the life support systems of biosphere - air, soil, fish, fresh water, and the oceans.
2. POPULATION CONFERENCE (Bucharest, 1974) the provision of adequate nutrition, material and child care, and family planning services available to couples and individuals to secure the survival of children and a consequent reduction in family size.

3. FOOD CONFERENCE (Rome, 1974) the creation of emergency food stocks, the building of a world grain reserve system and a large increase in investment in Third World agriculture.
4. HABITAT CONFERENCE (Vancouver, June, 1976)
The work of the conference followed two main lines. The first was global exchange of practical ideas, techniques and systems that have already proven their success in the solution of specific human settlement problems. These included examples of housing, transport, waste disposal, energy conservation, environmental safeguards, innovative governmental structures and a hundred other components of the actual planning, design and management of community life. The second level was a global analysis at the policy-making level of these problems as they relate to social and political systems, urban-rural relationships, land use policies, financial mechanisms, international co-operation and other issues which governments believe essential. 23

On the subject of the Habitat conference in Vancouver, some comments have been made about it. Problems were evident in the organization of the conference. Two parallel conferences were, in effect, taking place in Vancouver - the U. N. Governmental Conference comprising elected officials, and a Non-Governmental Organization (N.G.O.) Conference called "Habitat Forum" consisting of interested citizens. Although there were some problems evident - language barriers, coordination of the two conferences, the success was reflected in raising questions over the future of the U. N., debating important issues involving the Human Settlements, and raising the consciousness of Canadians on world problems. In particular, the issues of clean water, land profiteering, and nuclear energy were heavily debated. A total of 64 resolutions comprising the "Habitat declaration of principles" were unanimously passed by all official U. N. delegates from the countries represented at the conference (See Appendix II). Of particular significance

was a commitment by Canada's Justice Minister, Ron Basford, to attain clean water for all Canadians by 1990, and to take an anti-nuclear view in the Federal Cabinet. Canada's Minister of Housing, Barney Danson, also made some interesting commitments on increasing the government role in reclaiming the unearned increment in land resale value.

In the short run, a number of issues of the use of land are confronting governments in many western countries and particularly, in provinces, municipalities, and regions of Canada as well. The trend towards urbanization has intensified land use pressures in specific areas, especially metropolitan areas and their peripheral regions. A number of concerns of land use will be examined in relation to urban regions. Some other land use related issues will also be touched upon which will not necessarily be synonymous with urban land.

C. Land Use Issues and Problems Indicating a Need for Shifting Towards Viewing Land as a Resource

1. Planning In the Public Interest

The case for viewing land in the context of resource can be made for any settlement or area which is comprised of different uses of land. This argument is virtually the same argument for public intervention into the land market by governments - the activity usually referred to as planning. Everyone lives and works on land or in buildings within some special context. Some examples of this are:

- | | |
|--------------------|---|
| Street | - a strip of land used for transportation |
| Apartment | - a building on a plot of land used for residence |
| School | - a building on a plot of land used for education purposes |
| Grocery Store | - a building on a piece of land for business purposes selling goods to people |
| Playground or Park | - a piece of land used for outdoor recreation |

In any settlement, public land uses like streets, playgrounds, and schools, and private land uses like business, industry, and residents (apartments or houses) are in existence. It is obvious that public and private uses are inter-related. Public uses cannot be intelligently located without planning, and private uses likewise, require planning. This old argument was voiced several decades ago by Alfred Bettman.

If, for instance, the location of a street be determined without relation to the location of the homes and industries and shops, the street will break down and blight rather than build up and invigorate the areas through, and to which it runs and the investment in the street will be more or less wasted. 24

Planning in this context is an activity involving the "public interest" in land use. This being the case, an argument can be made for perceiving land as a resource on the basis of the public interest in the use of land. The most important factors in the decision of private interests, for example, their place of business or home to locate, relates to public decisions such as the location of transportation facilities (major public streets and highways, railroads, and airports) schools, recreation areas, and other public service facilities (such as sewer, water and electricity).

2. Inequities and Discrimination of Conventional Property Assessment and Taxation

Another issue relating to land use is the property assessment and taxation process. Municipal governments almost entirely depend upon property taxes for their income. The property assessment system, the method of determining the rate of taxation for individuals, has evolved over several years. The Manitoba Farm Bureau ²⁵ has suggested that the property assessment system is unfair because many

social, physical, and economic changes through time have compounded inequities in the system.

Because it is impossible for every property to be assessed each year, an assessor calculates the value of a specific piece of property for a specific year, and evaluates other properties in the immediate region on a comparable basis. For agricultural land, two factors are included in these calculations, the productivity of the soil and the market value of the land.

The Farm Bureau states that the calculations which are made according to assessment formula's are inaccurate reflections of an equitable tax system and are unfair in many ways. Calculations comparing productive capacities of a soil type are usually unfair.

In Manitoba, an index based upon the Manitoba Soil Survey is used for assessing calculations, but farmers claim that this is unfair because other factors such as soil texture, topography, degree of stoniness, degree of erosion, salinity, drainage, depth of topsoil, etc., all influence land value and selling price of land. Calculations in finding average market value, often require adjustments to be made because fluctuations in the prices of farm lands and property in towns produce major changes in the relationships between property values.

There are other examples of inequity in the assessment and taxation system. Sometimes the potential market value of a piece of land is inflated for reasons out of line with the actual ability of the land to produce. Many urban people are buying parcels of land in rural areas as places to live, or to go on weekends and holidays. Whether or not the land is on productive farmland, the purchasers are not dependant on the productive capacity of the land for income, and they are willing to pay much higher prices for land than if it were purchased for agricultural purposes. When land assessment is influenced

by the price hobby farmers have paid, then genuine farmers nearby hobby farms face assessment hardship. For example, taxes will be disproportionately high:

Value of land for Agriculture	@ \$100 Per Acre	Sale Value to Hobby Farmer @ \$200 Per Acre
640 acres	\$64,000	\$128,000
Assessment	\$24,400	\$ 52,800
Taxation	\$ 600	\$ 1,200

Source: Manitoba Farm Bureau Information Document, March, 1973.

The farmer who is using the above land for agricultural production in such an area where hobby farms are being bought, may in fact, be paying much more tax than would normally be paid on agricultural land. Agricultural land owners close to cities, in particular, where the potential sale value is much greater than the actual revenue - producing ability as agricultural land, generally pay disproportionately high taxes. High taxes are a cost to the farmer, and farmers near cities may choose the option of selling their land at a good personal profit to the urban developers rather than continue farming with the expense of high taxes which other farmers more distant from cities don't pay.

It appears evident that assessment and taxation practises unintentionally discriminate against the farmer and farmland uses. If productive agricultural land is to be viewed as a valuable resource, property taxes around urban areas should be improved so that farmers in these areas are not pushed off their land due to rising taxes and costs to their operation.

3. Natural Disasters on Fragile Land

Another reason why land should be viewed as a resource is that certain areas are subject to natural disasters. Some examples of this has been documented by Neville Ward and Valerie Crammer.²⁶ Many cities and towns have been constructed in river valleys and on flood plains, and are subject to periodic flooding, which results in costly relief. In the spring of 1973, communities on the St. John River in New Brunswick were flooded. The flood caused serious damage to buildings and land. In April of 1974, citizens of Lumsden, Saskatchewan narrowly overcame disaster from the overflowing of the Qu'Appelle River. A tragic event occurred in the Village of St. Jean-Vianne in Quebec which was built next to unstable leda clays associated with steep slope. After a winter of record snow falls and after a wet spring, on May 4, 1971, a landslide killed 31 people and demolished most of the village at night. It cost the Quebec government \$8,000,000 to relocate the surviving residents. Ward and Crammer attribute these disasters to inadequate planning which allowed construction and expansion of a community on hazardous land, a lack of zoning controls and strict adherence to official plans where they exist, which results in misuse of land resources.

4. The Need for Future Recreation Land

An important aspect of man's life is his need for recreation. Scenic areas, often near water are generally preferred for regional recreation use. According to U. S. experts in 1967,²⁷ in 20 years, four times as much area will be needed per capita for parks and recreational purposes. Park areas are particularly needed where they could be accessible to the growing urban areas for "day use" activity including such activities as picnicing, swimming, and other forms of recreation. Wilderness parks and more actively used water-base recreation - parks will also be needed for the anticipated future demand. Land suited for these purposes is a valuable resource.

5. Urban and Urban Fringe Planning Problems

Lorne Russworm has stated that the most critical land in Canada is the land within the urban fields of our cities where considerable competition for land exists. ²⁸ Russworm makes the point that such land is of national significance because the fringe land along with current urban areas will provide land space for over 90 percent of Canada's future population. Along with providing for future residential land, the land approximately 50 miles from our cities will have to produce much of our future food and future play space.

Sand and gravel represent valuable urban resources and are used particularly in construction for making concrete in roadways and in new developments. Because sand and gravel are excavated from open pits, environmental problems can result. Groundwater pollution or streams sedimentation can occur because excavation sites also characterize these sites.

Much urban development has often taken place on land with high quality sand and gravel deposits. These areas should be designated as areas not to be used for urban development. Sand and gravel deposits are generally scarce, and the greater the distances they are located from where construction occurs - in cities and on roadways, the greater will be the cost to haul them to the site of the construction. Sand and gravel deposits, particularly when located near urban areas, are a scarce resource, and should not be considered a commodity.

Urban Resource Planning techniques today, are able to identify and monitor urban land and its development capability. Peter Jacobs, ³⁰ who conducted a comprehensive study of the relationship between a growing urban community of Halifax and the natural resource base, states that the urban fringe is a transition zone that links one concentrated activity (the urban core) with a set of dispersed

activities (sources of water, food, and recreational land). The 'potential diversity' of community structures in an environment, he says, depends upon our ability to manage the natural resource base and the demands on that base by the growing community. Jacobs, in his research, developed a computer-assisted manipulation and printout system for an analysis of the natural capability, development suitability and economic feasibility of types of development in the Halifax urban region.

Within the urban area, urban decay must be confronted at some time in all cities. To assess the impact of such facilities as truck routes, bus routes, railway lines, high rise development, etc., upon existing neighbourhoods is a tremendous challenge of planners. Communities and neighbourhood citizens need to be involved in the process of planning and redevelopment. This enables citizens to care for and to have pride in their neighbourhood and community, and a planner can enhance this by encouraging participation. Urban planning issues such as these may not directly relate to spacial dimensions, but they are indirectly related to future city form.

In the last decade, recent occurrences have given cause to, at least be concerned with the pattern of the use of urban and non-urban land, and the resultant predominate life style and level of affluence which we enjoy. Two of these obvious events are:

- the so called energy crisis, which has resulted in oil and gas prices more than doubling in price in just two years; combined with the fact that projections have indicated that some of our non-renewable resources have a limited life expectancy - in the case of petroleum perhaps less than two decades.
- the lowest world food stocks in 20 years, (1973-74), and fear that further crop failures could lead to the ghastliest famine in the history of mankind, has led to concern over urban sprawl chewing up a scarce world asset, arable land.

Research conducted in the United States ³¹ has indicated that higher density development is more efficient than lower density development in terms of land utilization (used less land for residential purposes) and investment costs (initial costs distinctly lower). Also, it was found that less total pollution resulted from high density developments, and substantial savings in energy consumption are evident in the higher density development (see Appendix III). Studies such as this one, clearly illustrate low density development is much more costly to society than a higher density alternative. Indeed, awareness of this has prompted many, such as Douglas Fullerton ³² to pose the question: "Regardless of what people want, can we as a society afford the sprawling city that has so characterized urban growth these past three decades?" In a country with a democratic tradition, this question poses difficulties because people generally don't like to be told they can't do things.

Fullerton suggests, that North American suburb, made possible by the car, is almost totally dependant on it. Most neighbourhood damage, he says, is caused by cars of suburbanities, the widening of street, and the building of expressways to accomodate the needs of commuters. ³² Fullerton makes several recommendations which would have an impact upon personal values, urban morphology, and land use. He suggests:

- improved public transit as an alternative to the automobile.
- denser buildings in central cities either by infill housing, or high rise building which although not ideal for families, may be attractive for the married and childless couples.
- maintaining rich architectural style of buildings.
- make downtowns more attractive, such as Ottawa's National Arts Center, Sparks St. Mall, and amenities such as bicycle paths, walkways and the use of the Rideau Canal for boating/skating.

- learn from well designed 3 and 4 storey row flats and apartments in Europe which surpass Canadian Housing Standards.

Treating land in the context of a resource within the city where the supply of land is scarce, and the demand for it is great, it is often argued, may make the task of planning function better, and help to improve the quality of life.

D. Conclusion

A number of arguments have been put forward which support the position of viewing land as a resource opposed to a commodity. Mankind's long-term survival may depend upon treating land as a resource. Management of land in the context of a resource may also contribute to a better quality environment in which the urban and rural land are protected and managed in the "public interest". Attitudes towards land in Canada, for the most part, have tended to contradict the environmental evidence which indicates that in the public interest, land should be perceived as a resource. The next chapter will examine various attitudes towards land in Canada.

CHAPTER 2

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CHAPTER 3

Attitudes Towards Land in Canada

The government is going to take a larger role in running institutions, as we're doing with our anti-inflation controls, as we'll be presumeable doing even after the controls are ended... It means there's going to be not less authority over our lives, but more... There's no longer a belief in the absolute liberal state. It's an interventionist state which intervenes to make sure that the strong and powerful don't abuse their strength and their power in order to take freedoms away.

Pierre Trudeau, Prime Minister
of Canada

CHAPTER 3Attitudes Towards LandA. Introduction

The attitudes of the Canadian public could be looked upon as one of the fundamental reasons why land policy and legislation has evolved to its present state. It is the public which, in our democratic system, elects a government, or votes it out of power. Regardless of political affiliation, the attitudes of the public on issues such as land, have had profound effects upon the types of government policies and legislation effecting our lives.

A number of attitudes towards land can be identified. The task of identifying attitudes is a difficult one because there are many different attitudes, and many that conflict with each other. Research gathered has tended to indicate that Canadian attitudes towards land have been shaped by two major factors:

1. Cultural and historical factors (section B)
2. Specific interest related factors (section C)

The analysis of attitudes will be looked at in terms of these two factors. Cultural and historical factors including such things as the federal government of Canada's immigration policy, the conception of endless amounts of land in North America and the desire for private home ownership, and housing policy within Canada will be briefly discussed in this chapter. A number of attitudes and opinions about land from a number of specific interests such as: the individual home-owner, the farmer (farm associations), some reputable academics and politicians, the developer and property investor interests, and some other associations concerned with various land issues will also be discussed. It is hoped that this analysis will significantly add to the evaluation of whether or not there has been a significant shift from perceiving land as a resource.

B. Cultural Values and Historical Dimensions of Attitudes Towards Land

1. The Federal Government of Canada's Immigration Policy

During the period just after confederation 1867-1915, Canada as we know it today, contained vast amounts of unsettled land, particularly the very habitable and fertile land of today's western prairie provinces. The federal government employed a major policy to bring immigrants to Canada and to settle the land at this time. Homestead Acts passed in 1872 and 1905, and advertising campaigns in Europe about "Canada, the land of Opportunity" were the major thrust of the government. Large grants of land were given to railroad corporations. The Canadian Pacific Railroad was given \$25,000,000 and twenty-five million acres of land, to induce them to bring settlers to the territory and sustain them after they arrived. ¹ The Canadian Pacific Railroad completed the transcontinental rail line in 1885, and this had a significant effect in opening up the west.

Research done by Lawrence Officer indicates the following immigration pattern in Canada's history:

British immigration to Canada remained low until 1820, and concentrated in Upper Canada (Ontario). The largest wave of immigration in Canadian history occurred in the decade prior to the First World War. In the period 1903-1913, 2.6 million immigrants came to Canada. Many people were neither French nor English, but of diverse European nationalities and settled in the Canadian West... Compared to the Canadian population of 5.4 million in 1901... immigration from Canada (2.6 million, an average of 237,000 a year) amounted to over half of the gross flow... Since the end of the Second World War, say in 1946 - 1967 (period), 2.9 million immigrants came to Canada... an average of only 113,000 a year. ²

2. The Conception of Endless Amounts of Land in North America and the Desire for Private Home Ownership

Canada, like the United States, can be described as a nation



of immigrants. A considerable amount of research done both in the United States, and a small amount done in Canada, suggest that values and attitudes supporting private ownership of land go hand-in-hand with the desire for freedom and individuality. The following evidence documented by three academics had made this claim creditable. In the words of Henry Bennett:

The hunger for land, which like the yearning for freedom, is universal, was one of the strongest motives in the settlement of North America. The restlessness of an increasing number of families without land was one of the factors that led to the American Revolution. The colonies had inherited the land laws of the mother country. ³

R.W.G. Bryant stated:

In a society based upon independent farmers and entrepreneurs, and in which wage earners could hope to save enough to start a business of their own, the property idea was naturally part and parcel of the notion of individuality. It followed also, that in American democracy, the idea that every man can do as he wishes with his own property. ⁴

Finally, Frederick Jackson Turner said:

In the repeated beginnings over again of civilization as settlement moved west, a social evolution occurred last endowed the people with new institutions, new traits and new values particularly adapted to a new land... There frontier life endowed the people with particular native characteristics, coarseness and strength, acuteness and inquisitiveness, an inventive turn of mind, a restless energy, a strong spirit of self reliance, a dominant individualism, an emphasis on materialism and above all the buoyancy and exuberance which comes with freedom. ⁵

No detailed comparison between Canadian and American attitudes towards land is intended here. However, if the historical development

of the west in both countries is examined, many similarities are found. Both nations' governments actively pursued policies to develop the interiors (the West) of their nations. Settlement of the western regions of the nations usually went hand-in-hand with the construction of the railroad lines. Both nations attracted settlers by offering generous homesteading privileges. A tremendous desire and competition for land was evident in both countries. More importantly in the evaluation of attitudes, however, is the values favouring freedom and individualism which went along with the preference for private ownership of land. These values and attitudes have been prevalent in Canadian culture throughout Canada's history for over 100 years.

Synonymous with the desire for individual ownership for land is the desire for the single family dwelling. Louis Wirth, a sociologist, ⁶ has found in his research that home ownership is an important value. Other values such as physical mobility of North American society appear to be incompatible with home ownership, but the segment of the population, who hold values of being physically mobile as most important, might not deem home ownership as being essential. However, at some stage in one's life cycle, private home ownership (of a single family home) would most likely be desired, according to Wirth.

3. Housing Policy Within Canada

Today, the single family detached dwelling unit is an obvious reality. In Canada, large percentages of urban land-especially in city suburbs are occupied by single family detached homes. The reason for this, is that governmental housing policy has been supportive to the individuals preference for private ownership of the single family detached home. Since the establishment of the Dominion Housing Act (1935), later the National Housing Act (1944), and the Central Mortgage and Housing Corporation (1945), the biggest

thrust of the federal governments housing policy has been to give supportive funding to the private sector for various apartment and housing project construction, and provided direct loans to home owners. A Central Mortgage and Housing Corporation report stated that two-thirds of Canadian families need subsidies, and the figure is increasing. 7

The federal government in recent years has made suggestions indicating a definite concern for the housing needs of Canadians to be met more effectively. In the words of Ron Basford, the former Minister of State for Urban Affairs, clearly enunciated governmental concern in this area.

When we talk in a general way about the subject of housing, we are talking about an elemental human need - the need for shelter, for physical comfort in that shelter. When we talk about people's basic needs - the requirements for survival - society and the government obviously have an obligation to assure that these basic needs of shelter are met. Good housing at reasonable cost is the societal right of every citizen of this country.

As legislators, as administrators, as a federal government working with provinces and with the private sector that must be our objective, our obligation, and our goal. 8

Recent federal government action has been in the direction of maintaining the long-standing values favouring private home ownership. Some program amendments made to the National Housing Act in 1973 which have reinforced private home ownership. These were:

Assisted Home Ownership Program (AHOP) - Helps lower income families become owners of new or existing housing by providing loans of 95% lending value plus insurance fee. It requires a down payment of 5% of lending value redeemable in the form of cash, labour, capital, or provincial grant.

Co-operative Housing Assistance -
forms of assistance to make it possible
for low income families and persons to obtain
housing through co-op associations. 9

Since the new housing amendments, a number of further amendments were brought in to assist individuals to become home owners. The housing minister announced:

- Capital cost allowances (Registered Home Ownership Savings Plan) which allows the investment of \$2000 per year per couple, in income tax deductions, towards the purchase of a new home (for maximum of 10 years or \$20,000 per couple).
- a \$500 grant to first time purchasers of moderately priced new homes. This has now (1976) been extended to \$1000.
- further amendments to AHOP to direct more private funds into housing production where the greatest need (low income housing) exists. 10

The historical thrust of the central (Federal) Government has been to maintain individual ownership to housing.

Probably the most vocal opposition to the Federal Government's housing policy came from the former leader of the national New Democratic Party, David Lewis.

Prime Minister Trudeau's... housing proposals are an insult to the intelligence of the Canadian people... The (N.D.P.) Party Program would include six percent mortgages to lower monthly payments, a two price system for lumber and other basic construction commodities, and an end to land speculation. 11

Lewis's program would be a greater consumer subsidy for individuals to purchase housing, and also reflects in reinforcing Canadian cultural values of individual home ownership.

Historical trends and cultural values have been traditionally

reflected in an attitude favouring private ownership of land and housing in Canada.

C. Societal Interests and Attitudes Towards Land

1. The Individual Homeowner

It is quite an obvious phenomenon in Canada, that home owners favour the privately owned single family detached dwelling. Michelson,¹² a sociologist, attributes this demand for single family detached housing to its advantages for raising children. He suggests that children like to make noise either vocally or through strenuous exercise. When a family shares walls with other families, excessive noise must be muffled or neighbours will be antagonized, and may retaliate. Being a good neighbour is usually necessary for continued residence in a given building. Michelson suggests that a reason children might best be raised in detached homes is so that children need not continually be frustrated in what they want to do because continually frustrating them runs the risk of stunting their mental health.

Some recent Canadian research¹³ indicated that 5 major factors could be identified which are why the single family detached home is favoured by most Canadians. These are space, privacy, investment, freedom and status. (see Table I).

TABLE 1

REASONS FOR CANADIAN PREFERENCE FOR SINGLE FAMILY DWELLINGS

<u>Space</u>	-	in terms of the single family home, greater space is associated with the freedom of activity both within the dwelling and outside of it. Activities of almost all life styles can be accommodated, including activities of small children who play in close proximity to the household and can be under supervision.
<u>Privacy</u>	-	a detached house offers the best opportunity to achieve privacy, in particular, accoustically, while the front yard acts as a buffer between the public street and the private house, the backyard acts as private zones. Attention to design and personal landscaping and good quality building materials enhance the privacy of the single family detached house.
<u>Investment</u>	-	incentive for investment and/or speculation in land or in a house is quite prominent. Ownership, if one lives in their house, generally creates a responsibility to protect the investment which leads to more conscious maintenance, a sense of permanancy and a concern for community affairs related to investment.
<u>Freedom</u>	-	control of one's own environment is an important issue in housing choice. Whether choosing colors to paint a house, adding an addition or landscaping the yard, these are important elements perceived by many in controlling their environment. Leisure patterns can also be more self-determined if constraints such as neighbours of an apartment or multiple family structure are removed.
<u>Status</u>	-	ownership of a home, as well as, a car is often an indicator of social status. While in Great Britain, the social system is the most obvious indicator of social status, American values generally favour material goods and ownership of space as status indicators. Canadian cities are often considered as a compromise British - American Society. Emphasis on the front yard is also considered an important indication of the home as a status symbol.

Source: MacNeill, Stevenson, Woodroffe, University of Manitoba, 1975.

There are a number of reasons, some shown here, which indicate that a private home-ownership is preferred. Farm Associations have also expressed considerable concern for land use policy.

2. The Farming Community

The farming community has voiced concerns with such issues as preservation of productive agricultural land, the sale of farmland as a source of farmer's retirement income, leasing of farmland and foreign purchases of Canadian agricultural land.

A major issue facing the Canadian farming community is the issue of productive farmland near the urban centers where the selling price of the land is worth more than the crop producing potential of the land. This inflated value or speculative element of the land exists because of the possibility that some day land might be cut-up and developed. There is disagreement among farmers on this issue.

Two Farm Associations in Ontario, The Ontario Federation of Agriculture and the Canadian Farmers Federation of Ontario have taken opposite stands ¹⁴ on this issue. The Ontario Federation of Agriculture has taken the position that a farmer who has been farming for a number of years and is looking forward to retirement is not a regular speculator. After living most of his life on a small income, a farmer has the right to sell his land and live comfortably in retirement. Zoning land for permanent agricultural use would shatter these dreams by slicing a large speculative element off his land value. If governments lock the farmer's land into agriculture, they feel government should pay farmers compensation for loss of development rights. The Christian Farmers Federation of Ontario (a much smaller farm group in Ontario) has taken the opposite position. They say no land owners should be compensated for loss of development rights because that would simply be a means of the government bankrolling land speculation. The security

of food supplies should take priority over other considerations they claim, and all levels of government in Ontario should move ahead on a comprehensive program of land use planning with prime agricultural land permanently zoned for that use.

In Manitoba, the Manitoba Farm Bureau, has taken a stand similar to the Ontario Federation of Agriculture. They suggest that necessary steps should be taken to retain good agricultural land for the production of food, but the need for land zoning is not urgent except in those areas surrounding larger urban communities. A person who owns land which has the potential for another use, but whose land is being zoned or locked into agricultural production should be compensated, they say. They claim that zoning is unfair in restricting the right of farmers to sell their land because land with the potential for another use is taxed at a higher rate than would be charged for land used solely for farming.

In Saskatchewan and Manitoba, the governments have begun schemes whereby the governments buy land from retiring farmers and lease it back to young farmers who want to start or expand a farm. In Saskatchewan, the Land Bank Commission's program is specifically designed for farmers who can't qualify for existing credit programs to buy land. Leases are available on a cash-rent basis, and after five years the leasee has the option to buy the land from the land bank. In Manitoba, the land leasing program works much the same way with the Manitoba Agricultural Credit Corporation (MACC), buying land and leasing it back to farmers. ¹⁶ Information gathered from the Manitoba Farm Bureau indicates that they favour the attempts by the government to help young farmers get started farming and the attempts to maintain the family farm and restrict sales to large corporations, but they are very much opposed to long term leasing of land by governments to the farmer. They state:

We think it fair to say that most people in Manitoba favour private ownership of farm land as being the most desirable method of assuring their rights to decide what will be done with their land, including the disposition of it. In many instances there is a great deal of personal pride placed on the owning of farm land... land lease policies of M.A.C.C. have not been well communicated and are not well understood by the farm population. The young farmers' Homestead Act of 1975 has been introduced into the U. S. Senate... makes provision for the U. S. government to purchase farm land and lease it to young farmers with the provision that they must purchase their land within seven years at 75% of the appraised fair market value at the time of sale, or the purchase price, whichever is larger... The Manitoba Farm Bureau would favour a change in the policy of M.A.C.C.'s land lease program to bring it in line with the proposed U. S. program. 17

Foreign investment and ownership of Canadian farmland has met with mixed reaction from the farming community. The Manitoba Farm Bureau has stated:

Some farmers feel that they are having to compete unfairly with a variety of interests, ie: speculative, 'foreign' in some cases... Manitoba farmers are not opposed to purchases of farm land by non-residents or 'foreigners' who intend within reasonable time to become resident operators. 18

John Messer, the Saskatchewan Minister of Agriculture has stated that non-resident ownership represents a danger to farm communities. The government has passed legislation - The Saskatchewan Farm Ownership Act which restricts non-resident ownership of land in an attempt to preserve farmland. 19

Although there is not total agreement within the farm sector in Canada, it appears that farmers prefer to own their own land.

Compensation for the loss of development rights, most farmers believe, should be given to them if a program of permanent agricultural zoning is implemented. Most farmer associations also appear to favour restrictions placed on sales to foreign interests and non-resident owners. Academics and politicians have also voiced concern about land.

3. Academics and Politicians

Depending upon how critical society perceives the issue of the utilization and the ownership of land, and the condition of the environment, may reflect in different responses to the issue. Douglas Fullerton, former Chairman of the National Capital Commission in Ottawa and an economist, ²⁰ has stated that all land ownership except perhaps individual homeowners and family farms should revert to the public and be treated as a resource instead of a commodity. He cites the following reasons for this:

1. The world population growth, and continuing scarcity of land.
2. Land values are linked to the growth of cities, and rise because society as a whole spends a great deal of money extending its boundaries (infrastructure). Profits on land are not a function of any particular merit or action of the holder.
3. Speculative profits are paid for by the society as a whole, and these profits can be adjusted by the tax changes which favour the speculator.
4. Government control of land is essential to the development of good planning of our cities and our country side.
5. The land business is good business in that accumulation of land in advance of need will bring down housing cost (the mere thought of the government as a land holder will reduce speculative profits).

Fullerton's case is well taken. The public concern in land is obvious, but public ownership of land would raise several questions. Would the private owners of land be compensated and how much? What

amount of private use of land would be permitted? Could a society with its historical roots tied to private ownership and use of land, and a strong preference for single family home ownership accept public control? It seems difficult at this point in time, to imagine Canadian society accepting public ownership and control of land. The specific details of such a program, would determine the acceptance, and consequently the success or failure of such a program.

Hans Blumenfeld, ²¹ has pointed out some ideas which reflect upon another view of how to best perceive and manage our land. He relates the following data:

1. Canada is the world's most under populated country in terms of average population density amount per head of renewable, and non-renewable natural resources, and amount per head of arable land - there are about 4 acres of land suitable for growing crops for every Canadian compared to the global average of one acre per head.
2. For the foreseeable future, Canada's net immigration will average 1% annually - below world average. Canada will remain the world's most underpopulated country.
3. Canada's population is unevenly distributed, nine-tenths of all Canadians are concentrated on 7% of the land. This 7% however, equals more than the combined area of West Germany, the U.K., the Benelux countries, and Switzerland, which supports a population of about 150 million under comparable soil and climatic conditions.
4. The concern that absorption of agricultural land by the expansion of our large metropolitan areas may endanger our food supply is misplaced for 3 reasons:
 - assuming that in the year 2000, the projected population of the Metropolitan areas of Montreal, Toronto, and Vancouver will be 15 million, who occupy land at the low density of 10 per acre, this represents only 2% of all Canadian land suitable for agriculture.
 - the smaller the community, the greater the absorbtive capacity of the land. If 15 million

people would live in 300 communities (opposed to Canada's largest 3 cities) averaging 50,000 population, they would cover much more land with buildings and pavement. If they lived in villages of 500 each, they would still cover more.

- all urban land is not a concrete jungle. At a density of 10 persons per acre, the greater part consists of public and private open space (much of which could be used for food production, such as allotment gardens).

Blumenfeld does not express the same degree of urgency for the control of land in Canada, as does Fullerton. The difference in their viewpoints is quite profound. Fullerton sees land and its use in global context - and land control and management are the means with which to provide all of mankind with food, shelter, and energy. Private speculation and profit, and mismanagement of land are severe problems necessitating distinctive governmental intervention into the private market. Blumenfeld sees Canadian land use problems, and Canadian attitudes towards land as unique from those of other parts of the world such as Great Britain, India, or Soviet Union. There is not the need for immediate and drastic changes in the current land use planning practises in Canada, according to him. It appears that most viewpoints of academics and politicians towards land fall somewhere within the two views expressed by Fullerton and Blumenfeld. Attitudes on one hand involve very active public intervention into the land market in the form of public ownership of land. The other end of the scale (Blumenfeld) appears to represent more limited intervention into the urban land market through the use of the conventional planning process.

Some academics or politicians are proponents of very active public intervention into the land market. A number of views will be discussed along these lines.

A geographer at a conference, R. W. G. Bryant, has suggested that:

it is self evident that a community should be responsible for its own growth, but the market is not the proper mechanism for allocating the uses of land. Indeed, the further away land use is taken from the market, the better. ²²

The view of taking the process of the allocation of land uses away from the land market has been elaborated upon by many others. Renwick, a New Democratic member for Riverdale in the Ontario Legislature, has stated his party's position on housing policy:

we would engage in a massive acquisition of land in urban areas for the purpose to the government servicing these lands and providing the housing accommodation on a lease basis, so that while the buildings themselves may be available for sale in the market place, the land itself as serviced by government and controlled by government by long-term leases would maintain a stability in the price of land and provide the supply of serviced lots which would go a long way to meet the demand which is required. ²³

An economist, R. W. Wright, has suggested another active method of how governments could intervene into the land market. He suggests that cities could direct residential development onto sites which have not been anticipated by the private land market.

I am proposing that cities acquire land currently beyond the zone where prices have been inflated in anticipation of development, and then, through their zoning and infrastructure policies, direct almost all new development on to that public land. Such a strategy would represent a radical departure from past practises where civil administrations have tried to accommodate the property industry rather than outflank it. ²⁴

Wright believes that local governments must be prepared to step on the toes of the private sector because if they are not

constrained, they will cause significant externalities, in this case, put the price of new housing beyond the reach of the majority of the population. Wright does admit that such a policy would entail considerable public expenditure for land, and it would radically alter the urban form.

An un-named planning delegate of recent conference on Zoning Laws, and Alternatives in Canada and the U. S. has come up with an interesting analogy and proposition for land policy in Canada.

We have to face up to the issue of land prices. We seem to have two bad options at the moment, to allow 'leapfrog development', and have high servicing costs or to apply development controls and have very high land prices. The only way out is a combination of a speculation tax with public land assembly programs. 25

This comment of the delegate appears to reflect concerns of a planner engaged in practical aspects of planning, and it points out some of the problems of the current planning procedures. The idea of using taxation and public land assembly programs in combination is an interesting means of public intervention.

The Prime Minister of Canada, Pierre Trudeau has made a statement which may be an indication of active intervention into the free market as well.

The government is going to take a larger role in running institutions, as we're doing with our anti-inflation controls, as we'll be presumeably doing even after the controls are ended... It means there's going to be not less authority over our lives, but more... There's no longer a belief in the absolute liberal state. It's an interventionist state which intervenes to make sure that the strong and powerful don't abuse their strength and their power in order to take freedoms away. 26

If such a stated intention is sincere, government intervention into the land market could be forthcoming.

A number of academics and politicians have expressed attitudes supporting more limited intervention into the land market by the government. A number of views will be discussed in this regard.

Professor, W. T. Perks, a professor at the school of Environmental Design in Calgary, ²⁷ has stated that local governments and private interests work together to develop a common approach to land management. Perks suggests that public ownership of land may be an intensification of contest between public bureaucratic power and the power of the private-property industry. This could be more damaging than helpful for city development, he says, and more money and energy could be spent simply expanding cities that are already growing too fast.

Eugene Whelan, the Federal Minister of Agriculture has suggested that:

Local government planning and zoning should extend as far as the reach of the speculator and should go in advance of speculation. ²⁸

Whelan suggests more stringent use of traditional planning techniques such as zoning.

Ed McGill, a Progressive Conservative, Member of the Legislative Assembly in Manitoba has ²⁹ stressed the need for retaining agricultural land as a defence against starvation and future world shortages of agricultural commodities. He suggests that there should be more preoccupation with the use of land, than with the ownership of land. McGill suggests that it was the responsibility of the present generation to ensure that land is available for agriculture and recreation for future generation. The challenge, he says, is to determine the direction which should be taken in the preservation of Manitoba's arable land.

Professor S.W. Hamilton, a professor of Land Economics at the University of British Columbia,³⁰ has stated that planning authorities already have sufficient powers in the form of zoning and building codes to ensure good planning. The fact that these powers have not always been properly used in the past is not a valid reason for extending the power. The benefits of land banking according to Hamilton are illusory.

A number of viewpoints have been discussed by academics and politicians from across Canada who have been outspoken on the subject of land. The attitudes of these interests are of considerable significance as far as land is concerned because it is the academic community which we largely depend upon for new and innovative methods and technologies in many aspects of our lives. The politicians are the ones who bring new ideas into practical form, which in the case of land, are policies and programs for its use and ownership. The developer and property investors very often voice an opposite view.

4. Developer and Property Investor Interests

A number of viewpoints and attitudes have been expressed by a number of private interests, particularly the development industry and property-related businessman. These views will be examined at this point.

The Canadian Managers Property Association has stated the following:

Buy land... They're not making any more of it... Have you ever known anyone who regretted owning real estate?... Most Canadian fortunes³¹ have been built on Real Estate.

Land has been perceived as a means of earning a lot of income and high profits. It has been perceived as a speculative commodity by many private business interests, and has been for many years.

Ralph T. Scurfield, the president of Nu-West Development Corporation, ³² has stated his views on land, particularly housing development in Canada. He says that in Denver, Colorado in the United States, a city of over one million people, serviced lots in a suburban area run between \$7,000 and \$8,000 per lot, about one-third of the price of a comparable lot in any of the larger metropolitan areas of Canada. He says the reason for this is not because standards of servicing, or material costs, or labour costs, but the attitude and philosophy towards development which is less rigid and less restrictive. A healthy state of competition, he states, keeps raw land prices at an acceptable level. Scurfield makes two suggestions for housing development.

- 1) We must sit down and designate all the areas available for development over the next 20 years, ensuring that there is enough land to meet double the anticipated need. All restrictions, other than minimum safety, engineering and sanitary requirements should be removed.
- 2) An appropriate means of financing major road and trunk service extensions so that the financing cannot be used as an excuse for inhibiting development (perhaps a general levy borne by the persons benefitting-instead of frontage foot charge).

These steps, he indicates, would reduce the price of the average housing between \$12,000 and \$18,000 (reducing monthly mortgage payments by \$120. to \$180.) would create a highly competitive land development industry, and greater freedom of choice for consumers of housing.

Bruce MacLeod, the chairman of the Manitoba Council of the Housing and Urban Development Association of Canada, ³³ has said that the city of Winnipeg can do more for their housing problems by providing more serviced land than by public land banking. He stated that when government is buying land, the prospective seller expects to get a better price, but this is not often the

the case because government purchasing agents aren't prepared to drive hard bargains as are development companies. MacLeod suggests, that government land banking will artificially lower land prices, and this will cause developers to seek short-term projects, which means more expensive raw land. Government land banks, which remain in an unserviced state, as they do in Winnipeg, just act to restrict the supply of land, actually hence raise the price. MacLeod points out the best approach to use is to geat the installation of sewer, water, drainage, and road facilities primarily for housing production so it will act as a catalyst to open up serviced lots. He says if more land can be serviced more quickly, land speculation would be curtailed - this would be the best way to lower prices and ensure a sufficient housing.

R.C. Frazee, ³⁴ Executive Vice-President and General Manager of the Royal Bank of Canada has expressed a viewpoint, perhaps unique among many individuals involved with the corporate business world. He has stated that it is unacceptable for businessmen to regard profits as their only goal. Frazee stated that the growth of government into areas of business concern reflects the wishes of society. He says that big government exists, because people feel that government institutions are most likely to give them what they want and respond to their needs, than are the private institutions, but governments are realizing that they alone cannot solve the questions of a rapidly changing society, Frazee commented, and since business institutions, more than governments, substantially shape the lifestyles of people, there must be co-operation between governments and business to meet the needs of society.

The development industry and related businesses generally appear to favour a minimum of control and governmental intervention into their endeavours. They have generally acted to provide the various services of constructing housing, and at the same time, maximize their profits.

Some other groups interested in land within Canada, have also voiced several views.

5. Other Concerned Associations

A number of associations have expressed concern over the issue of land. Some of the more visable associations are:

- The Committee for an Independent Canada
- The Canadian Council of Resource and Environment Ministers
- The Social Science Research Council of Canada
- The Canadian Council on Urban and Regional Research
- The Community Planning Association of Canada
- Habitat

In this section, each of the following organizations and their activities and concerns involving land will be discussed.

The Committee for An Independent Canada was formed in the mid-1960's, in the interest of lobbying against the prevalence of foreign investment and ownership within the Canadian economy (resources, land, business, etc.). Mel' Hurtig, former persident of the Committee for An Independent Canada, has stated "all polls taken across Canada have consistantly shown that Canadians are opposed to both further foreign investment and to further foreign ownership of any kind".³⁵ Actions of this pressure group have helped to make the problems of foreign investment and ownership of Canada more visable to Canadians, and they may have had some impact upon the more recent governmental legislation in this area.

The Community Planning Association of Canada (CPAC),³⁶ has documented several conferences sponsored by associations concerned with land use. In September, 1972, the Canadian Council of Resource and Environment Ministers organized a conference called Man and Resources relating to questions of land. This council is made up of the Federal Government Minister of the Environment, as well as, ten counterpart ministries in the 10

Canadian provinces. Delegates at this conference consisted of representatives from government, university, and industry and they addressed themselves to themes of demand, supply, and planning in connection with land. Although many issues were discussed, the priorities to be attached to these issues in terms of specific policy were not resolved.

In October, 1973, the Social Science Research Council of Canada, a non-governmental and independent federation of learned societies in social science, hosted a conference entitled Canadian Public Land Use in Perspective. The conference, like the preceding one, had trouble finding a consensus of a policy direction to be followed. A number of very detailed papers were presented and discussed. It was concluded that more information was needed about our environment - the physical, biological, and human aspects.

In April, 1974, the Canadian Council on Urban and Regional Research (CCUR), an interdisciplinary association of academics involved in various fields of urban and regional research, sponsored a conference entitled The Management of Land for Urban Development. This conference focussed on one major land problem, the high cost of land (and housing) in rapidly growing cities in Canada. Here the need to manage the level and distribution of growth from both natural and local levels was seen as the key to managing the demand and the price of land for urban development. Also, C.C.U.R. decided to further pursue studies relating to land policy.

Based upon these three preceding conferences, and the concerns and research accumulated by others, the Community Planning Association of Canada sponsored a conference entitled Battle for Land. This association consists of a wide membership including a number of elected officials, government employees, academics, private industry (mostly builders and developers) and a number of interested citizens.

The conference identified eleven land issues, and discussed a number of relative policy factors which could be applied to the issues. Some success was made in clarifying the relationship between various land issues and specific governmental policies, however, no definite policy recommendations were made on any of the land issues.

Three other conferences are noteworthy for the discussion of land. In April of 1975, C.P.A.C. and the American Society of Planning Officials (ASPO - CPAC's counterpart in the United States) jointly sponsored a conference entitled Sharing Space. This conference contained many discussion sessions on land issues and the approaches to solving planning problems in Canada and the United States. Again, however, no unanimous platform on any land issue was taken by the delegates. Evident from this conference was that Canada's legal system and Canadian values towards land are more conducive to public intervention in the land market and regulation of land uses than they are in the United States.

In November, 1975, a conference in Toronto entitled Public Land Ownership was arranged by the Federal Government Secretariat for Habitat in preparation for the United Nations Human Settlements conference held in Vancouver in May, 1976.³⁷ The conference was to assume ahead of time that public land ownership was a useful tool and it concentrated upon the means or types of implementation, opposed to evaluating the need for, or the objectives of the various schemes in the first place. The four themes of the conference were:

- 1) goals and associated values related to the various forms of public land ownership.
- 2) the tools and their implementation at the level of strategy and tactics.

- 3) financial and political evaluations of the alternatives.
- 4) the social impact evaluation of public land ownership.

Government officials, developers, planners, academics, and some of the general public from across Canada attended the conference.

The Post-Conference write-up stated:

At this stage, it is difficult to draw final conclusions from the very extensive debate which occurred at the Conference... one point that came clearly out was that there is little program evaluation going on which is concerned with the implementing processes underway. 38

The United Nations Human Settlements Conference helped to familiarize Canadians with world problems and some approaches to problems in other countries. A number of broad principles in Appendix II totalling 64 were unanimously agreed upon, and they are a significant step towards resolving complex world problems. In Canadian context, however, implementing these declarations of principles of Habitat will require considerable governmental (all levels) co-ordination and commitment to bring them into reality.

Many associations have been concerned with issues of land, especially during the last few years. Although they have generated considerable interest and discussion on issues of land, little consensus has been reached in terms of formulating specific programs and policies, especially policies which are national in scope.

D. Conclusion

Attitudes towards land in Canada, have been shaped by such things as values of freedom and individualism associated with private ownership of land and housing. Canadian history and culture

have indicated this. Main interests in Canada have been identified which have expressed attitudes and viewpoints on land issues. Certain interests favour greater governmental intervention into the land market and looking at land more in the context of being a scarce resource. These interests usually include academics, some politicians, and several independent associations. The developers and related businesses favour minimum government intervention into the land market, and maintaining land as a commodity. Farmers, and homeowners are caught in the middle of this issue. Homeowners want to maintain individual ownership of housing for reasons such as bringing up a family, space, privacy, freedom, investment, and status. However, prospective purchasers desire to have housing costs reduced, perhaps through governmental intervention into the market so that housing is more easily affordable. Farmers likewise, want to see good farmland remain in agricultural uses which must be achieved through some government intervention (zoning or incentive taxation, for example) in the market, however, most farmers are reluctant to support any intervention into the farmers right, specifically in the case of the retiring farmer, to sell his land to the highest bidder for an important source of his retirement income.

Attitudes are a necessary part of any analysis on land. While evidence indicates that there is a tremendous need in Canada to begin to treat land as a resource, many sectors of society, it has been shown, uphold the attitude of viewing land as a resource. This contradiction is obvious in Part I. Part II asks; "Is there a shift?" It looks at land's treatment as a commodity in chapter 4. In chapters 5 and 6, various governmental intervention in the land market is looked at, and some of the legislation is examined.

CHAPTER 3

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PART TWO

"IS THERE A SHIFT?"

Day after day, blocks of land change hands. Sales are made between individuals. Development corporations bank large blocks of land for urban development. Foreign interests, real estate people, farmers, and others hang onto land and hope for future windfall profits from the sale of land.

All levels of government have become concerned with the treatment of land. Decreasing quantities of productive farm, large profits from the sale of land, pollution of the environment, foreign investment in Canadian land, and issues in land use planning are some of the serious problems becoming recognized by the public sector. Is there a shift evolving in the way we perceive our land?

CHAPTER 4

Land: A Commodity in Canadian Context

But if the property industry retains control of our cities, then obviously the future of our cities, and the residents is bleak.. (we must) stop the irresistible logic of demolition, block-busting, expropriation, high-rise apartments, erroneous office towers, expressways, 50 per-cent annual profits for developers, constantly rising housing cost, and all the other all too familiar components of the identical cities owned and operated by the property industry that are being build quickly in some places, more slowly in others, right across Canada.

James Lorimer
University of Toronto
Writer and Publisher

CHAPTER 4Land: A Commodity in Canadian ContextA. Introduction

Land, for the most part, is treated as a commodity in Canadian context, and not a resource. In the urban and urban fringe areas, land is still very much a commodity. Non-urban land is also still viewed and treated as a commodity.

With land being treated as a commodity, many problems have arisen. Many of these problems represent imperfections within the land market. Several major malfunctions and imperfections of the urban and non-urban land markets will be examined here. Research on how foreign investment in Canadian land, resources, and industry contribute to imperfections in the Canadian land market will also be discussed.

B. Land: A Commodity

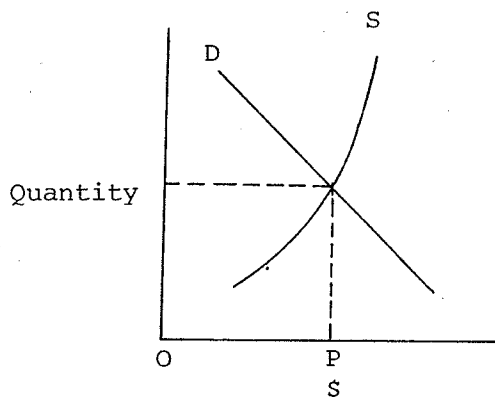
Most land in Canada associated with human settlement has been treated as a commodity. The vast amounts of agricultural land in Canada are mostly owned privately. Also, vast quantities of urban land are owned privately by various individuals, industrial and business interests. *

In a legal sense, land is owned in the "doctrine of estates" in Fee Simple Absolute which excepting and conditions which may

* E. G. Pleva, Canadian Public Land Use in Perspective Conference in Ottawa, 1973, stated that over 90% of the land in Canada is publicly owned. He pointed out that Crown land, parks and open spaces, public utility corridors, public facilities, and Crown Corporation land such as Ontario Housing Corporation (the largest landlord outside the Communist world) account for large amounts of the public land. He also states, however, that although a tract is generally 100% privately owned before it is developed for a subdivision, 25-40% of the area goes into public ownership in the form of streets, parks and open spaces, schools and public buildings, as well as, public utility easements and related dedications. There is an awareness of the extent of public land in this chapter .

have been attached can be said to be "the entirety of the powers of use and disposal allowed by the law".¹ When an individual gains title to a piece of land, via the Land Registry system of a particular province, he thus attains rights for the use and disposal of his property.

Our current institutions in Canada, thus dictate that land is a commodity which is bought and sold in the market. Land prices are established through negotiations among many buyers and sellers. In economic price and allocation theory, demand and supply can be used to illustrate the internal functioning of the urban land market.²



In the graph where demand curve D intersects the supply curve S, a price OP is established and a quantity OX is supplied. This market price represents equilibrium at which the amount of urban fringe land, for example would be willingly supplied and the equal amount willingly demanded. Theoretically speaking, price and allocation theory would result in resources automatically being used in the most efficient way because producers in attempting to maximize profits, must respond to consumer demand, as well as, producing any given output at the lowest possible cost. Consumer satisfaction, would be satisfied because it is reasonable to assume that each consumer spends his income in such

a way as to maximize his satisfaction. Also, the profit motive would see to it that the desired goods and services are forthcoming. In theory, this is how the land market would operate.

The law in Canada, has given the state certain rights effecting the use and disposal of land. Rights of the state are in the form of conditions upon which the title may be pending. These include such powers as zoning bylaws, building easements (such as utility rights of way), for example. The powers derived from such legislation are referred to as negative because they can tell the property owner what he shall not do, but not what he shall do.

The exercising of the individual's power to use and dispose of land has permitted many of the problems previously discussed in chapter I to take place. Some of these problems which these individual rights have helped to induce are:

- loss of productive agricultural land to urban sprawl because of the right to dispose of individual land in this case for urban development.
- environmental deterioration has resulted from private industries emitting wastes into the water and air, and from mineral extraction practises.
- increasing human populations, settling on unoccupied lands have been disrupting ecological systems and perhaps having serious consequences for the future of mankind and the life-support system.
- human settlement onto land which is environmentally fragile and subject to natural disasters such as floods and mud slides.
- private ownership and use of land suitable for recreation purposes, particularly shoreline property which is often limited in quantity and is not available or accessible for use by the general public.
- private ownership of land-related resources of sand and gravel is common and they are generally scarce in quantity when near urban areas where they are needed

and often not used in the best interests of the community.

Governmental policy in treating land as a commodity, with some conditions placed on its use, may be a contributing factor to problems of land. Other factors, such as the land market not operating as perfectly in the real world as it does in economic theory has resulted many other land problems which will be discussed.

C. Imperfections in the Land Market

Research of Larry R. Martin ³ and R. W. Wright, ⁴ have identified imperfections in the urban land market within Canada. The major malfunctions within the land market have been categorized as privately induced market imperfections, and market imperfections induced by the public. Further research done by Martin, ⁵ also indicates that foreign investment in Canada has induced imperfections within the market.

With regards to the urban land market, Martin has outlined ⁵ privately induced market imperfections. These are speculation in land, frictions in the land conversion process, monopolistic and oligopolistic elements among land dealers and land developers, the cost of credit, and externalities (see Table 2). Wright suggests four privately induced market imperfections of concern in cities, and similarly, he points out that rapid urbanization results in escalation land prices and hence rising housing costs (see Table 3). Imperfections in the land market have resulted in higher costs to the consumer of land and housing, unfair profits to individual land speculators and others within the property industry - including large development corporation.

Research of James Lorimer, ⁶ and data of the Spurr Report, ⁷ clearly illustrates that land is a commodity, and that high housing

TABLE 2
URBAN LAND MARKET IMPERFECTIONS: L.W. WRIGHT

FOUR IMPERFECTIONS OF OUR GROWTH ORIENTED MARKET

SYSTEM IN OUR CITIES

1. Large numbers of urban dwellers are unable to participate fully in the economic system and often live under conditions of economic deprivation and social maladjustment.
2. The life style causes psychological stress.
3. Urbanization results in environmental deterioration.
4. Rapid urbanization results in escalating land prices and hence rising housing costs.

TYPES OF PUBLIC LAND POLICY

1. Growth Oriented
 Includes the provision of services which facilitate the growth of the private sector such as transportation and utility networks, educational institutions airports, reservoirs, industrial parks and other forms of infrastructure.
2. Corrective
 Providing of services and land which correct some of the imperfections of our growth oriented market system. This includes such action as using public land for building public housing to try to alleviate poverty, acquiring land for urban parks to provide open space for recreation to maintain environmental quality, and assembling land for public land-banks to attempt to control land prices, or, to remove urban blight.

Source:

L. W. Wright, Impact of Public Land Policy on the Form of Prairie Cities,
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 Council of Canada, October 25-27 1973, Ottawa, Ontario.

TABLE 3

IMPERFECTIONS OF THE URBAN AND URBAN FRINGE LAND MARKETS L.R. MARTINA. Private Imperfections

Speculation In Land Anyone who purchases a commodity cheap with the intention of selling it dear - these who hold raw land with the intention of selling it in the future in excess of production cost. Many individuals & land dealers are able to capture large speculative gains and many lose on their investment.

Frictions In Land Conversion Process Secondary agents in the land conversion process, or facilitators, such as lawyers and Real Estate agents cause imperfections - their fees are based upon a fixed percentage transactions and assuming the existence of economics of scale, they discriminate against larger parcels.

Monopolistic & Oligopolistic Elements Among Dealers and Developers High land costs may be related to monopolistic and oligopolistic elements in the land market. Fierce competition within the private development industry and horizontal and vertical mergers are reducing the number of participating firms and are forcing the survivors to participate more closely. A few land dealers and developers, with their very large private land holdings, may be controlling the quantity and price at which land enters the market.

The Cost of Credit Scarcity of resources in the urban land market has resulted in costly credit and price discrimination. Dealers, developers, and builders seek large sums of credit on favourable terms. The price of credit relates to economic inflation and taxes affecting buyers and sellers. The price of credit discriminates in favour of the wealthy and has helped reduce competition in the market. The need for credit for long periods is at favourable rates has forced even wealthy developers to enter into vertical arrangements with lending institutions.

Externalities A land parcel's value is influenced by external costs or benefits of other parcels. Land price will appreciate in response to favourable local amenity characteristics. Citizen groups resisting higher density development may shift the demand for urban land to the urban fringe.

Source: L.R. Martin, Problems and Policies Associated With High Land Costs on the Urban Fringe, paper delivered at the Canadian Council on Urban and Regional Research Conference, Ottawa, April, 1974.

B. Public Imperfections

Planning

Plans, subdivision agreements, and zoning are major planning instruments which have either eliminated the guess work for participants in land conversion by revealing future government intentions, or initiated warfare between government and private interest groups which stand to lose most from the enunciated planning policies. Regulatory planning - the delays in granting subdivision development permission have also come under considerable public and private criticism. Planning and the free market are contradictory objectives.

Provision of Public Services

The supply of raw land and the cost for development are directly influenced by the supply of services (water distribution, sewage collection, water and sewage treatment plants, trunk lines, highways and streets, and community facilities). At what rate services are provided, how they are financed and the quality of the services contribute to the cost for an improved lot. Also, if services are not provided at an equal rate to demand the cost will be higher.

Fiscal and Monetary Policies

Through exercising fiscal and monetary instruments, government may exert a substantial influence on the cost of land. The property tax generally increase with improvements on land. At the urban fringe, this tax, in effect, acts as a development tax and it encourages land owners to delay conversion to avoid reassessment while they enjoy appreciation of their land values. It can become an incentive toward hoarding, and cause delays in supplying land. Also, National Housing Act mortgage rates bear a close relationship with governmental regulation of the economy. During inflationary periods when the demand for new houses and land is high, increases in mortgage interest rates may slow down land conversion and create additional risk and expense to the development industry. During recessionary periods, when demand for housing and land are tempered, a reduction in mortgage rates creates a surge in demand for housing and lots. Municipalities and provinces cannot adequately respond to these relationships.

Agricultural and Open Space Policies

Policies to support agriculture and protect agricultural land as open space interfere with the normal market. Preferential property assessment and deferred property taxation for farmers may make farming more viable, but such measures may increase the farmers, or land dealers reservation prices and limit the supply of land. Land freezes or legal plans which protect agricultural land do restrict land for agricultural uses, and restrict the supply of land for other uses.

Source:

L. R. Martin, Problems and Policies Associated with High Land Costs on the Urban Fringe, paper delivered at Canadian Council on Urban and Regional Research Conference, Ottawa, April, 1974.

C. Foreign - Investment Related Imperfections

Speculation in Land

Limited evidence available indicates that foreign speculation is considerable. They often pay premium prices for inferior sites. It is unknown whether this is because they are satisfied with lower rates of return or whether it is because of poor access to Canadian market information. It is suggested that they have effected the demand for land in many cases by withholding shoreland, urban-fringe land, and choice central city sites from prospective buyers. The government of Ontario has considered the foreign speculator a significant contributor to inflationary pressure on land in that province, perhaps because they may have more distant investment horizons than comparable Canadian Companies do.

Monopolistic Practices

Economies of scale, cost advantages of existing firms, and horizontal and vertical mergers have resulted in an increasingly oligopolistic urban development and real estate industry. The main thrust of this trend has come from firms wholly or largely owned outside Canada. The actions of these firms strongly influence the decisions of Canadian owned firms. At least 90% of the residential land required in Toronto during the next decade are held by six firms (3 from Great Britain).

The Cost of Credit

Canada has always been dependant on foreign sources of credit for development. The urban land market has been especially dependant on foreign credit - largely equity capital. Debt financing has been a preference for Canadians, and a foreign investor may easily gain control and ownership of property through about one-quarter of the property's equity. Also, lending institutions discriminate in favour of wealthy development firms because of lower risks. Financial institutions and the development industry corporations have often merged forming conglomerates which jointly benefit from this lending discrimination. Lending institutions within this type of arrangement would serve its own interests first, it would appear, and reinforce the situation of discrimination in lending practices.

Externalities

At present, there is no clear evidence that foreign investors in pursuing their interest in commercial development, are encouraging a misallocation of land and financial resources from other important sectors such as residential development. Whether or not foreign investment decisions (opposed to Canadian Investment decisions) contribute to externalities no accounted for through the market mechanism is unknown - it is possible.

Source:

L. R. Martin, Foreign Investment in Canadian Urban Land: A Review of Problems Policies and Needed Research, paper

costs and unfair profits result from the distribution of wealth and power which effects the urban land market and occurs in the property industry. This research will be discussed here.

Lorimer's work entails an analysis of the many linkages within the property industry. Although the businesses, industries, and professions which make up the urban property industry may seem obvious to us, Lorimer states, that the industry could in fact be "lumped together into a single category, a kind of super-industry which emphasizes that they all have in common the fact that they make money out of accomodating people in the city." ⁸

In his research, Lorimer has identified many actors within the property industry: Property Insurance Companies, Property Investors, Utilities (Gas, Hydro, Phone, etc.), Mortgage Lenders (Banks, Insurance Companies, Loan & Trust Companies), Real Estate Agents, Lawyers, Insurance Agents, Construction Equipment Industry, Building Materials Industry (cement, steel, lumber, etc.) Construction Companies, Construction Unions, Developers, Architects, Engineers, and Surveyors. In examining these various actors within the property industry, and the process of property development in many areas of Canada, Lorimer found examples where corporations within the industry were linked via their boards of directors to other property industry firms, as well as, corporations outside the industry.

Linked directors sometimes result from Shareholdings, where for instance a company which holds a substantial number of shares of another company arranges to have one or more of its directors elected to the board of the Company in which it owns shares. Linked directorships relate to business interests. ⁹

Via linked directorships in different companies within the property industry, a few interests in some cities can quite effectively

control vital decision - making in the industry. Lorimer found that there is a close relationship between the property industry, and the different levels of government and their civic policies. He outlines several reasons for the advantaged position of the property industry.

These are:

1. Personel - Federally and provincially, it is most often the case that personel from some segment of the property industry get elected and become placed into strategic positions (Federal Minister of Urban Affairs, etc.) where they can significantly influence the property industry.
2. Political Parties - The property industry and business - oriented political parties (Liberals, Conservatives, Social Credit) are linked - the property industry people are often very active in the party organizations in influencing policies and selecting party candidates.
3. Influence - All governments take very seriously the views and concerns of powerful corporations and families, and most often there is an almost identical view between the way the corporate elite see the world and the way people running the government see it.
4. Money - Money in the form of donations and campaign contributions is a link that enhances the connections between the government and the property industry. Both Liberal and Conservative Party representatives have admitted receiving large contributions from large corporations for campaign purposes.
5. Careers for Civil Servants - links exist between the civil service, which develops and implements policies concerning the property industry, and the property industry. Many successful and able civil servants, it has been found, due to their familiarity with the industry and government regulation, have obtained more lucrative employment with the property industry.

Due to these factors, the corporate power block within the property industry is able to have the kinds of policies it would like to have including housing policy, fiscal and monetary policy, tax policy, and also local government policies, Lorimer suggests.

His studies of Toronto, Winnipeg, and Vancouver in 1972, reflected that the majority of city councillors in these cities were in some way secretly related to the property industry. This arrangement at city hall is arranged, Lorimer claims, so that the property industry gets its way, even at the expense of the public interest and contrary to the explicit wishes of large numbers of people. The common interests of the industry, Lorimer includes, are protective of property values, maximizing of property values, maximizing new construction, and keeping the property business for the property industry. In light of these objectives, one might ask how are the interests of the ordinary citizen and home purchaser taken into account, if politically, the property industries interests are always served? Many futile attempts by citizens at city hall opposing freeways and bridges, or high-rise construction in various neighbourhoods and communities would attest to the fact that the interests of the property industry are not often compatible with the interests of the ordinary citizen. In Lorimer's words:

But if the property industry retains control of our cities, then obviously the future of our cities, and the residents is bleak... (we must) stop the irresistible logic of demolition, block-busing, expropriation, high-rise apartments, erroneous office towers, expressways, 50 per-cent annual profits for developers, constantly rising housing costs, and all the other all too familiar components of the identifiable cities owned and operated by the property industry that are being built quickly in some places, more slowly in others, right across Canada. 10

Research in the Spurr Report which contains an inventory of corporate real estate investments and land assemblies on a firm-by-firm basis in every major Canadian city, has also illustrated land as a commodity item, and the dominant role played by corporate segments of the property industry in generating large profits. Some very revealing material which has been taken from this report is:

1. private development corporations are well organized, diversified, vertically and horizontally integrated, long term producers who have and can hold a major share of land markets in metropolitan areas.
2. about 30 percent of the total land development industry operates in metropolitan areas, including nearly all of the large firms. There are probably 120 to 140 of these large firms active in metropolitan Canada, and while they comprize 30 percent of metropolitan producers, they probably account for over three-quarters of metropolitan lot production.
3. the surveyed firms (from a Development Corporations Survey by firm, among 24 cities including 17 metropolitan areas) hold sufficient acreage to provide all of the respective regions, new residential starts at current levels and densities for over 5 years, and to provide only low density starts at current levels for over 10 years... As the firms hold this land inventory now, they can plan future operations with a base, in terms of location and cost which are not subject to as many variable factors, or risk as their competitors.
4. statistics demonstrate that in 1972-1973, more than half the cost of house lots in Toronto and Vancouver were profits according to developers and speculators.
5. the average tenant in a privately - owned rent row house pays 72 percent more rent than the average tenant in a non-profit row house. ¹¹

Data of the nature of the Spurr Report has never before been compiled, and the findings are shocking. There is little doubt now that high profits are made by land speculators and the property industry. The ordinary citizen pays for these high profits by paying inflated prices for a home.

Action by any governments stabilizing - or maintaining a reasonable cost of land and housing has been slow in coming into being. Indeed, the high escalating land and housing costs which we hear about from day - to - day would be enough evidence to lead one to believe that they have little positive effect. However, the United Nations Habitat conference held

in Vancouver, Canada in 1976, passed the resolution stating that an equitable amount of speculative land profit must be returned to the community. The Habitat resolution was a compromise between an earlier Canadian stand, and a tougher proposal calling for community confiscation of all speculative land profits. The Canadian delegation supported the compromise resolution when its earlier, more conservative position was reconsidered after criticism by a Canadian observer group and some newspapers. The Canadian Minister of Housing, Barney Danson, has stated ¹² that he will convene a meeting with the provinces on land because of the concern expressed about land at the Habitat conference, and because of the need for a co-ordinated national effort to halt rising property prices.

A number of trends occurring in non-urban land and effecting the farming community are also apparent. Some of these trends are effecting the structure and ownership of the individual farming unit, the economic well-being of many farmers and rural areas, and the regional or provincial distribution of the population. A study done by the Manitoba Department of Agriculture ¹³ has analysed Manitoba's trends and problems. Some of the trends which were emerging in Manitoba were:

- increasing land prices
- high rent or mortgage payments
- lack of security of tenure

The study looked at these trends and it assessed them as being harmful to the farming community of Manitoba. It found a trend in recent years towards increasing ownership of farmland by non-residents (denoting the purchase of farmland by a person who is not a resident of the area in which the land is situated, and is not assumed to be a farmer).

At this time (July, 1974), non-residents held 7.20 percent of the total agricultural land... in Manitoba... Between January, 1972 and July, 1974, 288,190 acres of farmland in the province were purchased by persons and companies not residing in the rural region. ¹⁴

This 7.0 percent included land in the hands of Winnipeg and Brandon residents, land companies, and foreign interests - residents of countries out side of Canada, mainly the United States of America and West Germany.

There are many drawbacks to non-resident ownership. The rural economy suffers as a result in that household spending by non-residents is not done in the region, and the flow of income from rents or mortgages of non-resident land generally flows out of the region.

Increasing land prices and high rent or mortgage payments and in general, the high costs associated with entering into farming make it difficult for, in particular potential "resident farmers" to enter the industry. The result of this difficulty may be that non-resident interests, perhaps with better financial backing, are outbidding the potential resident farmer. The recent trend of lack of security of tenure and increasing non-resident ownership of farm land has likely resulted from this situation, the Manitoba study suggests.

D. Foreign Investment in Canadian Land, Resources, and Industry

The issue of foreign ownership of land in Canada is a concern of land policy within Canada. Foreign ownership in Canada is often examined from several perspectives such as the sale of Canada's resources, the impact on the national economy of foreign multinational corporations, the foreign investment in Canadian urban

land, and the sale of non-urban agricultural or recreational - land to foreign interests.

Canada has permitted, and even encouraged foreign investments in this country since confederation. At this time, the Hudson's Bay Company, the Canadian Pacific Railway, both which consisted of primarily British Shareholders, were given control over millions of acres of Canadian land and the resources contained therein.

Foreign investment in resource industries such as mining and pulpwood are substantial in Canada. The extraction of mineral resources by these foreign-owned, private corporations is possible even though almost all the resources are located on crown land. Most crown land has long term rights granted to private interests usually in the form of 99 year leases. Most private corporations are from foreign countries:

Foreign direct investment in Canada at the beginning of 1972 amounted to 29.9 billion dollars, an increase of 1.54 billion dollars or 5.9% during 1971. Just under 40% of this investment was in two sectors, in oil and gas and in mining and smelting. Some 80.2% of all foreign direct investment Canada comes from the United States, 9.8% from the United Kingdom, and between 1% and 2% each from the Netherlands, France, and Switzerland. Of the 1.54 billion dollars invested in Canada by outsiders in 1971, almost 1 billion dollars came from the U. S.... two-thirds of our mineral industries which last year (1974) had production valued at 11.6 billion dollars is controlled by foreign corporations. 15

To foreign investors, Canada represents a stable climate for investments. The stable government, and the established political and legal system, and until the 1970's, the very few restrictions placed upon foreign investors have helped to attract

this flow of foreign capital. The richness of Canada's Resource Base also has had a lot to do with foreign money entering Canada. The Gray Report, ¹⁶ a special report commissioned by the Federal Government on the subject of foreign investment in Canada, outlined that all provinces tend to attach a high priority to rapid economic development, particularly provinces with large amounts of mineral, forest and energy resources which continue in the belief that they must seek foreign investors to develop there resources. The Gray Report pointed out other factors of national importance.

1. Foreign investment in resources tends to be accompanied by less and less productive activity in Canada as one proceeds from the extraction stage through to the milling, smelting, refining, fabricating, and manufacturing stages, with more and more of these latter processes undertaken abroad.
2. The average size of mining industry firms controlled by non-residents is over five times larger than firms controlled by Canadians. By virtue of the vertical integration of Multi-national corporations can result in independent Canadian mines closing because of no markets available. Foreign investment, can thus reduce competition in Canada - and do so without adding benefits to the Canadian economy.

The ultimate conclusion made by the Gray Report is that government policies should be altered to improve the benefit - to - cost ratio from foreign direct investment for Canadians.

Other major concerns are evident from the exploitation of Canada's resources especially the non-renewable resources. First of all, the supply of our resources (energy, minerals, forest land) pending significant discovery of new supplies are limited, and in the case of the non-renewable resources such as petroleum, they are fixed, and there is national interest of ensuring sufficient resources for future generations of Canadians.

With increasing use being made of public lands for exploration

purposes, the likelihood of land use problems becomes greater. Open pit mines may result in conflicts with recreational, wildlife, fisheries, agricultural, and urban land uses. Environmental problems resulting from pollutants emitted into air, water, and land, result in destruction. Noise and traffic problems also reduce environmental quality. The legal aspects of changing the existing long-term lease structures with corporate resource extracting interests are shown in Appendix III.

Foreign investment in non-urban land, generally recreation land or agriculture land may have the impact of inflating normal market costs of land, and results in it contributing imperfections to the land market. Canadians are often outbid for choice recreation land when foreigners pay higher than normal market (often inflated) prices. Large amounts of shoreline in the Maritimes are currently owned (privately) by foreign people. The lack of controls over foreign purchase has resulted in reduced public access to shoreland and beaches. Some land, thus, becomes unavailable for the use of Canadians.

Foreign investors which purchase Canadian farmland, generally are able to do so because they are able to outbid domestic farmers. With greater funds which they usually have, they pay, in many cases exorbitant prices often far in excess of normal market prices for land often of mediocre productivity. The result of this is selling prices, assessment, and taxes are increased on neighbouring and nearby farmland. Clearly, foreign owners contribute imperfections to the non-urban land market as well. Foreign ownership of farmland has been in evidence in Ontario and the prairies. In Manitoba, West German investors in particular, have purchased substantial parcels of farmland in Manitoba mostly in the Red River Valley south of Winnipeg. These purchases amount to 40,000 acres, or about 0.3% of the 12.6 million cultivated acres in the province. 17

According to a recent study of farm land prices:

Farmland prices have risen at phenomenal rates. On the prairies, the increases vary substantially from region to region. In some areas, Manitoba's Red River Valley for example, land that fetched only \$100 - \$150 an acre in the early 1970's, now trades regularly in the \$300 - \$400 range... In some regions, foreign buyers contribute to the pressure on land values. 18

It is becoming evident that foreign investment in Canadian non-urban land is creating some problems, and contributing to imperfections in the land market, and that if some of the current patterns continue to occur, the future problems may be of a much more serious magnitude.

Larry Martin, as previously shown (see Table 3-c) has illustrated that foreign investors in Canadian urban land contribute to imperfections in the land market in excess of imperfections created by private Canadian investors. Foreign investors contribute to the following imperfections: speculation in land, Monopolistic practices, the cost of credit, and perhaps externalities.

Lorimer, and the Spurr Report both found that there is a large amount of foreign investment and ownership of the development corporations or Canadian urban land in nearly all the metropolitan areas of Canada. The disturbing fact of high housing costs, and profiteering by large corporations or by individual speculators may be in part a reflection of the problems and imperfections contributed by foreign ownership and investment in the property industry and land in Canada. Foreign investment and ownership of Canadian urban land, in particular, foreign treatment of Canadian land as a commodity, should be a serious concern to Canadians.

E. Conclusion

Urban and non-urban land in Canada has traditionally been viewed as a commodity, and in most cases, it still is today.

The exception is Crown land, or land owned by, and under the control of government. Land is not viewed as an economic commodity in the purest sense because special conditions can effect the use of land, such as zoning, bylaws, building codes, and easements. The sale of land from individual to individual or from individual to corporation, however, is not generally restricted. A number of problems and imperfections within the land market presently exist. The consumer of new housing is burdened with escalating land and housing costs. Individuals and real estate companies often inflate the value of land by their speculative activities. The Property Industry with its corporate structure have reduced competition in this sector of the economy, and the risk of investment loses have been minimized with high profits almost assured.

In the non-urban areas, increasing non-resident ownership of farmland has created problems for the rural areas and the farming community. The financial difficulties of potential "resident farmers" in entering the industry, such as high rent or mortgage payments, increasing land prices, and the high cost of farm machinery and farm supplies is a big problem confronting the farm sector. The security of a farmland tenure (a farmer owning opposed to renting his farmland and equipment) may be in jeopardy.

The issue of foreign investment and ownership of Canadian resources, manufacturing, real estate, and land also looms as a contentious issue. Foreign interests contribute additional problems and imperfections to the urban land market. By monopolizing (oligopolizing) resource extraction and manufacturing in Canada, this has created a problem. The urban land market is affected by the corporate structure of the property industry - many corporations which contain heavy amounts of foreign investments, or are foreign owned profits as a result, often leave the

country. The urban, and non-urban land markets alike, both are subject to foreign bidding, and this inflates the value of the land for Canadians.

Treating land as a commodity in Canada has caused many problems for Canadians. The next chapter will look at the municipal, provincial, and federal roles in the land management.

CHAPTER 4

NOTES

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CHAPTER 5

Roles of Different Levels of Government

Effecting Land Use and Disposal in Canada

Not long ago, private land owners could do whatever they saw fit with their land so long as their lands were not affected by zoning. Public lands could be bought or leased by anyone. Now, however, public and private land managers are asked to justify their decisions publicly; public lands are seldom sold and disposition to non-citizens and non-residents is prohibited in many jurisdictions.

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Federal Minister of Urban Affairs

CHAPTER 5Roles of Different Levels of Government Effecting Land Use
Land Ownership, and Disposal of Land in CanadaA. Introduction

There are three obvious features of land which should be looked at, particularly from the perspective of government when the subject of land as a commodity, or land as a resource are examined. These are the use of land, the ownership of land, and the disposal, or the sale of land. The use of land refers to how land is used - parks, agricultural land, commercial uses, residential uses, or industrial uses, for example. It may seem logical that the many uses such as forest and timber areas, wildlife habitat and breeding areas, mineral deposits, suitable parkland acres, and good farmland should be protected in their use. Also, incompatible uses in urban areas, such as industrial areas and residential acres, for example, should be separated from each. These are some concerns of the use of land.

The ownership of land refers to the ownership of the title of a piece of land under a land registry system in a province. *
Of concern in the title may be whether the title is individually owned, corporately owned, or publicly owned, and whether the title is owned by a Canadian citizen or a Canadian-based firm, opposed to being owned by a foreign individual or a firm or corporation which is not considered to be Canadian (This distinction is often determined by whether or not 50% of the shareholders or directors are Canadian citizens).

*In some provinces, such as Manitoba, for example, the title of land is filed in a building called the Land Titles Office, according to stipulations of the Real Property Act and the Land Registry Act.

The disposal or the sale of land refers to transactions involving land which is sold, such as from individual to individual, from the individuals to firms or corporations, from firms and corporations to individuals, from government departments or agencies to individuals or firms or corporations, and from individuals or firms or corporations to government departments or agencies. Concern with the disposal of land may focus upon the price of land. If, for example, land speculation is inflating land costs and inflating the cost of land thus contributing to imperfections of the land market, this will ultimately result in higher housing cost being passed on to the prospective purchaser of housing. The sale of land to or by foreign interests may also be a concern in that they may be obtaining profits from Canadian land or resources and not significantly benefiting Canadians with their investments.

In Canada, three levels of government exist: Federal, Provincial, and Municipal or Local governments. These levels of government all deal in some way with the certain aspects of land. All governments are involved with the administration of their geographical territories, and with functions relative to their areas of responsibility. Such activities usually include planning and land use control, housing policy, agricultural policy, transportation policy, parks and recreation policy, public utilities, solid waste and sewage disposal, pollution control and public land management. These obviously influence the use, ownership, and disposal of land. Many other policy decisions made by the three levels of government in a less obvious way also significantly influence the use, ownership, and disposal of land. Such activities of governments include financial and taxation measures, regional economic expansion and rural stabilization policy, northern development policy, immigration policy, industrial policy, and urban affairs related policy.

In this chapter, will contain an analysis of the role of the three

levels of government relating to the use, ownership, and disposal of land.

B. Federal Government Role

The federal government, as well as, the provincial government, were given specifically defined responsibilities in the B.N.A. Act. Many of the responsibilities relate to land - its use, ownership, and sale (disposal). The federal government role is outlined below:

In article 91 of the B.N.A. Act, the Federal Government 's responsibilities were spelled out.

BNA Act (Article 91) Responsibilities

- The Public Debt. and Property
- Regulation of Trade and Commerce
- Unemployment Insurance
- The raising of money by any mode or system of taxation
- The borrowing of money on the public credit
- Postal Service
- The Census and Statistics
- Militia, Military, and Naval Service, and Defence
- The fixing of and providing for the Salaries and Allowances of civil and other Officers of the Government of Canada
- Beacons, Buoys, Lighthouses, and Sable Island
- Navigation and Shipping
- Quarantine and the Establishment and Maintenance of Marine Hospitals
- Sea Coast and Inland Fisheries
- Ferries between a province and any British or Foreign Country or between two provinces
- Currency or coinage
- Banking, Incorporation of Banks, and the Issue of Paper Money

- Savings Banks
- Weights and Measures
- Bills of Exchange and Promissory Notes
- Interest
- Legal Tender
- Bankruptcy and Insolvency
- Patents of Invention and Discovery
- Copyrights
- Indians and Lands Reserved for the Indians
- Naturalization and Aliens
- Marriage and Divorce
- The Criminal Law, except the Constitution of Court of Criminal Jurisdiction, but Including the Procedure in Criminal Matters.
- The Establishment, Maintenance, and Management of Penitentiaries.

Source: Harvey Cameron, Introduction to Law and Local Government,
Lecture Notes, April, 1975.

Out of these complex responsibilities delegated to the newly created Government of Canada by the British Parliament in 1867, a number of portfolios (Ministries) were formed. Today, although the names and organizational structure of Government have changed somewhat from time-to-time, it still basically addresses itself to the same set of responsibilities granted in 1867, as well as, some newer ones such as the maintenance of airports within Ministry of Transportation not taken into account in the early charter.

Federal Ministries: 1976

- | | |
|-----------------------------|---|
| - Finance | - Indian Affairs & Northern Development |
| - Treasury Board | - Industry, Trade and Commerce |
| - Solicitor-General | - Public Works |
| - National Defence | - Supply & Services |
| - National Revenue | - Transport |
| - Energy, Mines & Resources | - Science & Technology |
| - External Affairs | - Agriculture |
| - State | - Veteran's Affairs |

- | | |
|--------------------------------|-------------------------------|
| - National Health & Welfare | - Regional Economic Expansion |
| - Environment | - Communications |
| - Consumer & Corporate Affairs | - Urban Affairs (CMHC) |
| - Manpower & Immigration | - Postmaster General |
| - Fitness & Sports | - Small Business |

Source: Harvey Cameron, Introduction to Law & Local Government,
Lecture Notes, April, 1975.

The Ministry of Urban Affairs has had a tremendous influence upon land - its use, disposal, and ownership. Central Mortgage and Housing Corporation (CMHC) was formed in 1945, and since that time, it has given mortgage loans to encourage individual ownership of homes. This has had the impact of making housing ownership affordable to a larger segment of the middle class, and helping to induce the spread-out pattern of suburbs surrounding larger Canadian cities. The CMHC policies have also indirectly influenced the quality of subdivisions. Federal policy guides for lending and for mortgage insurance purposes, are based upon federally prepared standards, and are very often higher than local standards. ¹ Federal standards, often, result in the upgrading of local standards, ultimately resulting in increased cost to the home buyers. Although the local government authorities generally have the power to impose obligations upon a developer (roads, servicing, parks, etc.) via subdivision control bylaws, the CMHC policies can significantly alter this two-way relationship between developers and local authorities.

New programs administered within the Ministry of Urban Affairs under CMHC in 1973, also significantly influence the use, disposal and ownership of land. Three of these programs, in particular, will have an important effect.

Some National Housing Act Programs: 1973

Land Assembly Assistance - To increase the supply of reasonably priced building lots and to enable local government to participate more effectively in planning their growth, federal funds aid in the acquisition and servicing of land for housing and for any purpose incidental to it.

New Communities - This program provides assistance to a province or its agency for the development of new communities. Assistance may take the form of loans with certain forgiveness provisions relating to the cost of lands, including lands for transportation corridors, open space in or around communities, the planning of the communities and the design and installation of services. Accommodating urban growth, other than by urban sprawl (via development of regional growth centers) is the objective of the program.

Loans for Sewage Treatment Projects - To combat the growing menace of water and soil pollution, low-interest loans are made to municipalities and provinces to build sewage treatment plants and truck lines. A loan may cover two-thirds of the cost, for a term of up to 50 years. Future growth can be predicted to occur on land in proximity to a sewage treatment plant.

Neighbourhood Improvement Program - Offers a broad range of federal contributions and loans through C.M.H.C. to assist neighbourhood residents in the improvement of living conditions in seriously deteriorated neighbourhoods. ²

Although the new amendments to the National Housing Act in 1973 have been in effect for three years, the programs, particularly the Land Assembly and New Communities program can have a tremendous influence upon land development, but the impact of the program should be assessed over the long term.

Federal, and Provincial income taxation can also have a considerable influence upon land policy. The new Income Tax imposed beginning January 1, 1972, has meant that all gains and losses on the sale or disposal of most property must be taken into account when computing the income of all taxpayers, including corporations. Taxable property included:

- Real estate other than principal residence, such as cottages, land, and rented property.
- Works of art, jewellery, rare folios, manuscripts or books, stamps or coins worth more than \$1000.00 .
- Other personal property worth more than \$1000.00 and likely to increase in value.
- Investments, including shares and securities.
- Business property.
- Partnership Interests. 3

The Federal Capital Gains Tax, however, has not had a significantly influence on land policy within Canada. The tax is generally low (primary residences are excluded) and holding costs of land can be written off by corporate bodies. However, the writing off of holding costs has enabled and encouraged the hoarding of land available to private corporations in numerous privately owned land banks around many urban areas. Also, various methods of accounting, such as tax deferral (see Appendix V-D) are permitted, have allowed have help the corporate interests achieve large land banks

The Federal Ministry of the Environment has recently established a Lands Directorate, and they have embarked upon a program of identifying areas of critical lands in Canada from a national perspective. Such lands include wildlife preserves and breeding areas, shorelines, national parks, farmland airports, and lands potentially suitable for national parks. Such an inventory is necessary for important future decision-making.

On the question of foreign ownership of Canadian land, resources, and business, some Federal Government action has been taken in this regard. In April, 1974, the Foreign Investment Review Act was proclaimed, and has "prevented some sales of real estate or resources wherein it was held that the sale to a foreign interest held no significant benefits for Canada". 4 The current federal government

direction in resources and manufacturing is a sector approach of protecting vital Canadian industries (banking, communications, etc.) and screening proposed takeovers to insure they are of significant benefit to Canada. A foreign Investment Review Agency has been formed to do this task of screening.

Many other federal ministries and the policies and decisions which they make have an impact upon land use, ownership and disposal of land. The Ministry of Transport and its decisions on transportation have had an effect and will continue to effect the accessibility of areas of land related to the transportation network. Airport and railroad policies, Crown Corporation (Air Canada and CNR) administrative decisions, railway relocation subsidies, commuter rail subsidies, and highway construction subsidies will influence development patterns. Policies of decentralizing urban growth via the Ministry of Regional Economic Expansion may also shift land values and land uses to unsuspecting areas. The Ministry of Energy, Mines, and Resources has an obvious relationship to how land can be used and resources managed. The Ministry of Agriculture can significantly influence the viability of farming operations and the distribution of population in rural areas, Immigration policies of the Ministry of Manpower and Immigration will to a large extent determine the rate of growth of the nation, and will inevitably effect the demand and price of land and the level of energy and resource consumption within Canada. One could, no doubt, tie in the policies, and decisions of other ministries and find that they have some impact upon the use, disposal, and ownership of land.

This section has pointed out some of the more obvious governmental relationships to important concerns of land. These included housing policy, some aspects of taxation policy, environmental policy, foreign investment policy within Canada, trans-

portation policy, and some others have been discussed in this section.

The roles provincial governments, which will be discussed next, are also very important in dealing with these aspects of land.

C. The Provincial Role

provincial governments like federal governments were granted specific responsibilities in the B.N.A. Act of 1867. Through their designated powers, they play a very significant role in land policy.

BNA Act (Article 92) Responsibilities

- The Amendment from Time to Time, notwithstanding anything in this Act, of the Constitution of the Province, except as regards the Office at Lieutenant Governor.
- Direct Taxation within the Province in order to facilitate the raising of a Revenue for Provincial Purposes.
- The borrowing of Money on the sole credit of the Province.
- The Establishment and Tenure of Provincial Offices and the Appointment and Payment of Provincial Officers.
- The Management and Sale of the Public Lands belonging to the Province and of the Timber and Wood thereon.
- The Establishment, Maintenance, and Management of Public and Reformatory Prisons in and for the Province.
- The Establishment, Maintenance, and Management of Hospitals, Asylums, Charities, and Eleemosynary Institutions in and for the Province, other than Marine Hospitals.
- Municipal Institutions in the Province.
- Shop, Saloon, Tavern, Auctioneer, and other Licences in order to facilitate the raising of a Revenue for Provincial, Local, or Municipal Purposes.
- Local Works and Undertakings other than such as are of the following Classes:

process, and have been based upon the product of the planning process, the master plan (also often called the development plan, official plan, comprehensive plan). This plan generally includes maps designating present and future land uses, community facilities, circulation (transportation) components. The plan, zoning, and subdivision control in the traditional process have stipulated such things as land uses permitted by law, layout patterns, public improvements to be provided in new subdivisions, minimum lot sizes, and maximum population densities.

Zoning is the tool designed to protect established areas from unwanted uses. It is negative in nature, in that it can prevent undesirable development from occurring by specifying what can and cannot occur. For example, R-1 zoning can mean single family housing uses must occur on the lots of the zoned area, and that no other use will be permitted in the zone. Today, modern zoning bylaws are usually comprehensive documents. The planning district is divided into areas, with the permitted uses for these areas designated on a map. Zoning bylaws also specify for each zone, standards for yards, height, bulk, coverage, etc.

Since much of urban land is privately owned it creates a difficulty for zoning. Zoning shifts values from the area where an activity is not permitted to the area where an activity is permitted. In the implementation of this tool, there must be awareness of this floating of value, and the impact of the loss or gain in value zoning will have upon land values - particularly privately owned land.

In order to provide an orderly pattern of development, Subdivision Control, a regulatory tool was established. Its purpose is regulate the size of building lots, road widths and patterns, the

of land. In Manitoba, research done by the Community Planning Association of Canada has identified 46 Provincial Acts, which are administrated through provincial departments and agencies, which influence land use in the province (see Appendix IV). It is evident that a vast number of government policies influence land use at the provincial level.

Probably topping the list of important provincial acts effecting land use, are the Planning Acts which exist in all provinces. These Acts either give planning authority to local authorities, or they set the guidelines by which provincial planning authorities can provide planning assistance to the local areas. According to traditional planning theory, a planning process is to take place which will follow a logical and supposedly orderly pattern. The very basic framework in planning would entail at least the following four steps:

1. Determination of desired community (or regions) goals and objectives for the future growth and development.
2. Background inventory of community (or regions) characteristics, trends, problems, and opportunities.
3. Development of policies and plans.
4. Implementation of policies or plans through governments and legislation.

It is evident that provincial legislation in the form of a Planning Act can substantially influence land uses. The Planning Act designates certain powers to governments which can be used in the implementation of plans. These powers include zoning, subdivision control and more recently, development control which the key land use controls used in permitting or restricting the use of land in specific ways. Zoning and Subdivision Control represent the implementation stage of the traditional planning

- (a) Lines of Steam or other Ships, Railways, Canals, Telegraphs, and other Works and Undertakings connecting the Province with any other or others of the Provinces or extending beyond the Limits of the Province;
- (b) Lines of Steam Ships between the Province and any British or Foreign Country;
- (c) Such Works as although wholly situate within the Province, are before or after their Execution declared by the Parliament of Canada to be for the general Advantage of Canada or for the Advantage of Two or more of the Provinces.

- The Incorporation of Companies with Provincial Objects.
- The Solemnization of Marriage in the Province.
- Property and Civil Rights in the Province.
- The Administration of Justice in the Province, including the Constitution, Maintenance, and Organization of Provincial Courts, both of Civil and of Criminal Jurisdiction, and including Procedure in Civil Matters in those Courts.
- The Imposition of Punishment by Fine, Penalty, or Imprisonment for enforcing any law of the Province made in relation to any Matter coming within any of the Classes of Subjects enumerated in this Section.
- Generally all Matters of a merely local or private Nature in the Province.

Source: Harvey, C., Introduction to Law and Local Government, Lecture notes, April, 1975.

Provincial Governments, through Subsection 5 (Management and Sale of Public Lands Belonging to the Province) and Subsection 8 (Municipal Institutions in the Province) have the authority to exert the major influences upon land policy and regulation of land uses. Major land policy tools include planning and the implementation of plans by bylaws such as zoning, subdivision regulations, and development control. Other policies, such as taxation, agricultural, transportation, environmental, industrial, and northern development policies to name some of the more visible and obvious provincial policies which are administered through the relevant provincial departments and agencies, also have an impact on the use of the land, as well as, the ownership and the disposal of

allocation of land for public purposes, and in general, the division and sale of land. As well as, attempting to ensure property serviced and adequate building sites, subdivision control has attempted to control the tax burden on local authorities for servicing new development. Although most subdivision control bylaws are prepared and approved locally, provincial approval is also usually necessary prior to it coming into effect.

Through subdivision control bylaws, local authorities have the power to impose obligations on a subdivider. Such added provisions as the provision of land for roads, parks, public facilities such as schools which service the subdivision, and the extraction of payment for capital improvements for the subdivision itself, and in many cases for increased population can be obtained from the developer or subdivider.

Traditional planning with its emphasis upon zoning and subdivision control has come under attack by many people. Zoning has been described as "a dull, ineffective instrument" and a "discriminatory tool"⁶ and "grossly inadequate when measured against the often radically different development patterns which modern metropolitan plans propose".⁷

Problems encountered with the traditional planning process, particularly the inflexible (blunt) nature of zoning and the difficulties in its administration have resulted in implementing plans through the use of a development control system in some provinces. For Alberta, Nova Scotia, and Manitoba, development control systems have been enabled through the legislation.⁸ The Development Control system is much different from zoning in that each development proposal is evaluated on its merit and in relation to a plan if one exists. In zoning, if the zoning bylaw permits,

development may be permitted , but in development control, one is not automatically allowed to build. Land use is regulated on a permit basis for each proposed use of land. The city of London, Ontario, has had a system of development control since 1955. Development Control, however, is a relatively new technique, and present systems have come about based upon the original British system of Development Control in 1947.

Related to the concept of zoning, greenbelts are evident surrounding some cities in Canada. Greenbelts are generally enabled by provincial government legislation. They consist of a defined area around the fringe of a metropolitan center which generally forbids any land uses except for agriculture or parks and recreation uses. The belt may either be publically owned as a land-bank or as is more commonly the case, it may be frozen (zoned) permanently for low density uses of the land, generally agriculture, parks, and recreation uses. Greenbelts attempt to:

- preserve parks, recreation, market gardening, and farming around the city.
- control the outward expansion of urban land.
- contribute to an aesthetically pleasing, and a more liveable environment.

The greenbelt idea has emerged largely as a result of Ebenezer Howard's utopian garden city ideas early in the 1900's.⁹ Some experiments in England included greenbelts surrounding new towns of Letchworth and Wetwyn Garden in 1920 and Stevenage in 1945. Some Canadian cities have adopted some of the principles of greenbelts. As shown in Map 1, the Additional Zone surrounding Winnipeg is an area zoned for low density uses for agricultural, parkland, and recreational uses. It is legally recognized under the city of Winnipeg Act (a provincial statute). In Canada,

WINNIPEG: ADDITIONAL ZONE GREENBELT

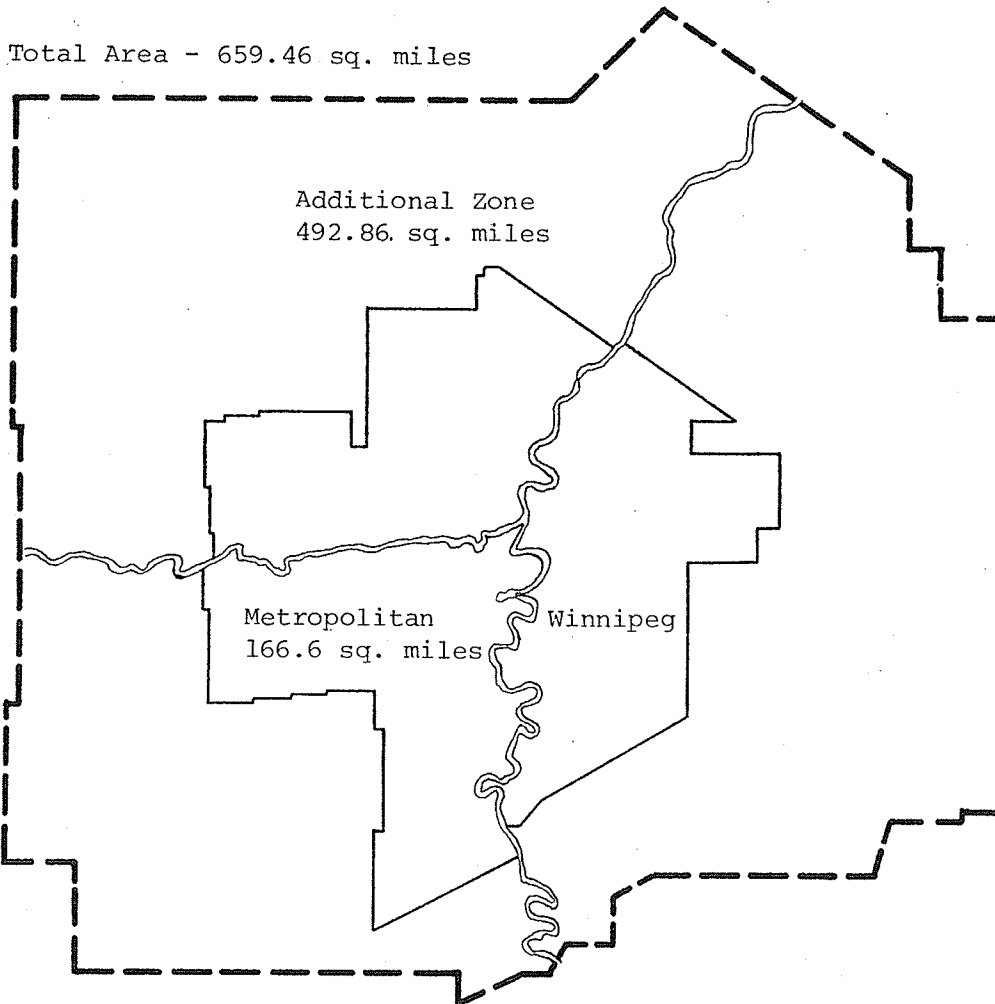
CITY OF WINNIPEG ACT: PART XX

Greater Winnipeg Development Plan

570. The Metropolitan Development Plan established by By-law 1117 enacted by the Metropolitan Corporation of Greater Winnipeg and approved pursuant to Part IV of the Metropolitan Winnipeg Act, shall be deemed to be the approved Greater Winnipeg Development Plan for the city and additional zone, until it is amended, altered, or repealed or replaced pursuant to this part.

What Development Plan Shall Indicate

571. The Council's general proposals contained in the Greater Winnipeg Development Plan shall indicate with respect to any area in the city, and the additional zone, the action areas which the council has selected for the comprehensive treatment for such areas and the period within which the action area plan will be prepared.



Source: Metropolitan Corporation of Greater Winnipeg, Metropolitan Development Plan, 1968.

Greenbelts generally are implemented through zoning bylaws usually via provincial statutes. The National Capital Commission in Ottawa, however, has made a considerable effort to gain public ownership of the greenbelt around Ottawa - this has encompassed a considerable amount of federal assistance.

Provincial governments have been active in the management of land designated for specific purposes within the province. Provincial parks, for example, are used exclusively for park and recreation purposes, while National parks, are managed by the Federal Government, and generally forbid most active recreation activity. Much of provincial Crown Land is a forest reserve or a wildlife preserve, and the land here can only be leased, with activities such as timber cutting and hunting respectively forbidden on these lands. All provinces manage these types of land.

In British Columbia, in 1973, an Agricultural Land Reserve system has developed whereby the province has prevented all good agricultural land in the province from being used for any other use (except agriculture). A four person Land Commission has been set up to administer these Land Reserves. The objective is to reserve land of a high capability for agriculture in perpetuity for the future generations of British Columbians.¹⁰ The system represents a much more active role in provincial land use management within Canadian context. It will be reviewed in more detail in the next chapter.

Land banking is generally an attempt by public authorities to gain control over the ownership, disposal and development of scarce urban land. Land banking programs are usually created for the purpose of reducing land costs around the perimeter of cities, and for having land available for future anticipated urban development, particularly housing. Many claim¹¹ that land prices can

be substantially reduced below market prices if the public, through a province or a municipality is the major developer.

Many problems, however, can result from land banking programs. The cost involved in purchasing such land is very high. If the public land bank is left in an undeveloped state, it reduces the available supply of land and inflates the cost on the remaining land. Land banking must be looked upon as an attempt at reducing the cost of land in the long run. Land banking programs have been instituted in several cities in Canada. The Ontario Housing Corporation has been referred to as the largest public land owner in the non-communist world. Near Winnipeg, the Province of Manitoba obtained 3200 acres of land in a land bank in 1975.¹² Provincial and Municipal land banking and land assembly programs have been given new impetus largely as a result of the amendments to the Federal National Housing Act in 1973. Land Banking can also be an important thrust for land use control. Such policies seem to reflect a greater sensitivity by governments towards viewing land as a resource.

Provincial - Municipal revenue and financing arrangements and the tax structures can have considerable impact upon land use, and the disposal of land in many areas in Canada. Over the years local governments have been dependent upon the property tax for most of their revenue. There are many problems with the local government dependence upon the property tax. As it is now structured,¹³ the property tax does not grow quickly enough, and wealthy municipalities with large assessment bases can benefit, while less wealthy areas with lower assessments suffer. Another problem with the property tax is its regressive nature in that it takes a larger share of income from low and middle income people that it does from people with higher incomes. The result of local government dependence upon the property tax has threatened the autonomy of

of local authorities. In the United States, one might cite the example of the economic fiasco in New York as part and parcel to this. Local governments both in Canada and the United States are now relying more and more upon assistance from other levels of government for revenue.

There have been some Provincial - Local tax reforms in recent years. Manitoba and Ontario have instituted income-related tax credit programs. Alberta has a tax credit program for renters. New Brunswick has a tax credit plan related to assessments. British Columbia, Saskatchewan, and a number of other provinces have homeowner grants and/or other special relief measures in operation. While considerable attention has been paid to providing tax relief for low and middle class people and bringing greater equity to the tax structure, the basic problems of local financing - particularly the inadequacies of the property tax, both in equity and revenue terms, are apparent.

There has, as well, been provincial concern over assessment practices - that of valuing farm property for tax purposes. Some consideration has been given to "use value" opposed to "market value", especially as it effects farm property which is in close proximity to an expanding urban area. In Ontario, the government has proposed to fully exempt all agricultural land from taxes by 1978 (see Appendix V-C). In British Columbia, the Assessment Equalization Act has limited annual assessment increases for residential property to 10% and farm property to 5% in 1973. The tax burden in B.C. was shifted to other uses to force holders of vacant urban land to bring land forward for development while at the same time reduce the conversion of farmland.¹⁴ Another system has been under consideration in Manitoba.¹⁵ This system operates on the principal of a dual assessment. Two assessment values of farmland are taken into account - a tax levied against

the land on the basis of the regular assessment of the land (market value), and a tax levied against the land if it was levied on the basis of the special assessment of land (see value). The farm operator, if continuing to farm, would pay annually the lesser assessment value, but the difference is usually carried as a lien against the property. Upon sale of the land (if the title is sold to someone who is not a farm operator), it is possible to ensure limited or no capital gain by obtaining full recovery of the deferred or rolled-back taxes. It is also possible to charge interest on taxes that have been deferred or rolled-back. Manitoba has not yet adopted a scheme of this nature. There is concern in provinces however, over taxation reforms - particularly finding an equitable Property Tax structure.

The province of Ontario, in 1974, took the initiative to institute a Land Speculation Tax, or a tax (50%) imposed upon the sale of unimproved real estate. The act was an attempt to restrict the profits made from the sale of raw land, and indirectly, reduce the cost of housing, particularly around the larger urban centers of Toronto, Ottawa and Hamilton. This is the first time such an act has been enacted in a province in Canada, and it represents a new area of provincial taxation influencing the disposal of land in Ontario. The Land Speculation Tax Act will be discussed in greater detail in the next chapter.

Another area of provincial legislation related to land is the restriction of the sale of Canadian land to foreigners, or citizens of a country other than Canada. Action taken by the provinces of Prince Edward Island and Saskatchewan have been significant in this regard.

Prince Edward Island has maintained tighter controls over the purchase of land by non-residents of its Island, than other

provinces have over such purchases of their land. Prompting this action was the loss of public access to shoreland as a result of non-resident ownership, replacement of family farms by corporate farms, and speculative land corporations, many controlled by non-residents. Restrictive legislation has been empowered for many years in P.E.I.,¹⁶ with legislation in 1939 enacted by an order-in-council, forbidding aliens from owning more than 200 acres of land without consent of the Lieutenant Governor in Council. This statute, although in conflict with federal legislation enabling aliens to own land freely in Canada, was never challenged. In 1964, the restrictions were extended and the amount of land that an alien was permitted to own was reduced to 10 acres of land, and 330 feet of shore frontage. In 1972, the 1964 restrictions were applied to all persons not resident in the province. Two Americans were denied permission to purchase 36 acres of land in 1972. They challenged the decision in the courts on the grounds that the Act contravened the Canadian Citizenship Act. Both the Provincial Supreme Court and the Supreme Court of Canada upheld the legislation on the grounds that it applied to all non-residents of P.E.I., and did not discriminate against aliens. The Supreme Court of Canada decision has done away with much of the confusion about which level of government has jurisdiction in the matter of land ownership. It is somewhat ironical in Constitution law that in order to restrict foreign ownership, the provinces have to bar Canadian residents in other provinces as well. Indications suggest recently that the Federal Government will amend the Citizenship Act, and will give the provinces powers to enact restrictions against ownership of land by aliens. Details on other activities in Prince Edward Island by the Provincial Government regarding its land problems will be discussed in the next chapter.

The Province of Saskatchewan¹⁷ has also taken significant steps in hopes of preserving the family farms (resident farm ownership) and preventing the depopulation of rural areas. One such

step was the Saskatchewan Farm Ownership Act in 1974. This act has restricted the amount of land non-residents (persons who live outside Saskatchewan for more than half of each year) can own. Agricultural Corporations or Co-operatives engaged in Agriculture must be 60% owned and controlled by resident farmers. Corporations not qualifying are permitted to hold 160 acres of agricultural land at a maximum, but if currently holding land, they are permitted 20 years to dispose of the excess. Farmers who live within 20 miles of the border of Saskatchewan (Canadian provinces or the United States) are treated as residents of Saskatchewan under the Act. Like P.E.I., Saskatchewan has taken legislative steps to maintain tight control of land by non-residents of the province.

In Ontario, a Land Transfer Act,¹⁸ was instituted in 1974, which imposed a 20% tax against the acquisition of any real estate property by a non-resident person or corporate. A non-resident person was defined in the Act as "an individual who is not a resident of Canada, either a Canadian citizen or a person who has been lawfully admitted to Canada for permanent residence in Canada". A non-resident corporation was also defined in this Act, and the definition related to the organization of the Corporations in Canada in terms of having a substantial percentage of Canadian shareholders and Canadian representation on the Board of Directors of these Corporations. The foreign owners are also subject to the Land Speculation Tax. Since 1921, the original Land Transfer Tax had been levied at 0.3% on the first \$35,000 and 0.6% on the excess of a real estate property acquired by any person - this provision now remains in effect for Canadian purchasers. Foreign investments in real estate property will be discouraged by this action. Taxation measures are a tool recently used in Canada, presently in the province of Ontario, in discouraging foreign land purchases.

Provincial governments, by the nature of their mandate, have a substantial influence upon the use of land, and the ownership and disposal of land in Canada. Regulatory measures, such as provincial plans, zoning, subdivision control, development control, greenbelts, and agricultural land reserves are important thrusts in the planning and management of land. Land-banking programs are also becoming a fashionable provincial endeavour in attempting to achieve lower land and housing costs, recapturing speculative land profits, and providing more orderly development and planning. Some new provincial - municipal financial arrangements, as well as, provincial reforms of the property tax structure are being instituted, and are exerting their influence on population distribution and land use. Negative tax measures are in effect in Ontario which are aimed at land speculators and foreign purchasers of Canadian land. Regulatory measures restrict the sale of large parcels of land in Prince Edward Island and large farm acreage in Saskatchewan to non-residents of these respective provinces. The provincial role in land use, ownership of land, and the disposal of land has been expanding considerably in recent years (chapter 4 will look at some provincial land policies in British Columbia, Alberta, Manitoba, Ontario, and Prince Edward Island, as well as, the problems encountered in implementing or administering some of the programs). The next section will look at the local or Municipal role in the use, ownership, and disposal aspects of land.

D. The Local-Municipal Government Role

The local, or the Municipal Governments represent the lowest level of government in Canada. Although they are not designated an explicit role in the B.N.A. Act, they have been granted certain powers through provincial legislation - they thus have no constitutional status and are creatures of the provincial government.

Some Local Government Powers

- Finance and Taxation
- Land Planning and Use Control, including Urban Renewal or Redevelopment
- Recreation
- Road Construction and Maintenance
- Traffic Control
- Police and Fire Protection
- Health and Welfare
- Housing
- Education and Libraries
- Public Transit
- Administration or Justice
- Waste Collection and Disposal
- Public Utilities
- Licencing and Inspection
- Civil Defence
- Miscellaneous Services
- Bridges

Source: Harvey, C., Introduction to Law and Local Government
Lecture Notes, April, 1975.

In looking at local government, one can see that there is overlapping, or sharing of responsibility with the other levels of government, and that there are some powers which are exclusively local.

It is often believed that the local level of government and its affairs are simple and straight-forward especially when weighted against the other two levels. This view, however, is largely mistaken. The local level of government operates within the same social context as the other two levels of government, and its so-called local problems and issues, such as land use regulation, municipal finance and taxation, traffic and transportation, housing, recreation and pollution are just as complex and difficult as those which the two senior levels of government deal with.

Although local government is dependent upon the senior governments for its existence, the breadth of local powers and the scope of its involvement in our daily lives combined with the national trend towards urbanization have made local government a major part of the three governmental powers affecting our lives. If one measures governments in terms of populations served,¹⁹ the local governments of Metropolitan Montreal and Toronto are more significant than the governments of seven of our ten provinces, and if metropolitan Vancouver is included, it is more significant than six of our ten provinces.

The local level of government has had trouble attempting to solve its problems. Local government has not been given the tools to deal with its problems properly. They have not been allowed to be really responsible in that they must seek external approval in connection with many of their actions. Local sources of revenue are very limited. The main source is the property tax, and other special local taxes, such as amusement taxes, hotel taxes, parking tickets, licencing, and building permits. These sources of revenue are generally not sufficient for the administration of a city, so local governments of urban areas are also further dependent upon the senior governments for special assistance grants such as those for public transit, road maintenance, bridge construction, public housing, hospitals, libraries and other necessary public works and facilities.

The Premier of Manitoba, the Honorable Ed Schreyer, for the most part, shares this view of local government and suggests that federal funding must increase to support expanding Provincial and Municipal programs.

In the last few years, there has been too little attention directed at the

basic problem - the need to rationalize the taxing and spending powers of government - the need to take a long hard look at what each level is doing and to ask if it is the most appropriate body to be doing it - and then find out if it has an adequate revenue base to do what it is, or should be doing... the Provincial - Municipal sector has grown substantially because Provincial and Municipal Program responsibilities have grown, and because Provincial and Municipal taxes have had to be increased to meet these responsibilities...the Provincial - Municipal sector in this country is clearly under-financed in relation to its growing responsibilities. ²⁰

In looking at the local government role in relation to managing the use of land, the ownership, and the disposal of land, the most important function, is planning. According to L. R. Martin, "no government activity has exerted a stronger regulatory influence on the urban land market than has public planning".²¹ However, according to Martin, a plan is a speculators guide, and to a developer, it is a document which affects him greatly and upon which he casts as much influence upon the creation as possible. Announcing future government intentions through a plan and a number of planning regulations, has the effect of eliminating guesswork for participants in the land market, and antagonizing those who stand to lose out in the value of their land when these regulations are implemented. Hans Blumenfeld,²² refers to planning measures whether regulatory, such as zoning, or any creation of public works such as roads or sewers, and their impact upon prices of land as representing a contradiction between the interest of the community in land as a resource and the interest of the property owner in land as a commodity.

Planning through Planning Acts previously mentioned, is a provincial responsibility. Most often larger urban areas are granted the responsibility of looking after the planning function

within their own jurisdiction. In the provinces of British Columbia, Alberta, Ontario, and most recently Manitoba, responsibility for planning can be granted to regional districts - these districts generally consist of rural municipalities and incorporated villages, towns, and cities of a common region which comprise a district. In Alberta and Manitoba these districts have been (or are being as in the case of Manitoba) allowed to form on their own through voluntary negotiation and consent of the municipalities and incorporated settlements of a common area. In British Columbia, the government designated compulsory regional government districts for performing the function of planning, along with other functions.

Most local areas do have a voice in the local planning process. Most Provincial legislation calls for the setting up of a "Planning Board" or a "Planning Commission", usually consisting of a body of the interested citizens, a planner and a few from the local council. The board, or commission receives funds from the locally - elected council for preparing a plan and having it administered, and they act in an advisory capacity to the local council. In its meetings, the board, or commission makes recommendations to council on various development and rezoning decisions, as well as, major recommendations on the adoption of the local plan. The local council can either reject or recommend the plan - Councils have no obligation to adopt a plan in most Municipalities - or they can adopt a plan with certain modifications. Upon local (or regional) approval however, a plan must also be approved by the appropriate provincial government authority. 23

The local government is at the grassroots level and is important in providing people with many basic and identifiable services - sewer, water, garbage disposal, police and fire protection, and a host of other functions. But perhaps less identifiable by the ordinary citizen is public planning which has a strong influence upon a property owners values, as well as, the future expansion and

development of a community. In chapter 4, it was shown that those strongly effected by public planning and regulatory measures are those within the property industry, and they make special efforts to protect their interests by influencing urban plans and being involved with local government. Others tend to be less interested in local government. Citizens and property owners, however, do become actively involved when local government actions adversely effect them. There are some indications in large cities that this is changing - the closing of the partly constructed Spadina Expressway, a \$200 million project in Toronto in 1971 was an example of citizen activism and protest against an expenditure which would have an impact upon the urban structure of the city.

Local government may well be the most important level of government affecting the lives of many of us. This level of government, however, must face many problems. In doing this, local government's hands are tied by not having access to sufficient funds - they are dependant upon provincial and federal governments for program and funding assistance.

E. Conclusion

This chapter, so far, has looked at the roles of Federal, Provincial and Local or Municipal governments in relation to certain aspects of land - its use, ownership, and its disposal. Each level has their own legislatively defined role. It is evident that there is a great deal of overlap in many areas of responsibilities of the three levels of government - including those aspects relating to land which have been discussed. This overlapping in responsibility, creates some confusion in-so-far as co-ordination of programs and co-operation between governments are concerned. One might even suggest that administering programs from three levels of government is wasteful and expensive.

Blumenfeld, earlier referred to a contradiction between the communities interest in land as a resource, and the property owners interest in land as a commodity. Planning with its regulatory measures has been identified as the most important tool of government in influencing the land market. It has been a very controversial activity. The task of resolving the contradiction through public planning, one could argue, has been a difficult diplomatic exercise. Many battles have been staged between public authorities and private interests. The best result that can usually be hoped for is a some sort of compromise after long and painful negotiations. When private interests make enough noise, however, they may generally get their way.

In Appendix VI is a calendar of events showing data indicating a history of action of governments effecting the status of land. From 1970 onwards, there has been a tremendous volume of action by governments influencing land. Much of the legislation relates to greater regulation of land use restriction of ownership of land, and restriction or discouragement by taxation, on the disposal of land within Canada. In the words of an observer of land policy in Canada, Andrew Grenier:

Not long ago private land owners could do whatever they saw fit with their land so long as there lands were not affected by zoning. Public lands could be bought or leased by anyone. Now, however, public and private land managers are asked to justify their decisions publically; public lands are seldom sold and disposition to non-citizens and non-residents is prohibited in many jurisdictions. ²⁴

There are many more regulatory tools, restrictions, taxes and other programs affecting land today than there were even ten years ago. However, very few restrictions apply to most land sales in Canada. Land is still, for the most part, a commodity

bought and sold on the market. Government intervention into the land market is generally an activity of determining the best options for accomodating private interests, in most cases, and allocating land uses.

Do the current measures applied by three levels of government, such as public planning, effectively solve the problems associated with land and the imperfections within the land market? The next chapter will examine some programs in British Columbia, Alberta, Manitoba, Ontario, and Prince Edward Island, and evaluate their success.

CHAPTER 5

NOTES

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CHAPTER 6

Recent Action Taken By Five Canadian
Provinces Indicating A Trend Towards
Greater Recognition of Land As A Resource

When land-use controls are needed to correct for faulty prices associated with a government action it, unfortunately is likely that the distribution of benefits flowing from public action will be more perverse than it would have been without the controls... a far-seeing statesman will feel a greater responsibility to future generations when legislating as to land than to any other forms of wealth;... sudden and extreme measures would be inequitable.

David Nowlan,
Professor of Economics
University of Toronto

CHAPTER 6Recent Action Taken By Five Canadian Provinces Indicating a Trend Towards Greater Recognition of Land as a ResourceA. Introduction

As the previous chapter pointed out, the 1970's have been an era of considerable acceleration in the development of policies effecting land in Canada. Of particular significance is the legislation and political action relating to land in the provinces within Canada. In the Provinces of British Columbia, Alberta, Manitoba, Ontario, and Prince Edward Island, the legislatures has been particularly visible on the subject. For this reason - combined with the fact that these provinces represent a good cross-section of different parts of Canada, it has been decided to review certain legislation within these provinces.

Provincial legislation in the area of land management, because of its designated jurisdiction in the B.N.A. Act through the management of Crown Lands in the province and the responsibility for municipal institutions within the province, is vital in terms of land policy. Consequently, this chapter will evaluate some of the recent legislation and political action relating to land. Provincial Government programs will be reviewed. An attempt will be made to determine whether the programs achieve their original goals and objectives. Also this chapter will examine whether or not particular programs within a province have had an adverse effect upon patterns of, for example, the use of land, the ownership of land, or the sale or disposal of land.

In this chapter, serious provincial programs including the British Columbia Land Commission Act; the Alberta Land Use Forum; the Manitoba Planning Act; the Ontario Land Speculation Tax Act, the Land Transfer Tax Act and the 'Official Plan' concept and the Prince Edward Island Land Use Commission and restrictions on non-resident ownership will be examined.

B. The British Columbia Land Commission Act

In December, 1972, the newly elected government of British Columbia, The New Democratic Party, passed an order - in - council enacting a freeze on all agricultural land:

No agricultural development, which shall include developing a site, changing a land use, and constructing a building, except a building that is necessary for the operation of a farm, or a residence for persons engaged in the operation of a farm, shall be carried out on, or respecting farmland.

Farmland was defined as:

- a. Situated in unorganized territory and classified as farm land as that expression is defined in section 2 of the Taxation Act.
- b. Situated in a municipality and classified as farm land under section 332 of the Municipal Act.
- c. Designated as Class 1,2,3 or 4 of the classification of soil capability for agriculture developed as part of the Canada Land Inventory under the Agricultural and Rural Development Act. (ARDA) (Canada). ¹

This measure was instituted by the government to protect the limited amount of agricultural land in British Columbia from the encroachment of other, particularly urban uses. The British Columbia Land Commission Act was drafted, reviewed and substantially amended throughout 1973, and was proclaimed in January 31, 1974.

A number of reasons have been suggested which illustrate why the government acted to protect farmland, as well as, become involved with greenbelt, parkland, and land bank policies. The encroachment of urban uses onto arable agricultural land, or conversely, the conversion of arable agricultural land to primarily urban uses was considered the most pressing concern. In terms of the amount of land available for farming, research done by the

Land Commission indicated some shocking trends,² It revealed that less than 5% of the land in British Columbia (less than 3% west of rockies) is considered arable, and only .01% of the soil is suitable for the production of fruit trees. Research done by David Baxter³ indicates that the most productive agricultural land in the province is located close to the largest urban markets, and it is in the lower Frazer Valley and on Vancouver Island because of rapid urban expansion that most land is being removed from production. The regions where most new clearing takes place are areas where climate and soils are best suited to extensive cultivation and grazing distant from the major urban markets and containing small non-farm populations. Baxter also points out that although the total farmland in B.C. accounts for only 2% of Canada's farmland, B. C. farming accounts for 5% of the total value of farm products produced in Canada and accounts for 4-5% of the cash receipts from farming operations in Canada. Land available for farming in British Columbia is obviously very limited, and a reduction in productivity within the agricultural sector may have serious consequences for the province.

In terms of the food production in British Columbia, the province is dependent upon food production in other parts of the world to satisfy local demand. Figures compiled by Baxter show that while food consumption required a net import of 3% in 1946, by 1955 this import deficit had risen to 29%. This trend may have serious long-range consequences for British Columbians. For the province to satisfy much of its domestic needs and maintain the option of a trading position in the food markets of the world, its land used for agriculture would have to be protected in its current use.

Within the farm sector of British Columbia, urban development has had an impact upon farms and farmlands. Out of the total number of farms, a very high percentage are small acreage farms.

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Within the farm sector of British Columbia, urban development has had an impact upon farms and farmlands. Out of the total number of farms, a very high percentage are small acreage farms.

Small acreage farms generally consist of part-time farmers (who are semi-retired or earning extra farm incomes), hobby farms, or country estates. Most small holdings, other than highly specialized or intensively cultivated farms, are non-productive and inefficient. The general trend today is that the productive farms require increasing acreage to be viable for most types of farming. Hobby farms and country estates around urban centers in British Columbia⁴ have had the impact of chopping-up farms into small inefficient units. Since the acreage price for hobby farms is three or four more times the value per acre of large holdings, this trend has been fostered because farmers have been induced to subdivide. This has increased the price of farmland since the potential of such subdivision becomes capitalized into general farmland prices. The conversion of land to small holdings has also had the effect of hampering food production and harming the farm sector of British Columbia.

In British Columbia, like in other provinces, there was a need to preserve public access to open space for both active

and passive uses. It was recognized⁵ that the process of land conversion on the urban fringe did not always take into account the best interests of the public. The Land Commission was designed to play a rôle in urban-related parkland and greenbelt designation.

Part of the reason for the bringing about of the agricultural land-freeze and the B.C. Land Commission Act, no doubt, was the failure of the previous efforts to control urban growth and agricultural land conversion in the lower Frazer Valley. The Lower Mainland Regional Planning Board (LMRPB) which began operating in 1949 became concerned with the loss of farmland in the early 1960's, and in 1963, it established a comprehensive regional plan which designated approximately 300,000 acres (about 50% of the useable land in the valley) for long-term use in agriculture. A major problem, however, arose. In 1967, the same provincial administration which approved this regional plan⁶ approved and began the development of the Roberts Bank Superport. However, much of the land purchased for the port development was designated under the plan as being for long-range agricultural use. The government expropriated over 4000 acres of land in total for the ports development. Board members of the Staff of L.M.R.P.B. were both opposed to the government's ignoring of the designated farmlands, and the major changes to the original plan. Not only were the intentions and objectives of the plan ignored, but integrity and credibility of the plan was thereafter questionable. Administering increasing pressure for amendments to the plan to permit re-zoning became more difficult, so in 1968, L.M.R.P.B. was dissolved by the provincial government. After its dissolution, the board was replaced by four small regional districts each of which were assigned their own regional planning function. While some planners had success in convincing the new Regional District Boards which made the policy and planning decisions that the regional

plan should not be amended, many amendments were made after 1968 to permit re-zoning of farmland. With limited adherence to the L.M.R.P.B. plan, the issue of preserving the continuing erosion of farmland became a serious election issue in 1972. The new government (The New Democratic Party) put the land freeze into effect after it came into power, and it developed its new measure, The Land Commission Act to confront the problem of the erosion of agricultural land.

Early in 1973, Bill 42, a bill to establish a provincial Land Commission was introduced for first reading in the B.C. legislature. The Bill, however, was poorly worded, and several uncertainties in the bill were brought out in the debate. This resulted in the bill being referred to a legislative committee of the whole for section by section consideration.

Many problems were evident in the original Bill 42⁷. The Bill recommended that a Commission of not less than five members be appointed by the government, but the terms of office were not definite, and it was argued that there would be the possibility of political patronage and that it would be difficult to remove a member from the Commission. In the act, the Cabinet was given powers to make orders and regulations relating to matters of the establishment of reserves, acquisition, sale, and leasing of real property. Criticism of this section pointed out that the impact of the legislation would not be dependant upon the act per se, but could be dependant upon regulations and administrations passed down by cabinet. In the legislative debate exploded over the Commission's power to designate (zone) lands which are suitable for agriculture, parks, greenbelts, and land banks without any requirement for compensation. Although many agreed with the designation, they felt that compensation was necessary. Because of the general definition of lands suitable for designation, critics believed these provisions could give the Commission

control over all land in the province - expropriation marking the end of private ownership of land in the province. Another section permitted the Commission to purchase land. This section was ambiguous and was misinterpreted as including the power of expropriation. A considerable amount of confusion and opposition resulted from the debate on the first draft of Bill 42, The British Columbia Land Commission Act.

Several omissions in the Act also upset the critics of the Bill. There was a lack of any requirement for public, municipal, or regional district involvement in the establishment of reserves. Local and regional areas, it was felt, should not be excluded from participating in long range planning for their development. The Act also limited appeals to the legislation which could be addressed only on points of law to the Supreme Court. There was a lack of provisions of individuals and local governments to appeal decisions of the Commission.

On March 19, 1973, amendments to Bill 42 were introduced to the legislature, and the Bill was referred to a legislative Committee of the whole for section-by-section consideration. The most significant changes made were:

1. Explicit exclusion of the power of expropriation for acquisition.
2. Limiting the power of designation without acquisition to agricultural reserves. For Greenbelt, park, and land bank, the Commission was required to acquire the Land before designating it to be in a reserve.
3. Extension of the right to appeal to include appeals to the Commission and/or the Environment and Land Use Committee by individuals, municipalities, and regional districts.
4. Assignment of a major responsibility to regional districts in preparation of the initial agricultural reserve plans and in the passing of appropriate by-laws (including public hearings).

Clearly, the improvements to the original Land Commission

concept appears to rest more comfortably with the public.

In terms of the actors involved in the administration of the act, the primary ones are the Environment and Land Use Committee and the Land Commission. The Environment and Land Use Committee is a political body generally consisting of all the Ministers in a Port Folio which is closely related to Land Use. This cabinet committee has the major function of making the political land use decision, and is the final appeal for farmers wanting to have all or part of their land excluded from an Agricultural Land Reserve. The Committee consists of the following B.C. Ministers:

- Minister of Lands, Forests, and Water Resources
- Minister of Health Services and Hospital Insurance
- Minister of Municipal Affairs
- Minister of Mines and Petroleum Resources
- Minister of Agriculture
- Minister of Recreation and Conservation
- Minister of Highways
- Minister of Industrial Development, Trade, and Commerce.

The Land Commission is the major body for the implementing and administering of the act. The Land Commission consists of five members which are appointed by the Environment and Land Use Committee. During the first year in office, the functions of the Commission were as follows:

1. Explanation and administration related to the designate Agricultural Land Reserves (In the early months, nearly all the time was spent on this matter).
2. They have been establishing co-operative relationships with other provincial departments and agencies. They must communicate with other departments and ask for appraisals of possible acquisitions by the Commission.
3. The Commission intends to arrange for the appropriate provincial agency to manage the acquired lands:
 - Dept. of Agriculture - Agricultural holdings
 - Dept. of Parks - Park land
 - Dept. of Highways - Highways
4. They play a persuasive role in so far as land under

federal jurisdiction is concerned, they are attempting to place facts before such agencies as Indian Affairs and Railroads in an attempt to have the agricultural land protected.

5. They have recently become involved in various aspects of the appeal process.
6. They have been monitoring and reviewing the significance of the subdividing of large farms into smaller farm parcels throughout P.C. ⁹

The British Columbia Land Commission Act, and the Agricultural Land Reserve system (see Map 2) have been in effect since it was proclaimed law on January 31, 1974. Some of the impact of the Act can be assessed, and other long term effects of the Act can be speculated upon.

The most obvious effect is that the traditional zoning process has been altered. The present system represents a centralization of some of the land use controls which in the past were enforced by local governments through zoning, building, and subdivision by-laws and have had to be amended to meet the minimum requirements of the reserve. Since the Land Commission, the Regional District, and the Municipalities all administer land use controls, planning and land development may become much more complicated unless co-ordination of these activities can be established. A problem has been expressed by the developers of B.C. which illustrates a lack of co-ordinated zoning. The large number of new regional plans created (the Land Commission Act requested the 28 Regional Districts to prepare Agricultural Reserve Plans in 90 days), combined with the prevailing 'no growth' philosophy of many of the 129 municipalities in the Vancouver region, have resulted in many legitimate development proposals being rejected. Developers comprizing the Urban Development Institute in B.C. have asked the provincial cabinet to establish an appeal board with power to overrule land decisions by Municipalities. They requested: "an appeal tribunal authority to review Minicipal and subdivision

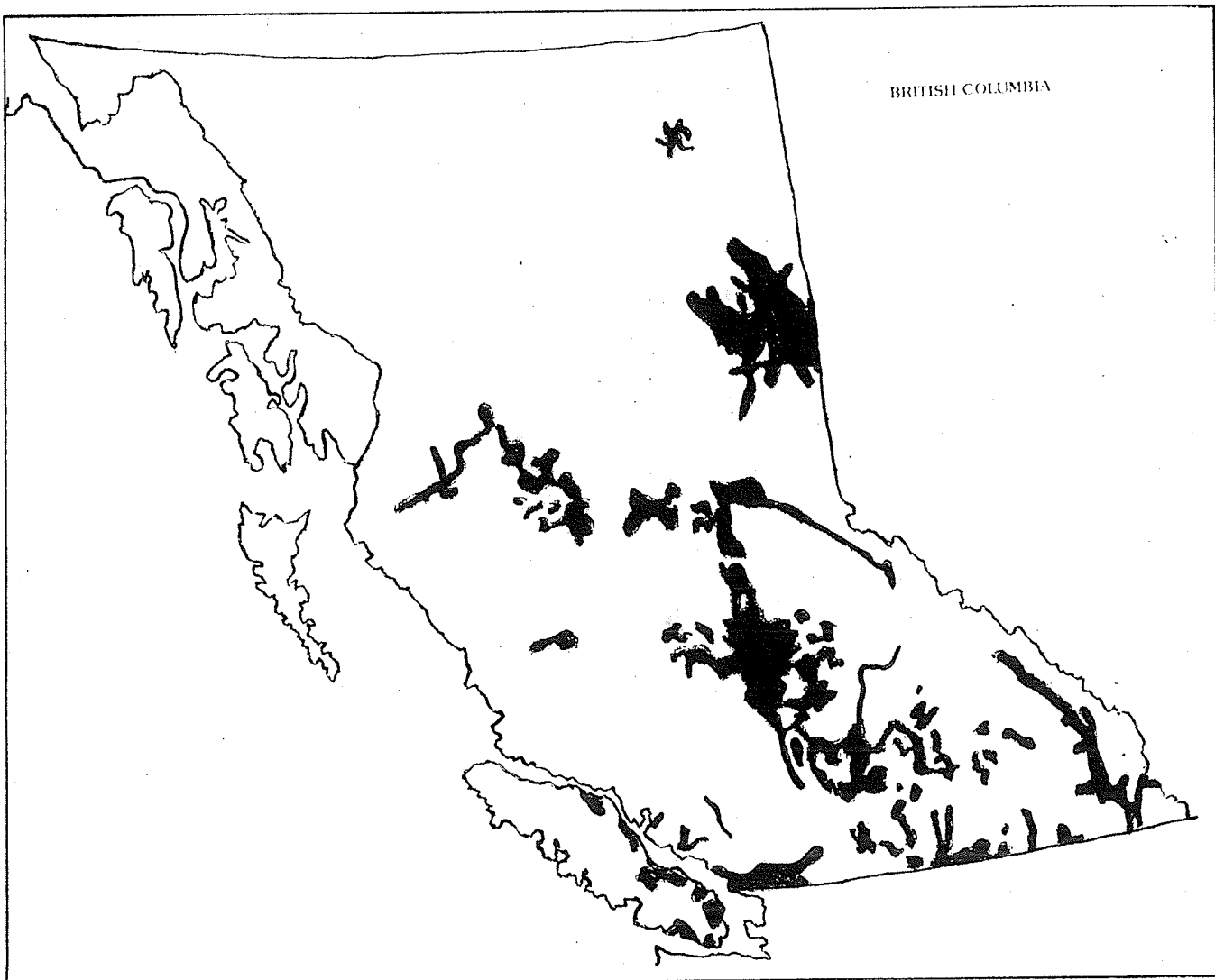
Agricultural Land Reserve Plans

During its first year of operation, the Commission co-ordinated the efforts of the Regional Districts in the task of preparing Agricultural Land Reserve Plans for the Province. While this task was being accomplished, Orders-in-Council were in effect limiting the subdivision and change of use of agricultural land.

An Agricultural Land Reserve is best described as a form of zoning that protects the land from the encroachment of non-agricultural development and limits the use of land within the Reserve to agricultural and other uses that do not diminish the

capability of the land to produce crops.

The establishment of the Land Commission was in response to a clear need for shared decision-making in the land planning process. It was only through the spirit of co-operation which emerged from the joint efforts of the general public and local, regional and provincial governments that the ALR's were established in so short a period of time. The Commission will continue to encourage such participation in the ongoing administration of the ALR.



and zoning decisions as to their conformity to overall land use plans, to review land use contract requirements, and even to review standards of servicing".¹⁰

Another concern expressed about the Land Commission was the fact that since the Cabinet was granted the ability to acquire and use land, they could legally secure cheap land via the misuse of the Land Commission Act. It is possible that these lands could be put to more profitable ventures which are not available to private owners.¹¹

So far the legislation has acted to limit subdivision of farmland and its conversion to other uses. The view has been expressed that this may be only a short-term effect:

There is no zoning authority that has ever existed in the past that has been able to accomplish the goal (of freezing farmland). The best the commission can do is slow down The growth and make it proceed in an orderly fashion...

Over time the Provincial Land Commission must accede to the pressures of the Urban community for the movement of boundaries...Current owners of farmland for speculative purposes - this includes farmers hoping for a windfall from re-zoning - will get their money eventually as the Commission yields to the pressure of growth.¹²

Literature distributed by the Commission, however, indicates that the reserves will 'protect the food producing function of the land in perpetuity'.¹³

The Land Commission Act has not eliminated much of the conflict, or enhanced the co-ordination between various government agencies.¹⁴ While the Act is an interesting attempt at controlling the rapid loss of farmland, it has done nothing to clarify the confusion that exists concerning non-urban uses. Decisions made relating to forest management are still made by

the Forest Service with little or no input from other users. Internal reviews are sought from other government departments, Fish and Wildlife Branch, for example, but are not available for public inspection. Also, there is no assessment of the impact of decisions which are made by the commission.

The government, as evidenced by the 1963 L.M.R.P.B. plan, failure, must abide by the Agricultural Reserve plan as the private owners must. An industrial park development called Tillbury Industrial Park had been proposed by the government on agricultural land. The problem of who arbitrates between conflicts that arise between the Commission and other government departments may be serious.¹⁵

The major effect of the Land Commission was its impact upon the land market and land prices. The price of farmland upon implementation of the freeze, it was predicted would undergo a considerable decrease in value. This, in fact, did not happen. Farms with no potential for conversion to urban uses, there has been no price effect. For farms with this potential, there was a tremendous increase in prices at first. Most recently, the indications show these increases have been of lesser magnitude.¹⁶ The sudden increases in farmland value were prompted by more sales and speculation on farmland in the short term. There were likely many reasons for this. Prior to the establishment of the reserves, there were purchases of land which, it was anticipated, would be on a reserve. There was expectation that due to increasing pressure for urban expansion and the high prices for urban land, appeals would be easily approved and land would be released from the reserves. Some others may have projected the change in government in the next election - which has occurred - and with this change, they may have believed that the land reserve system would be made more flexible.¹⁷

Recent indications are that the price of farmland in

British Columbia is stabilizing. A farm organization spokesman in B.C. has stated

the combination of land reserves and income assurance programs have injected new confidence in farming and lessened the importance of farmland's speculative value.¹⁸

As far as urban land prices are concerned between 1972 and 1973, the price of a typical residential lot of the Greater Vancouver Regional District increased steeply and lot prices doubled in some areas.¹⁹ According to a Vancouver developer in 1975:

'House prices have escalated faster than any other part of North America. Rental house building has virtually become extinct... We had no housing problem two or three years ago'.²⁰

Although there are many factors which effect the demand for housing and the price of housing, such as availability of rental stock, availability of mortgage money, the condition of the economy and buyer confidence in the housing market; the land reserves can't have helped but to reduce the availability of future developable land and contribute to the inflationary land and housing prices in Vancouver and other urban centers in the province.

Perhaps the biggest criticism of the Act is that it has had an impact on the distribution of wealth of the people in the province. Everyone owning land in much of B.C., not designated in an Agricultural Land Reserve, is afforded the opportunity of making a large captial gain. High capital gain on land in the Greater Vancouver Regional District, as witnessed by the jump in the price of serviced lots in the region, have been realized. From this perspective, the Land Reserve system is a clumsy and awkward tool and not clearly thought out in terms of granting advantage to certain land owners in society. Open space and land use objectives, perhaps could be better achieved through the use of other tools than freezing (zoning),

and taxation measures might be a better tool, for achieving land use, and distribution of wealth objectives.²¹

Provincial Government in British Columbia has chosen to take an active role in planning in the province through the establishment of the Land Commission.

Although the Agricultural Land Reserves created in B.C. have reduced the loss of agricultural land through the conversion to urban uses, the system has been plagued with many problems. Perhaps other land-related problems in the province could have received an equal amount of serious attention by the B.C. government, but have not.

C. The Alberta Land Use Forum

Many issues related to land have become visible in Alberta in recent years. Over the past few decades, the province and many of its cities and towns have been experiencing considerable growth.

TABLE 4

Population Growth in Alberta, Edmonton, and Calgary

	<u>EDMONTON</u>	<u>CALGARY</u>	<u>ALBERTA</u>
1901	15,000	8,000	Not a province
1921	87,000	78,000	588,454
1941	136,000	112,000	796,169
1961	374,000	290,000	1,331,944
1966	401,300	330,500	1,463,203
1971	496,000	403,300	1,627,874

Source - Figures from Statistics Canada.

Associated with the growth of the province - the cities and towns, the extraction of Alberta's natural resources such as petroleum and coal, and the vast amount of rich agricultural land in the province and the well-being of the farming sector are a number of land use problems which have been recognized by the Government of Alberta.

The Albert Land Use Forum was commissioned by the government to study problems of land use relative to provincial jurisdiction - the complexity of the existing law and the broad responsibilities which the government has relating to land. The recommendations of the Forum will be discussed here. ²²

The Forum was commissioned by the government because of three basic problems.

1. A degree of confusion as to who is responsible for what, between provincial and municipal jurisdiction.
2. Some lack of co-ordination within the departments of the provincial governments.
3. A slowing of decision making.

The Alberta Land Use Forum was commissioned on October 1, 1973, to enquire into and report and make recommendations on the following matters:

1. the family farm
2. multi-use of agricultural land
3. the use of agricultural land for recreational purposes
4. land use in and adjacent to urban areas as it effects the cost of housing
5. future land needs of Alberta agriculture.
6. corporate farms, foreign ownership of land, absentee ownership and communal farming
7. the common ownership of land, agricultural processing and marketing facilities
8. land use as it influences population distribution in Alberta
9. the extent, if any, which the historical right a landowner has to determine the use of his land.

It consisted of a three man commission - the members of the Alberta Land Use Forum. The study represented probably the most detailed research project, and most expensive effort in the various areas of land use ever done in Alberta. The report and recommendations were completed in January, 1976.

The methodology for the study was conducted in a four phase procedure as follows:

Phase One:

Since the public was to be actively involved in discussion with the Forum on land use, the first phase was designed to gain as much technical information as possible. The Forum summoned 19 technical reports which were prepared some by necessary expertise in government departments, and some done by private consulting firms. Summaries of the reports were available for all public meetings. This was done up to September 1974.

Phase Two:

A public participation program was begun in the second half of 1974. A private organization, the Rural Education and Development Association (REDA) arranged meetings in 80 rural and urban communities in the province, and was able to obtain 225 briefs from this program. Along with this participation program, the Forum held meetings with the different public and private organizations, planning commissions, officials of several urban and rural municipalities, and officials of departments of the government, all of these which had either an interest in land use issues, or responsibilities in land use.

Phase Three:

The final stage of the public participation program included public hearings held by the Forum in 15 communities (three day sessions in both Edmonton and Calgary) in the first half of 1975. Over 280 briefs were received at or after these hearings, all briefs received at the public hearings, and discussions of the hearings of Phase Two and Phase Three have been published in volumes.

Phase Four:

This was the stage at which the report was prepared - during the latter part of 1975. As well as giving consideration to the views expressed at the public participation meetings, the Forum analyzed other research. Literature on land use problems in parts of the United States and Canada were examined. Meetings were held with commissions and officials responsible for certain land use legislation in B.C., Saskatchewan, and Ontario. The Netherlands, Germany, Switzerland, Sweden, Finland, and England were visited by Forum

members, and they discussed with officials how particular land use problems were treated in these areas. These were all looked at in the final report.

This approach was taken by the Alberta Land Use Forum - but the recommendations in the report, it was suggested, were to deal primarily with objectives and principals with minimal treatment of management - oriented responsibilities. Some of the recommendations of the Forum's final report will be looked at here.

The Forum perceived the following roles for the government with regards to the allocation of different land uses (agricultural, urban, forestry, etc.)

- The preparation of a complete inventory of all land resources by a central agency.
- That changes in urban and rural boundaries require Executive Council (the political cabinet committee) Approval and that in making decisions, the Executive Council considers that highly productive agriculture land not be used for other purposes without rigorous scrutinizing of all practical alternatives.
- That Executive Council approve the location of major industries that have physical and economic impact beyond the boundaries of the municipalities in which they are located.

In terms of the role of the provincial level of government, the Forum recommended:

The Executive Council should appoint a three-person land use Secretariat to perform those tasks assigned to it by The Executive Council or its Committees...The Secretariat, where thought desirable, would be empowered by the Executive Council to form task forces on an ad hoc basis to deal with specific issues and these would normally be composed of civil servants, but might on occasions include others from outside of the government...the secretariat would have an ongoing internal co-ordinating role acting in a liason capacity between the Executive Council and municipal government, planning commissions, private organizations and individuals.

Along with the suggested role of government and the appropriate changes in the administration of the various land-related issues, the extensive public participation sessions conducted during the course of the study brought into light a wide range of land use issues. The Forum's final report made policy recommendations in response to these issues. Some of these will be mentioned here.

The problems as perceived by the public were many and varied. The issue of private vs. public land ownership involved some very emotional responses. The Forum reaffirmed the private ownership of land:

The object of the government is to enable individual human beings, singularly or in an association with each other, to have land... (to use it in ways) within law that prohibits gross misuse of the land itself as well as uses which affect adversely the welfare of others or which lessen unduly the options of future generations.

Some need was recognized for publicly owned land. The Forum made the recommendation that the province should purchase privately-owned land only for clearly stated purposes and in accordance with publicly known priorities and policies and that this decision should be initiated from the agency or department who will use or administer the land. Such public purchases of private land for specific purposes would include:

- assembly of urban land to prevent monopoly situations
- the purchase of small farms in depressed areas with the objective of reselling to establish economic farm units.
- those lands required for public works of all kinds.

In the area of land use, the Forum perceived a more definitive role for government than what presently exists. It suggested:

The province delegate to municipal level, all administrative decisions that are of a local nature and reserve to itself all those broad decisions that affect more than one municipality and are significant to large regions or the province as a whole.

Several recommendations were made with regards to the Regional Planning system in the province. *

The emphasis should be on the ongoing process of planning. The adoptions of a regional plan should be optional rather than mandatory...In place of the preparation of a regional plan by the Regional Planning Commissions, general plans will be prepared for all municipalities. These general plans could be simple statements and guidelines respecting future development. It is believed that a series of Municipal General Plans would adequately provide for accommodating development and guiding land use in any regional planning area.

With regards to monetary, fiscal, and taxation policies of government, the Forum made suggestions as well. Recognition was given to the fact that guidelines should be provided designating appropriate responsibilities, and given the authority to raise the necessary revenues. The property tax, they suggested, should bear the cost of property only, and that taxation is an inappropriate tool for determining land use. The Forum was greatly concerned with large private speculative gains on land.

The Provincial Government should seek a change in the federal-provincial tax sharing agreement that would allow the province to establish a capital gains and unearned increment tax on all land...if such an agreement cannot be reached, we recommend that the province consider the practicality of levying an unearned increment tax in addition to the capital gains tax.

It was suggested that the benefits of this tax could be distributed

*Regional planning has been enabled in the Province of Alberta since 1950, when the Town and Rural Planning Act permitted Regional Planning Commissions to be established in the Province. A subsequent Planning Act in 1963, spelled out the role and responsibilities of the Regional Planning Commissions in greater detail. The objectives of the Regional Planning Commissions are to develop comprehensive Regional plans to provide professional planning assistance to all municipalities. Each Commission consists of elected representatives from the urban and rural municipalities that decide to join the Commission, appointees from one of the following departments: Municipal Affairs, Agriculture, Lands and Forests, Education or Health, and Highways. As of 1974, a total of nine Regional Planning Commissions have been established. They encompass 50% of the total Province of Alberta and 80% of the population of the province.

back to the municipality which created the increased values, and be used to provide infrastructure such as utilities and transportation facilities.

Provincial legislation restricting foreign land ownership, such as exists in Prince Edward Island and Saskatchewan, was rejected. According to the Forum, this is a matter of Federal jurisdiction:

The Foreign Investment Review Act is the mechanism whereby Canada controls all foreign investment, including land. We perceive this as a legitimate function of the Federal Government.

It was, however, recommended that all purchases of land - especially farmland - should be reviewed. It was suggested that there are advantages to having urban land owned by a foreigner during holding and development stages. A fear of retaliation because Canadians buy land in other countries was expressed. In terms of contributing to Canadian unity, the Forum stated that such actions do nothing to build a united Canada.

The Forum made major recommendations pertaining to agriculture and the maintenance of the family farm. Since there are major problems in entering the farming sector (high investment cost in land, buildings and machinery) and since farming has traditionally had a difficult time surviving because it has suffered from a low rate of return on invested capital, and poor returns to management and labour, several recommendations were made in this regard:

The Agricultural Development Corporation give Sympathetic but realistic consideration to refinancing new entrants during the first few critical years when adversity beyond the operator's control imperils his working capital position. That any discrimination by tax authorities and by government and other lending agencies against part-time farmers be discouraged.

That the real estate industries attempt to bring prospective investors and qualifies young farmers together to initiate working relationships in the acquisition and farming of land.

The Forum, however, recommended that no land-banking be undertaken to purchase farms and lease them to existing or newly entering farmers.

On the issue of rural residential development, the Forum argued that this demand should be accommodated, but certain conditions should be met:

- country residential dweller should pay his share of costs incurred by the Municipality.
- all land area containing rural dwellings which are considered for residential use should be taxed as resident.
- allocation of land for these purposes should be in line with long-term schemes for the area.
- flexibility in design would facilitate more efficient land use.
- need for 10% dedication in rural subdivision in these areas should be reviewed.

In the area of general housing, the Forum suggested that there should be greater flexibility in the application of subdivision design standards, development standards and housing mix standards with the objective of encouraging cost efficient development and expansion, and maintaining a high quality environment. Government, they suggest, should support innovative tenure arrangements (Condominium, Co-operative Ownership) financially and through an advisory service. Mobile home subdivisions, shell housing, town housing, mixed density developments, cluster design, and zero lot line, it was felt, were also worthy of serious consideration.

Comments were made reflecting provincial economic development strategy in Alberta. The Forum suggested formulation of policies covering:

- the location of primary (resource) industries.
- the location of environmentally sensitive industries.
- where an industrial location necessitates the development of a new town.
- where long-term manpower is involved in industrial location decisions.
- about the development of fossil fuels.

It was recommended that the province not subsidize or give incentives to effect location decisions by industry.

In the area of Forestry, the Forum recommended that land assigned the forest zone (Forestry Division) remain in public ownership as it is at present. Much attention and research should be focussed upon the problem of reforestation, it was suggested.

In the field of Parks and Recreation, the Forum suggested:

- potential sites for future development should be reserved.
- recreation areas should be developed along with power dams and reservoirs when they are constructed, or when commercial development, or reclamation are planned.
- small parks should remain a local (Municipal) responsibility.

In an overview of the work which they did, the Land Use Forum made the following comment:

Many of the people's concerns related to personal and social land needs, rather than to the physical aspects of the land itself. This is especially true in the urban areas. The land needs of the public are constantly changing with the views and aspirations of society. Land use issues are therefore ongoing and land use policies will need to be continually reviewed and adjusted.

Indeed, the Alberta Land Use Forum represented a serious study on land use issues, and many of its recommendations will act to guide the provincial government on many decisions which it will make in this regard. Many of the recommendations of the Forum are very much debateable, and some of these recommendations will be discussed.

The Forum could be severely criticized on the basis of what it had initially intended to accomplish. The terms of reference were broadly defined, and the very wide range of subject matter included in the study made it very difficult for the Forum to make a very detailed recommendation. Many of the recommendations in the report are of a general nature on the issues of land which are already obvious to many working in the government. The cost of conducting the study was very high - particularly for staffing, public meetings, travel expenses, and research. At a period when all levels of government are concerned with rising inflation and non-essential increases in government spending, elaborate studies such as the Alberta Land Use Forum, perhaps, are not justified. Also, with the government not following many of the Forum's recommendations (see Appendix V-A) one could conclude the study was wasteful.

The Forum recommended that a three-person Land Use Secretariat be set up to play an important role in provincial land-use decision-making. There is some problem of red tape and confusion existing between various provincial and municipal jurisdictions. This agency (Land Use Secretariat) may merely act to increase red tape in government and slow down decision-making to a greater extent than at present. It may be just as effective to use existing government departments for making the future provincial land use decisions.

The recommendations of the Forum which rejected non-resident ownership restriction of provincial land has not been taken seriously by the government of Alberta. Recent indications are that the government is considering legislation of this nature at the present time.²³

On the subject of feeding other poor nations of the world suffering from food shortages the Forums stated that Canadians should

not attempt to grow food for the world's hungry, but rather assist them in their effort to grow food. This suggestion represents a very controversial stand. With the world doubling its population every 35 to 40 years, a blanket policy of not providing food for the world's starving seems selfish and unfair. During years of severe droughts or crisis situations in underdeveloped countries, can a country, or a province with a wealth of surpluses turn its back on fellow human beings in this way?

Another suggestion by the Forum could also be disputed. They have stated that the total membership on planning commission in Alberta should be smaller - and small enough to permit constructive group discussion. A problem with a smaller membership, is that there is a greater probability that fewer interests will be represented on such a council. Such a move, some might argue, may be against the grain of democracy.

The Forum has recommended that taxation is an inappropriate for determining land use. In the provinces of British Columbia and Ontario reduction in taxes by controlling assessment increases and by providing tax rebates to genuine farmers have acted as a useful incentive for encouraging farm land in agricultural production. This recommendation could also be questioned.

Probably the greatest criticism of the Forum is its stand on the question of controlling land prices. This was rejected by the Forum because of the problems of allocation that would result and the bureaucracy that would have to be created. The magnitude of the high cost of land and housing may not have been fully appreciated by the Forum. A recent article revealed the following:

In 1972, a small three-bedroom house on a 50 foot lot in the suburbs of Calgary cost \$25,000. A family with an income of \$12,000, slightly higher than the average for Calgary that year, could afford to buy that house. Today, not quite four years later, a basic three bedroom new house on a 40 foot lot on Calgary's suburban fringe costs \$54,000. That's an increase of more than \$29,000. To

buy that house requires an income of \$21,600 a year and a down payment of \$8,689.00 ... Edmonton, Hamilton, Kitchener, Ottawa, Thunder Bay, Toronto, Vancouver, and Victoria are all more expensive according to the most recent published figures.²⁴

Housing costs in the urban centers of Edmonton and Calgary have been escalating, and are above the affordable limits of many in the lower and middle classes. The Forum should have attached a very high priority to keeping the cost of housing affordable for most of the Albertan's. The following "hands off" role of government in housing development suggested by the Forum, one could argue, will do nothing to help the escalating housing and land costs:

We acknowledge that the province has a role to play in development according to what it perceives to be the current and long-term needs. We suggest this can be accomplished by creating an environment that will encourage and motivate individuals and groups to productivity.

The Alberta Land Use Forum is a recent attempt by the provincial government of Alberta to confront land use concerns in the province. The resource - capability of the land is recognized by the Forum. Several of the recommendations of the Forum, and the suggestions for the treatment of land can be seriously questioned.

D. The Manitoba Planning Act of 1976

It could be said with considerable justification that in contrast to other provinces in Canada, Manitoba is a late comer to the concept of planning and a rational system of land use policy. Although this City of Winnipeg has had an active planning staff for many years, this has not been the case for the rest of the province. The Provincial action has progressed in the 1970's and the Manitoba Planning Act of 1976 represents a major provincial thrust by the government towards a more rational land use policy.

Prior to 1976, planning activity in Manitoba was legally enabled by legislation passed 60 years ago in 1916 - the first Manitoba Planning Act. The Act has obviously become obsolete because of much different conditions and problems existing today. The population is more affluent, technology is more sophisticated (everyone owns a car, airports, and mass media, etc., have contributed to changes in life styles) the average workweeks are shorter, and acceleration in the movement of the population to cities, are major factors which have changed since 1916. It was in the 1970's that land-related problems began to reach a serious magnitude in Manitoba, and it is only in recent years the obsolescence of the old Planning Act has been fully recognized.

In Winnipeg some planning took place prior to the 1970's. In 1944, the city council appointed The Greater Winnipeg Planning Committee which included representatives from Winnipeg and 12 surrounding municipalities. Plans were laid for continuing planning activities on a metropolitan basis. In 1949, the provincial legislature created the Metropolitan Planning Commission replacing the Greater Winnipeg Planning Committee. ²⁵

The Commission employed a planning staff which prepared a number of

policy - documents during its existance which included studies entitled: Background for Planning, Transportation, Neighbourhoods, Parks and Recreation; Residential Areas, Cities Appearance, Major Thoroughfares, Transit, Schools, Zoning, and Central Business District. ²⁶

In 1960, the Metropolitan Corporation of Greater Winnipeg was formed with the basic purpose of administering certain prescribed "inter-municipal" functions for the Metropolitan area such as wholesale water supply, sewage treatment and disposal, major streets and transit, assessment, major parks and golf courses, and planning. ²⁷ It took over the powers of the Metropolitan Planning Commission at this time.

Some of the reports done during the Metro years of government were: the Metropolitan Urban Renewal Study, the Winnipeg Area Transportation Study, the Metropolitan Winnipeg Parks and Standards Study, the Downtown Development Plan, the Metropolitan Winnipeg Development Plan, as well as, many Action area Plans completed for specific areas. ²⁸ Although no attempt will be made here to focus upon intricate details on planning within the City of Winnipeg, or the Greater Winnipeg area per say, the evidence does indicate that considerable land use planning was taking place in Winnipeg.

Two documents were completed by 1968, during the Metropolitan Corporation years. The Winnipeg Area Transportation Study and the Metropolitan Development Plan would have had tremendous ramifications in terms of land use. The Winnipeg Area Transportation Study (WATS). Recommended public expenditures upon major street and highway systems including more express buses and an underground rapid transit subway. The proposals of the WATS study were not deemed feasible or acceptable by the City Council and the public.

The Metropolitan Development Plan designated areas within and around the city for future expansion and it included future living (residential) and working (industrial) areas. It also designated an Additional Zone around Winnipeg where no rural residential or industrial development would be allowed, except for such development within existing communities in the zone. The Metropolitan Development Plan, however, has not been very successful. It was not flexible in that it showed no alternatives. Both living and working areas of the future were projected to extend outward from where they currently exist and other factors such as railway relocation or future airports were not included. A new development plan for the city is being prepared by a Tri-level^{*} Committee (inter-governmental), this is an attempt at preparing a more workable plan.

The City of Winnipeg Act which was proclaimed as law on January 1, 1972, created the Unicity or "one city" concept for the entire Metropolitan area of Winnipeg. The Unicity government took over all the administrative functions of the Metropolitan Corporation of Greater Winnipeg (including the Planning function) and it included fire and police protection, public works, and sanitation services. Decision-making and local politics for the whole area of Metropolitan Winnipeg were centralized under one government. The Act has resulted in standardized local services across the whole Metropolitan area, and the mill rates and taxes throughout the Unicity - both the inner - city and the former suburban municipalities, have been for all intents and purposes equalized.

Planning activity in the rest of the province until the 1970's

*A joint committee composed of City, Provincial, and Federal governments.

was limited. The first provincially subsidized planning service was established in 1957. It was not until 1966 that a special planning agency, the Municipal Planning Branch within the Manitoba Department of Municipal Affairs, was set up to provide for the increasing planning service needs. Between 1957 and 1974, 117 municipal jurisdictions - either Rural Municipalities or incorporated cities, towns, or villages have taken advantage of the planning assistance. 31

With regards to the treatment of land within Manitoba, the Provincial Government has proclaimed two recent Acts - the City of Winnipeg Act (1972) and the Manitoba Planning Act (1976) which represent the major thrust of the regulation of land uses.

Prior to the enactment of Manitoba's new Act, many land-related problems were evident in Manitoba. The provincial planning agency in Manitoba, the Municipal Planning Branch has outlined many of these problems in some of the newsletters circulated throughout the department.

Many of these problems have been summarized and outlined below:

1. A host of environmental (resource-based) characteristics are most frequently over-looked and the use and development of land often bears little relationship to soil or resource capability considerations. Some are:
 - groundwater quality and its suitability for domestic use.
 - septic tank or field construction and the danger of aquifer pollution.
 - distribution of scarce industrial gravel deposits and their management.
 - land of high capability for agricultural production.
 - land of a high capability for recreation - in Winnipeg most riverbank land of high recreational potential is

in private ownership, hence, is not used for public recreation.

- areas well suited for wildlife and waterfowl production
 - much ditchland and marshland is often drained, or cultivated for agriculture, and may negatively effect wildlife production.
- 2. Increased mechanization and mass production techniques of many large livestock and poultry farming operations produce heavy concentrations of waste materials which can pollute valuable water and recreational resources if located on or near natural drainage ways, poorly drained areas, or areas with a high water table.
- 3. Unregulated growth has resulted in lower quality subdivision in areas where public agencies have not been prepared to regulate subdivisions, housing, and building codes.
- 4. Highways leading to villages, towns, and cities are often flanked by ribbons of mixed residential, commercial, and industrial uses each of which distracts from the other. Billboards too close to road allowances cause snow drifting problems.
- 5. When rural residential holdings filter into the rural area, this development tends to characterize the area, and make it unfavourable for other uses. In Manitoba, there have been cases where non-farm residents living adjacent to a livestock production unit have complained of noxious odours - to the Clean Environment Commission. The Commission can rule to limit a producers operation and any future expansion.
- 6. Residential development has resulted in placing increased burden upon the highway network. This increased need for access results in the reduction of speed and in personal safety in many areas.
- 7. Although rural residential development in total may occupy a few thousand acres of agricultural land, it often causes large areas of this land to be broken into uneconomic units. If the land is of high agricultural capacity, much more less productive land may have to be brought into production with costs and labour increasing accordingly.

8. Rural Municipalities have often had to construct costly and difficult to maintain roads for a few scattered non-farm residents. Such expenditure cannot usually be justified economically, and such expenses are generally borne by other areas - probably productive agricultural land in the municipality.
9. Rural residential development artificially inflates the value of nearby farmland. Selling price, assessment, and taxes are increased on neighbouring farmland. Farm costs, thus, are escalated in these areas, and this places them at a disadvantage in competition with farms not so effected.
10. Within a 45 minute commuting time of Winnipeg, the Winnipeg Region Study Data indicates a strong rate of increase in land values with considerable acceleration occurring over the past two years (1974). The market at present is highly individualized - the large scale developers appear to be relatively inactive in the area. Speculative activity may be inflating land values, resulting in land being left idle in the area surrounding Winnipeg. 32

In 1970, a provincial study found the following problem:

There is an imperative need in the Greater Winnipeg area for genuinely effective planning and development of the region as a whole... Experience has demonstrated that planning and development powers are indivisible.³³

Perhaps as a result of this study, the Municipal Planning Branch set up a study group in 1971 called the Winnipeg Region Study to monitor land use problems and trends within a sixty mile radius of the city of Winnipeg.

In rural regions of Manitoba, some land use trends are occurring which are having an adverse effect on the rural regions and the agricultural economy.³⁴ Farms have been increasing in size over the years, and population density has been declining. This has resulted in less income being earned and spent in many rural areas and has contributed to rural - area regional disparities.

Increasing land prices have been prompted by land development companies who purchase land near urban centers, by non-Canadian (particularly West German) investment in Canadian farmland, and by other non-resident farm purchases by part-time or hobby farmers. These have acted to inflate farm values and these interests often outbid potential resident farmers. High rent, and high mortgage payments have also had the impact of discouraging potential resident farmers from entering the agricultural sector. The declining of rural populations will continue to persist unless these trends are confronted.

There were many administrative problems associated with the former Planning Act in Manitoba. One of these problems relates to the Additional Zone bylaw in Winnipeg. This bylaw, which has been empowered by the City of Winnipeg Act (see Map 1) has the objective of preventing urban sprawl and urban development, in a designated zone around the City of Winnipeg, except in existing settlements in the zone. It is argued ³⁵ that the Additional Zone bylaw discriminates against the legitimate farmers operating within it. Farmers genuinely engaged in farming according to the current assessment and taxation formula—largely based upon the market value are paying very high taxes making operating costs high for them. They are not afforded the same alternative opportunity to sell their land for urban development related uses as farmers not in the Additional Zone. The current system results in an economic burden for the farmers in the zone.

The Additional Zone provision has also been challenged on the grounds that for effective planning to result, an incorporated area must have administrative, as well as, planning control. The City of Winnipeg has planning control, but not administrative control of the rural municipalities in the Additional Zone. The policies of the city, its notion of how development should take

place, and its implementation of the program - the development freeze - does not imply comprehensive planning for all areas concerned.

Another major loop-hole existed in former Planning Act legislation in Manitoba. It was possible for individuals to subdivide land and sell residential lots without any type of approval by responsible planning authorities. This procedure as indicated in this case study, worked as follows:

A farm has been purchased for the purpose of subdivision, but the proposal had been turned down. The new owner, a speculator in this instance, proceeded to divide the frontage of the farm by Metes and Bounds by obtaining transfer of titles, the splitting of titles and land titles office. 36

In the former Planning Act, although there was subdivision control through plan of subdivision procedure, any regulations imposed by this Act could be by-passed merely by registering proposed land divisions in the land titles office by Explanatory Plan (since 1970, approval of the local council was required), Metes and Bounds description procedures. From January 1, 1969 to December 31, 1973, a Provincial Government study found in a case study of six Rural Municipalities that 53% of land divisions were done by Explanatory Plan and Metes and Bounds descriptions procedures. ³⁷ The Provincial government has admitted the following:

There is a general lack of policy direction... It is apparent.. that there's enough land currently zoned at 5 acre minimum designation or less, or with no zoning at all, to permit several hundred years of development at current rates. ³⁸

Another problem which was encountered by Provincial Planning

Authorities was that the former Act was more of a Planning Service Act than a Planning Act and the service had been increasingly one of administration procedures rather than assistance in the formulation of planning policies. This contributed to the disenchantment of many municipalities with the total planning process.

Finally, the old Act provided for the adoption of Planning schemes. Such schemes were optional and were implemented usually without prior policies. When adopted, they often abused the zoning function. In traditional planning practise today, the zoning bylaw is a land use control which is based on the development plan, and represents the tool for establishing land use policies. It appears quite obvious that the Manitoba Planning Act of 1916, was very much out of date.

The Manitoba Planning Act of 1976, represents a major improvement over the administrative flaws of the preceding Act. The major components of the Act are: it provides for more stringent land use control through compulsory traditional planning practises, it permits the voluntary setting up of regional planning districts of more than one municipality in an attempt to combat urban-fringe planning problems and encourage better joint cost-share financial arrangements between municipalities for regional facilities, and it allows for the eventual elimination of the Additional zone around Winnipeg pending the organization of region districts around the perimeter of Winnipeg. Following are excerpts from sections of the Planning Act explaining these provisions.

1. Under Part V: Land Use Control (Prohibition of Development)

- 39 (1) No Development shall take place, and no development permits shall be issued by the appropriate authority, unless the development conform with:
- a. an adopted development plan for a special planning area, a planning district, or a municipality.

- b. an adopted planning scheme
- c. an adopted zoning bylaw
- d. an adopted basic planning statement
- e. the provisions of the act

If none of the above exist the appropriate authority may issue a development permit subject to such terms and conditions as may be necessary.

2. Under Part III: District Planning

- (2) It provides for the setting up of regional planning districts (a municipality or more than one municipality jointly).

"a logical rational area of planning purposes based on, but not limited to such considerations as topographic features, the extent of existing and probable urban development, the existence of important agricultural resource, conservational, recreational, and other urban or rural concerns, the existence of desirability of uniform social and economic interests and values and the existence of planning concerns common to the municipalities or communities concerned."

3. Under Part III: District Planning

- (8) "Where a Municipality forming part of the Additional Zone becomes a part of a planning district under the Act, the jurisdiction over that part of the Municipality by the City of Winnipeg Act subsection 4 (2) shall cease. The planning districts were also given the power to enact bylaws (not contrary to the law or inconsistent with the provisions of the Planning Act) and a district board powers which would replace municipal board powers to approve or turn down subdivision applications." ³⁹

Although the new Planning Act made provision for greater land use control in the form of restrictive legislation, and regional planning districts, the Act encompassed the setting up of governmental machinery to co-ordinate provincial land use planning and to establish guidelines to provide the framework for municipal and district land use planning. The Act created following governmental machinery:

1. The Provincial Land Use Committee (P.L.U.C.)

It is comprised of members of the Provincial Cabinet with the following responsibilities:

- ensure co-ordination of other government (s) programs with these policies
- make recommendations to cabinet respecting the development of Provincial Land Use policies.
- make recommendations to the Provincial Cabinet for the establishment of special planning areas (where there is an over riding Provincial interest - but to be done in consultation with municipalities affected, and public notice and public meeting may also be necessary) and the adoption of development plans.
- recommend to the Provincial Cabinet the establishment of Planning Districts.
- approve municipal and district development plans and ensure their conformity with established Provincial Land Use Policies.

2. An Inter-Departmental Planning Board

It is comprised of deputy ministers representing those departments with an interest in land use (deputy ministers to P.L.U.C.). Its main functions are:

- advise and assist P.L.U.C. and government departments in formulating policies affecting the use and development of land.
- advise and assist any public authority in planning for the use and development of land and co-ordinate the major land use Planning activities of such authorities.
- to make recommendations to P.L.U.C. on the establishment of Special Planning Areas and on the adoption of Development Plans.

3. District Planning Boards

Not to be confused with new planning districts under the Act, District Planning Boards will be established, with the intent of eventually decentralizing the current Municipal Board's powers.

The Characteristics of the District Planning Board would be:

- the District Board would be incorporated
- the Board will be comprised of members of Councils of Municipalities with the area of the district.
- it will pay remuneration to its members for expenses.
- it may adopt bylaws
- it may hold property, expand funds and enter into agreements
- it may prepare, adopt, administer, and enforce a District Development (land use) policy plan, a district zoning bylaw on behalf of a Municipality, a subdivision standards bylaw, and a building bylaw.
- the Minister may grant to the District Board authority to approve the subdivision of land within the district where there is adequate staff.
- it may receive Planning Assistance and/or financial grants (unknown) from the Minister of Municipal Affairs as a subsidy to the annual operating expenses of the board.
- formation of the Board enables municipalities the opportunity to act jointly and with provincial support and involvement.⁴⁰

It is evident that in Manitoba the government has taken steps to "crack down" on land use abuses in the province, as well as, re-organized and expanded the authority and administration of land use policy in the province.

The new Planning Act in Manitoba however, is certainly not above criticism. Many problems are being anticipated as a result of the Act. Also, there are some serious land-related problems which the Act has not addressed itself to, and which need to be confronted in the province.

A problem of the Act could result from the delegation of planning responsibility to regional planning districts. If planning districts

form around the city of Winnipeg, and the additional zone planning jurisdiction is removed, planning responsibility might be decentralized and perhaps fragmented. The previously mentioned "need for effective planning and development of the Winnipeg region as a whole" would likely be forsaken. The Districts around Winnipeg could adopt "pro-development" or anti-development" guidelines and plans which might not be in the best interests of the growth of either the commuting zone region around Winnipeg, or the City of Winnipeg.

There may also be another long-term problem inherent in this Act. ⁴¹ Because many municipalities are currently developing plans, and because the Provincial Land Use Committee (P.L.U.C.) will be beginning to develop its own land use strategy, this could present a problem. Many municipal plans will be developed and approved before the province has developed its own strategy. This may result in the province having to come back to a particular district and asking it to make changes. It could also result in a municipal district, particularly a large one, actually determining much of the provincial land use policy through its development plans. This is indeed, a sensitive area, and political conflicts could easily develop between P.L.U.C. and district Planning Boards.

Planning districts in Manitoba have been slow in forming, and they are taking a long time in coming into being. The major obstacle has been the establishment of cost-sharing arrangements. According to the Minister of Municipal Affairs, at the end of July, 1976:

18 groups representing about 60 municipalities from all over Southern Manitoba have expressed some interest in establishing local planning districts, but since no cost-sharing arrangements had been determined, no commitment was made by any municipality. ⁴²

Municipalities are fearful of a cost-share formula which would result in a significant increase in the local mill-rate and taxes and they are suspicious of having to subsidize other areas or communities of some planning district. The current attitude of the government is to move slow and not offend anyone.

The Planning District concept is bound to generate confusion to many inside and outside of government. This is because other government departments also have set up special districts. An example is two Acts carried out by the Department of Mines and Natural Resources:

Watershed Conservation Districts Act - management and improvement of a watershed with support provided by an overall plan or scheme and construction and maintenance to improve and control water supply.

Resource Conservation Districts Act - to carry out programs related to soil conservation and to control the use and development of land in accordance with the Act. 43

These Acts have some over-lapping functions inherent in the planning Act, and there is reason to suspect some duplication of government services.

There appears to be an assumption in the Act of the need for "planning" and the need for "the plan". The traditional planning process and the notion of a comprehensive plan⁴⁴ is most often static and inflexible, and is restrictive telling what you can or cannot do as shown on a scaled map. An alternative to a comprehensive plan would be a process, or continuing oriented plan with flexible guidelines with the ability to allow for citizen inputs and desires from a variety of interests. An attempt at such a plan has been made in British Columbia in the Greater Vancouver Regional District.

A problem which the Planning Act has not focussed upon at

all is the high cost of land and housing.

According to the Housing and Urban Development Association of Manitoba (H.U.D.A.M.) report of March, 1976, a Winnipeg household must earn at least \$17,276 a year in order to afford a new minimum standard (1000 square foot) home...70% of the households in Winnipeg do not earn \$17,276. ⁴⁵

There has been some concern over the issue in Winnipeg, and a Provincial Royal Commission on Land Speculation has been summoned. Housing costs are also increasing in other areas of Manitoba.

A survey of real estate agents at several Manitoba centers indicates...prices of housing rising at a steady pace...housing prices climbed between 10 and 20 percent during the past year, compared with an estimated 20 percent rise in Winnipeg house prices since last summer...President of the Manitoba Real Estate Association, said prices were going up in smaller centers, as well as cities and larger towns because land costs were going up. ⁴⁶

A land policy should include provisions for making the cost of housing affordable.

In Manitoba, although evidence indicates that non-resident purchasers of rural land, such as foreign investors, land development companies, or purchases of hobby farms are negatively effecting the rural land market and the farming community, no remedial action has been taken to control such purchases. Other provinces have taken steps to curb non-resident purchases of Canadian land.

Manitoba's new Planning Act has only been in effect a short while. Although it represents improvements from previous land use planning practices, it may continue to encounter other problems and it may lack the ingredients capable of combating serious land issues of today.

E. Land Policy in Ontario: The Ontario Official Plan Approach, The Ontario Land Transfer Tax Act, and the Ontario Land Speculation Tax Act.

The province of Ontario has been faced with a wide range of land-related problems. The government of Ontario, probably more so than any other provincial government within Canada, has reacted to its problems with some sort of action. The impact and effectiveness of Ontario's action to many of its pressing problems, has been subject to considerable criticism.

Some of this action - aspects of the Ontario Official Plan Approach, the Ontario Land Transfer Act, and the Ontario Land Speculation Tax Act will be looked at and discussed here.

Ontario has the largest population of any province in Canada. The largest amount of the population is located in the area of southern Ontario, encompassing centers such as Toronto, Hamilton, Kingston, London, Windsor, Guelph, Oshawa, Brantford, Peterborough, St. Catharines, Niagara Falls, and Kitchener - Waterloo. However, many other centers further north, such as Ottawa, Owen Sound, Sault Ste. Marie and Thunder Bay to name a few, are thriving. There are tremendous demands upon urban regions available land to accommodate increasing human activity - more intensive uses such as residential, industrial and commercial uses. In some parts of the province, city growth has been explosive and has spread out into rural townships and overtaken adjacent towns and villages. Ralph Kruegar has stated that:

'The result has been haphazard and disorderly urban sprawl that is uneconomic to service, and socially deficient. In the process, valuable agricultural lands and recreational resources have been needlessly destroyed, ecological balance upset, and the quality of the regional human and natural environment seriously blighted'. 47

Of recurring concern is the need to save farmland which is of productive quality. The same region - Southern Ontario - which contains most of Ontario's population, also contains nearly all of the province's productive farmland, and all of the province's fruit producing land (the Niagara Fruit belt). A Toronto newspaper article stated that a report had shown that land had gone out of production at a rate to 26 acres an hour between 1966-71. It states:

Land is going out of production so quickly that keeping an accurate figure of the land in agriculture is almost an impossible task. ⁴⁸

The loss of productive agricultural land in Ontario may have very serious implications for future generations in Ontario - perhaps for future generations of Canadians, and others in the world. Agricultural land converted to urban uses is usually lost for food production forever.

Land costs surrounding many rapidly growing urban centers in Ontario have become highly inflated. Land speculators have been prevalent, and the cost of land is often increased in value to the extent of the following case researched early in 1975;

Near one on Toronto's satellite Cities a widow sold her 100 acre farm for \$100,000 five years ago. A speculator bought it. He subsequently sold it for \$600,000 and today the current owner has it on the market at \$1.5 million. ⁴⁹

In relation to the housing market, the cost of land converted into single family residential housing units will eventually be paid by purchasers of housing. An official of a Development Corporation early in 1976, stated the following housing costs

for the Toronto area:

Within a 35 mile radius of Toronto, new houses cost \$65,000 for a three bedroom bungalow, \$72,000 for a two storey and \$68,000 for a split level... (in Canada) the general housing cost is the highest in Toronto, but the cost is nearly comparable in Vancouver and Ottawa. 50

The high cost of housing is perceived as a serious obstacle to many prospective purchasers of housing in Ontario. The government of Ontario has reacted to these issues in certain ways, and its most conspicuous reactions will be examined.

Planning and the 'Official Plan' Approach

In 1968, the Provincial government of Ontario began re-organizing local governments in the province.⁵¹ Regional Governments resulted in reducing the number of local municipalities in the province for the purpose of facilitating and implementing regional plans. The regional government, thus, represents an upper tier of local government which has the ability to implement certain aspects of regional plans. The former approach in attempting to cope with regional growth problems was to establish joint area planning boards. Although, some co-ordination of plans by this system may have resulted, these boards only had advisory powers. Any plans formulated had to be implemented by a number of independent local governments - each of which had their own advisory board and each of which are concerned with their own tax assessment. The regional government level, by taking over the provision of a number of services from local municipalities, has been able to reduce the pressure to plan through assessment - the costs of these services were spread over the whole region. A major responsibility of the regional government is to develop an 'Official

Plan' for the region. The plans to become 'Official' must meet the approval of the regional government, and the government of Ontario. Once official, development plans, zoning bylaws, and public works of all the local municipalities in the region are completed, they must comply with the regional office plan.

Two academics in Ontario have demonstrated avid support for the 'Official Plan' concept in Ontario. E. C. Pleva, a geography professor from the University of Western Ontario has stated:

The official plan is more of an operating manual than a blueprint. It uses the democratic procedure to assess public intentions and serves to enable elected representative to make decisions in line with agreed upon goals. The process is not a simple one. It is as complicated as the democratic process...The province has encouraged 'Official Plan' thinking and practise on the part of local (lower tier) and regional (higher tier) governments. ⁵²

Ralph Krueger has pointed out that the official plan has the advantage of:

- 1) establishing goals and objectives for the region.
- 2) standards of servicing and environmental quality for the region.
- 3) indicating overall nature and direction of urban development in the region.
- 4) establishing policy statements to be used in implementing the plan.
- 5) by 1975, official plans have been required by all municipalities.

In his opinion, services and plans of local municipalities are being co-ordinated, permature suburban housing development and other aspects of urban sprawl are being curtailed, and certain

environmental amenities are being preserved.

Although the two-tiered system of government has been an improvement from planning efforts of previous years there is an argument that regional planning must also involve provincial strategies which must, in turn, be translated into development plans on a much broader scale than the regional districts:

A provincial plan could be fairly general, A kind of Zoomlens principle applies. The larger the area, the more general the terminology may be. As you narrow the view, the details emerge until you see zoning bylaws that really implement the official plan, building bylaws, and perhaps even set backs (at the municipal or regional plan levels). However, these are all compatible systems that support and reinforce each other as you move up and down the zoom scale. ⁵⁴

Provincial involvement in this context, would mean the enunciation clear statements concerning aims, goals, and means to move into the future, and this statement would be expected of the lower tiers of government as well.

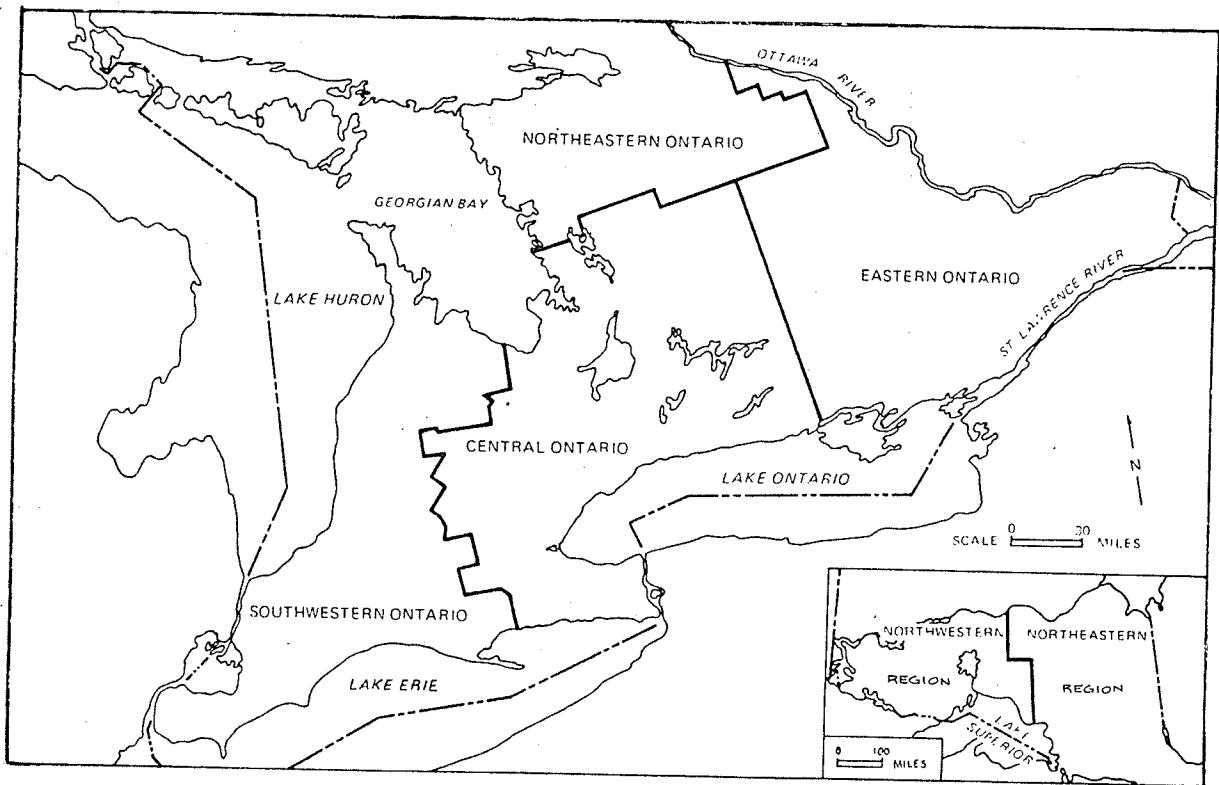
There have been attempts at provincial strategies on land use and development plans on a broader scale than the regional districts. Planning efforts have focussed on the Central Ontario Region (several studies) and the Niagara Escarpment Area of the Southwestern Ontario Region (see map 3)

The Central Ontario Region has had 3 major studies done which have influenced its development.

The Metropolitan Toronto and Regional Transportation Study (MTARTS) in 1962, was established to examine the transportation

MAP 3

ONTARIO PLANNING REGIONS: 1973



Source: Bryfogle, R.C. and Krueger, R.R., ed., Urban Problems, (Toronto: Holt, Rinehart, and Winston of Canada Ltd., 1975.)

problems and possible solutions to the conurbation stretching from Oshawa to Hamilton and as far west as Waterloo country. MTARTS report suggested possible development patterns for the region, however, the transportation body was not the right body to make a policy on which plans should be accepted without knowing more about development and land use patterns. The urgent need for an official strategy for growth for the entire Toronto - Centered Region was pointed out by this study.

The Toronto - Centered Region Concept (TCR), the next major study, occurred when the Provincial Government summoned planners to begin working on a plan for the Toronto Centered Region in the late 1960's.

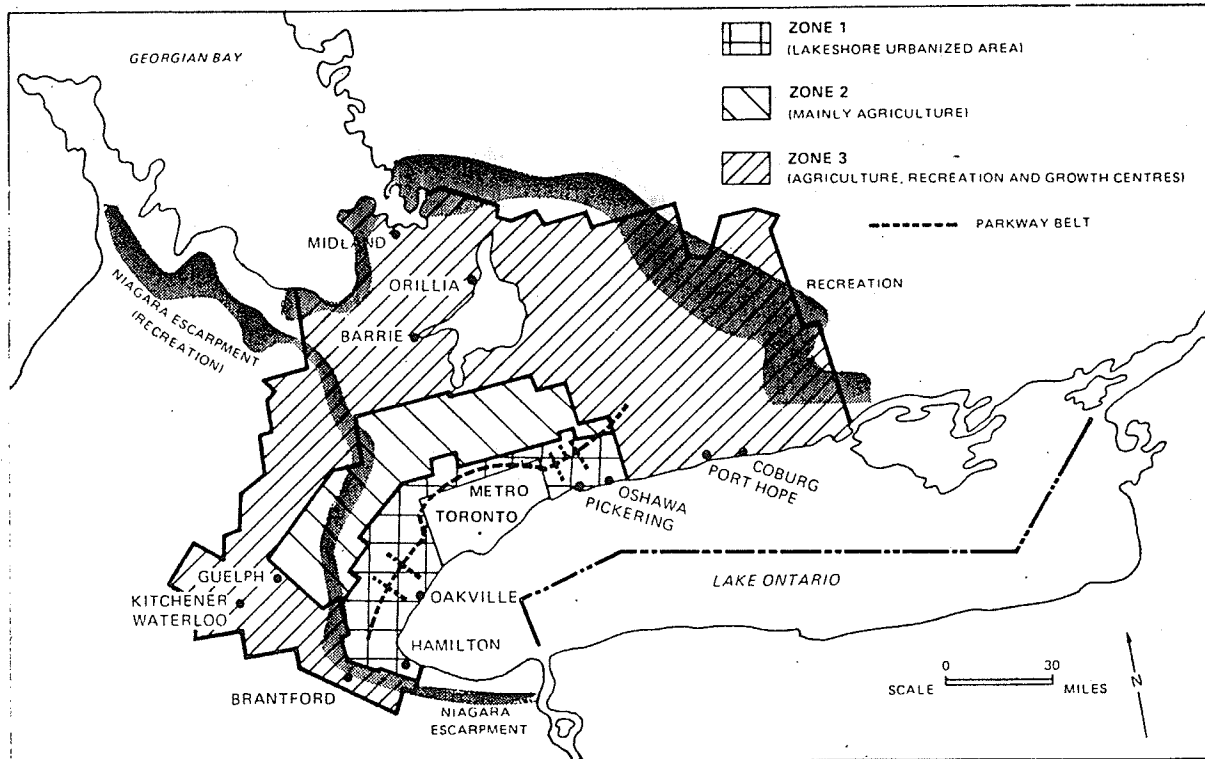
The basic goals of the plan were:

- discourage excessive growth in Metropolitan Toronto
- structure new growth in well-defined centers separated by open space
- prevent urban sprawl from ruining the agricultural, recreation and other resources across the whole region.

In 1970, the Toronto Centered Region Concept was published. The concept is shown in Map 4.

Several problems with TCR have been evident.⁵⁵ Developers have argued that TCR has restricted development unnecessarily and caused land and housing prices to escalate due to shortages. Concerned planners have argued that it lacks the legislative base for detailed methods of implementations. Farmers have complained that they have been prevented from selling land for development but that their escalating land costs and taxes have made farming uneconomic. Although TCR has no legal status, many development proposals have been approved or rejected as a result of the concept, but no programs for the implementation of it exist. In response to several of the criticisms of the TCR plan,

TORONTO - CENTERED REGION CONCEPT



ZONE 1: densely urbanized zone, in form of identifiable communities separated by a parkway. Transportation linkages between urban centers with open space preventing urban centers from growing together would be provided.

ZONE 2: retain as much land as possible in recreational, open space, and agricultural uses. Urban growth would be permitted only around existing centers.

ZONE 3: designated as primarily agricultural land, but with considerable provision for urban growth in specific locations.

Source: Bryfogle, R.C. and Krueger, R.R., ed., *Urban Problems*, (Toronto: Holt, Rinehart, and Winston of Canada Ltd., 1975.)

several task forces have been established to study social, economical, and environmental implications of TCR, particularly in relation to the three zones and to work out more detailed plans for development.

The Central Ontario Lakeshore Urban Complex Study (COLUC) 1974, came into effect when the Government of Ontario passed new legislation in 1974 called the Ontario Planning and Development Act. It empowered the government to design, adopt, and implement plans for areas designated by government. The C.O.L.U.C. study was set up to study social, economical, and environmental implications relating specifically to the northern and eastern parts, Zone 1 of the TCR plan. A major recommendation with regard to farm land in the area was:

The first step toward a viable agricultural industry would be for the province to designate good farm land as having agricultural priority for foreseeable future. 56

Along with the C.O.L.U.C. study, the Ontario government took several other measures in conjunction with the Ontario Planning and Development Act attack problems in the Toronto Centered Region. The Ontario Land Corporation was established to enable government to assemble land for new towns called for in TCR. To provide real estate taxation relief to farmers, the provincial government established a tax rebate system which returns 50% of the municipal tax levied on all bona fide farms. If the land is sold for development, the farmer must repay the rebate, plus interest.

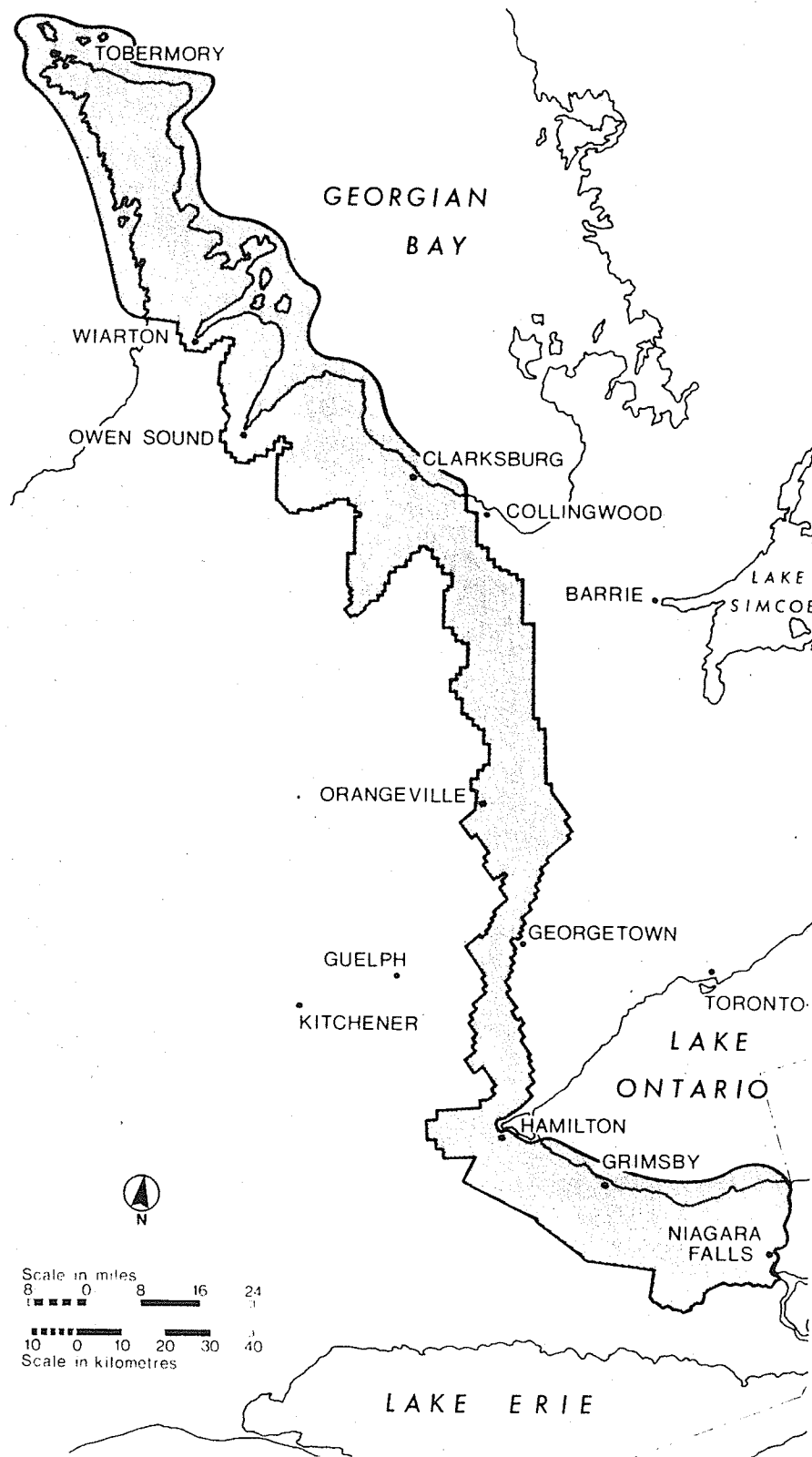
One of the first areas designated for a plan by the government was the Niagara Escarpment in 1973. Because of the need to preserve important agricultural land capable of fruit production from urban related development, and to preserve some of the great scenic and recreational areas, the provincial government enacted

special legislation, the Niagara Escarpment Planning and Development Act. A Niagara Escarpment Commission was established which consisted of representatives from all municipalities along the escarpment (see map 5), and some government appointees, and they were to prepare a master plan which would force all the municipalities to comply with it in developing their own plans and in regulating future developments. The following were the objectives of the Commission:

- to ensure that all new development is compatible with the purpose of the Act, which is to provide for the maintenance of the Niagara Escarpment and land in its vicinity as a continuous natural environment, and to ensure that only such development occurs as is compatible with the natural environment.
- to protect unique ecologic and historic areas.
- to maintain and enhance the quality and character of natural streams and water supplies
- to provide adequate opportunities for outdoor recreation
- to maintain and enhance the open landscape character of the Niagara Escarpment in so far as possible, by such means as compatible farming or forestry and by preserving the natural scenery. ⁵⁷
- to provide for adequate public access to the Niagara Escarpment.

The Commission was legally enabled to manage the land uses of the escarpment through the use of Development Control procedures. Unlike traditional zoning, there are no zones nor are there detailed standards, each development is considered on its own merits, and evaluated against the approved guidelines. Along with development control, the provincial government has taken some commendable action and has purchased large acreage of the escarpment in certain key areas - a master plan for the escarpment area has not yet been completed.

NIAGARA ESCARPMENT PLANNING AREA



Source: Niagara Escarpment Commission, Niagara Escarpment Planning Area, (Information Pamphlet, 1974.)

Land use policy efforts in Ontario have been extensive, and have been based for the most part upon the traditional planning process. The government of Ontario has also enacted legislation which has taxed speculation on land and transfers of title of land to non-residents of Canada. The implementation of such Real Estate bills - designed to be punitive - was entirely new in Canadian Context in 1974.

The Land Speculation Tax Act and the Land Transfer Tax Act were passed in April of 1974, with the following objectives in mind:

1. to discourage speculation
2. to make more land available for residential construction
3. to increase Canadian ownership of land. ⁵⁸

These were stated objectives of the legislation in its final form. The treasurer in his budget speech, however, had initially stated other objectives.

I should like to describe important new measures to restrain inflation... They (Land Speculation and Transfer Tax) are designed to stabilize land prices, and encourage Canadian ownership of Ontario Real Estate...Mr. Speaker, I am proposing a new tax to discourage speculative activity. This tax has two objectives: to reduce escalation of land and housing prices. ⁵⁹

In their final form, the two Acts contained the following general provisions.

Land Speculation Tax Act (tax levied against Vendor)

Imposed is a tax of 50% of profits (amended to 20% with rebates of 30% returned to these previously taxed - on December, 1974) from the sale of unimproved real estate. This was levied independent of the normal federal Capital Gains Income Tax. Some of the exemption included:

- principal residence of up to 10 acres of land.
- principal recreation property (cottage) of up to 20 acres of land if land is sold to a Canadian resident.
- a developer selling lots to a builder.
- a builder selling a new house.
- the sale of an existing property to which the vendor has added at least twenty per cent in improvements.
- Commercial properties on which buildings constitute at least forty percent of the value.
- family transactions among farmers.
- a sale to a public body.

Land Transfer Tax Act (tax levied against purchases)

Imposed is a 20% tax when any real estate property is acquired by a non-resident of Canada. Foreign purchasers of land are also subject to the Land Speculation Tax. For Canadians, the Land Transfer Tax remains at 0.3% on the first \$35,000 and 0.6% on the excess - this tax has been in effect since 1921. ⁶⁰

As well as being concerned with land use and planning, the Province of Ontario has shown some concern for the ownership of land and the disposal and sale of land by imposing taxes on speculative profits and foreign purchases of land in that province.

There have been many difficulties associated with Ontario's approaches to solving its land-related problems. These will be discussed here,

The first criticism relates to the "official plan" concept in Ontario. Despite the assertion of E. G. Pleva, referred to earlier, that the official plan was more of an operating manual than a blueprint, one suspects that this may not be the case. The "zoomlens principle" and the sophisticated and detailed levels of planning appear to be in line with the aims of traditional comprehensive planning. Depending upon the details of implementation, the "official plan" concept may become a static plan, and may not

be a reflect of citizen inputs and desires from a variety of interests in society. It may suffer from the same problems as many plans have experienced in the traditional planning process, and may be just as unresponsive to human needs as these plans were.

Another criticism of this planning approach may be the cost. The elaborate nature of planning is very expensive. If one considers the overlapping effect in the plans, (municipal, regional, and provincial) one could even consider the official plan system, perhaps, as being wasteful. Along with this, overlapping responsibilities will likely lead to confusion, and result in lack of co-ordination between the different levels of government.

Several solutions to the two-tiered system of planning in Ontario have been suggested. Regional government council, are composed of local councils,⁶¹ and they often act to protect their own local interests. Petty local pride and jealousy can have an impact on the regional "Official Plan". This plan, as a result may be a compromise which is not the best option in terms of quality of the natural environment. Two tiers of government, municipal and regional, have had problems with defining and operating the division of planning power between them, and time and energy have been wasted as a result.

Construction of large - scale transportation projects in Ontario in recent years have met with tremendous controversy. The major \$200 million transportation roadway, the Spadina Expressway was cancelled after it was only one-third completed in 1971. The Premier of Ontario exercised his power and overruled an Ontario Municipal Board decision at that time, and stopped the project. Similar action occurred with regards to

the proposed Pickering Airport site near Toronto. Although the Federal Government has expropriated 18,000 acres in the Pickering region for the airport, the Government of Ontario cancelled its construction in 1975 because of citizen objections, and because most of the site was designated in the TCR plan for agricultural, conservation, and open-space uses. It is easy to conclude from this that the Ontario Provincial government has not been able to co-ordinate its goals, objectives, and important decisions with other levels of government, and that it has not yet found a good formula for good long-range planning of the rapidly growing province.

What could be the greatest failure of the Ontario government has been its poor track record in being able to preserve its productive farmland. Preservation of good farmland in Ontario is perhaps the most pressing long-range concern facing the government and the newly created Ministry of Agriculture and Food in the province.

Escalating land and housing costs have not effectively been dealt with by the province of Ontario. The Land Speculation Tax Act, or the Land Transfer Tax Act have not been successful in this area. In practical use, the Land Speculation Tax, has not had any significant remedial effect. Criticism by Morton Gross has been voiced on the Land Speculation Tax:

Historically the act was brought on by a period of speculative boom of unrestrainable proportions. People were crying for action and the government felt under pressure because of its long inaction. As governments often do, it acted too hastily and applied a lobotomy to a neurotic patient. ⁶²

Gross suggests that it was impossible to know whether the Act

was working because it was no longer needed when it came into effect. At the time, money tightened, interest rates rose, and a recession was on the horizon. The Act served to depress an already depressed market, and thus acted as an unintended economic tool. Also, competition within the market has been reduced because the small developers and builders were the hardest hit by the tax. Finally, the land tax is easy to beat in a fraudulent way, particularly because there is no system for the independent valuation of land in Ontario.

Gross observed that it is just as important to set up an adequate administrative procedure as it is to define fancy legislation. In the future, he suggests objectives of legislation should be carefully analyzed so that the harmful aspects do not outweigh the beneficial aspects of the legislation and planners should use their skills to examine deficiencies of a system before it is implemented.

There was some support for the concept of taxing speculative profits in Ontario, even among opposition members in the legislature, as the following comment from the April 29, 1974 legislative session indicates:

Singer: (liberal, Downsview)

I don't think anybody can really say speculators shouldn't be taxed, people who push pieces of paper around and exchange cheques and add nothing to the common good of Ontario shouldn't be allowed to take advantage... of the present situation... 63

There was also blatant opposition to the concept of using taxation as the principle tool for solving a problem or changing social conditions, which were pointed out from the April 29, 1974 parliamentary session:

MacDonald (N.D.P. York South)

The government is attempting to use taxation as an instrument of policy to sort of change social conditions.. there is a great deal of evidence to suggest that traditionally, that isn't an effective way. There are thousands of lawyers who spend all their lives finding and using loop-holes in taxing legislation, and the courts are extremely receptive to attempts to evade new taxes...I suspect it's going to take two or three years to get an effective piece of legislation. 64

Cassidy (N.D.P. Ottawa Center)

One can sit down in the market and one can define certain kinds of activities which involve the taking of massive profits from land and call them speculative, and take other kinds of profits which also arise out of the land and define them as not speculative, but as being a realistic one... The profit which is taken by a developer...that profit on land is just as unconscionable as the profit which is taken by somebody who is churning land and passing it from hand-to-hand in the speculative process which has preceded the actual development. 65

The Speculating Tax has made no distinction between the cost of land, and the cost of housing. A point was made 66 that at one time in the past, land assumed 20 percent and property (buildings) 80 percent of the cost of housing. Today, a 50-50 split in this cost is rare, and land prices represent as much as 60 percent of any transaction, particularly in urban areas. The cost of building a house has increased at a rate slower than inflation, but the price of land has escalated at a rate far in excess of the rate of inflation. The Speculation Tax does not adequately focus upon the escalation of land cost.

Another major criticism of the Act was its many exemptions. Some of these exemptions were principal residence, principal recreation property, sale of property for industrial or commercial purposes, sales of property by builders to residential or commercial owners or landlords where value of premises is 40%

or more of proceeds of sale, and sale of property at 20% of the acquisition cost. Why these exemptions were permitted, and why the specified percentages were allowed all raise several questions.

It was suggested by an oppositon leader in the legislature,⁶⁷ that if the bill was a serious attempt at recapturing 50% of the profits from Real Estate transactions in the province of Ontario for the year 1974-75, a total revenue of \$950 million representing 50% of these \$1.9 million total real estate transactions would be possible. The projection was for \$25 million in taxes from the Speculation Tax for that year. The bill, it was argued, was so riddled with exemptions that \$925 million would be lost to the public purse. In actual fact, the Speculation Tax raised less than \$1 million in 1974-75, and is expected to raise less than \$3 million in 1975-76.

The legislature debates on the Land Speculation Tax in Ontario rates among the hottest debates which have occurred in the Ontario House, and these debates were very informative on land taxation and housing costs in Ontario. While the Speculation Tax was passed in the House, the Minister responsible for the Act was forced to admit that his Act would not have the resounding effect upon land speculation and the housing market which the stated objectives would lead people to believe.

It (Land Speculation Tax) won't resolve the housing problem...I'm not suggesting its going to reduce prices either... If we can reduce the rate of increase in prices...We will have accomplished a great deal

68

The Minister supported the passage of the bill on the grounds that the Act was not philosophically conceived for the purpose of capturing "betterment", even though, it was essentially a betterment tax. The Act is not intended to collect revenue -

through a tax designed to stop the activity on which the tax is levied. The Act is a blunt attempt to stop speculation.

The Land Transfer Act has had the effect of discouraging foreign (Non-Canadian) purchases of land, particularly farmland, in the province of Ontario. As a direct result of this Act, Quebec has adopted a land transfer tax of 33 1/3% on non-Canadian residents. ⁶⁹ Foreign purchasers of land have been directed to provinces where no such restrictions occur.

Up to this point in time, Ontario's efforts to attack the problems associated with a rapidly growing and highly urbanized province; the demands upon the province's environment and the high costs of land and housing, have met with limited success. The emphasis upon "official planning" in Ontario, the Land Speculation Tax Act, and the Land Transfer Tax Act have certainly not provided all the answers.

F. The Prince Edward Island Land Use Commission and Non-Resident Restriction on Land on the Island

Prince Edward Island has been seriously concerned about the land in their province. The island contains about 1.4 million acres and is the smallest province in Canada. In 1972, the Government of Prince Edward Island recognized a growing concern over problems of land use and land ownership and appointed a Royal Commission on Land Ownership and Land Use. The Commission was created to identify major problems of land use on the island.

The Maritime provinces and Newfoundland share many problems. In these Atlantic provinces, the non-resident land owner (owners whose principal residence is outside the province where they own land), most often Americans or British citizens, have been continually buying up more and more land over the years. Many farms along shorelines are being sold for recreation and cottages. In 1971, 6.3 percent of Prince Edward Island was owned by non-residents, and it was estimated that half the island's area would be owned by non-residents within 30 years.⁷⁰ Scenic shoreline areas of Nova Scotia - especially Cape Breton Island, New Brunswick, and to a lesser degree, Newfoundland are becoming increasingly concentrated in the hands of non-residents (predominately non-Canadians). The non-residents are usually able to outbid the provinces residents for the choice recreational land, and this has caused residents of New Brunswick, Nova Scotia, Newfoundland, and Prince Edward Island to become very upset over this issue.

No province has responded to this issue as concisely as has Prince Edward Island. Nova Scotia has taken the position that ownership of land is not of concern, but rather how the land is used. They have adopted a disclosure law to determine citizenship and residence of buyers. They have declared all the province's beaches to be protected shoreline and controlled against undesirable development.

In Newfoundland a planning task force has been studying the problems of non-resident ownership. Also, New Brunswick legislators are conducting an inquiry into land use. Prince Edward Island has maintained the following strong legislation over the years:

- 1939 - enacted an order-in-council preventing ownership of more than 200 acres of land by aliens without consent of Lieutenant Governor-in-Council. This program became incorporated into the Real Property Act.
- 1964 - this provision was changed and it reduced the amount of land an alien was permitted to own to 10 acres and 330 feet of shoreline frontage.
- 1972 - the 1964 restriction was changed and was applied to all persons who were non-residents of the province. This was done to bring the legislation in line with the federal B.N.A. Act and the Citizenship Act. When challenged, the restriction was upheld by the Supreme Court of Canada.⁷¹

These steps represent the toughest prohibitive stand on non-resident ownership taken by any province on the eastern coast of Canada.

Not all land-related problems, of course, are the result of non-resident, or alien purchases of land in Prince Edward Island. Since virtually all of P.E.I. contains good farmland, and the provincial economy is, for the most part, dependent upon agriculture, there is much concern over the maintenance of the farming community and the preservation of agricultural land. Charlottetown, Summerside, and other communities are expanding, and a host of land problems are associated with the growth.

The Royal Commission on Land Ownership and Land Use recommended that a Land Use Commission be set up in the province. The Land Use Commission had several duties which were spelled out in the P.E.I.'s

new Planning Act, passed in November, 1974. It outlined the following terms of reference for the Land Use Commission based upon the problems which were identified by the Royal Commission.

1. to make recommendations to the Lieutenant-Governor-in-Council on a wide range of land use policy issues.
2. To consider applications from all government departments and agencies which wish to change the use of land or develop it.
3. To make recommendations to the Lieutenant-Governor-in-Council on all petitions for non-resident land purchases and corporate land purchases covered under the Real Property Act.
4. To approve all official plans proposed for adoption by regional, joint, or municipal planning boards.
5. To consider appeals of decisions made under the Planning Act.

The Land Use Commission's defined role was in the form of a non-partisan,⁷² corporate body which is not a part of any government department, but reports directly to the Lieutenant Governor in Council through the Minister or Community Services. The Land Use Commission consists of seven members who are appointed from the private sector, and an advisory board of two persons, normally civil servants, appointed by the Lieutenant Governor in Council (the two advisory board members are not allowed to vote on an issue). An executive director of the Land Use Commission is employed as well to carry out the day to day administration of the Commission.

In order to accomplish its duties, the Commission devised an elaborate procedure for this. Firstly, in the later part of 1974, the Land Use Commission sponsored six public meetings at which people knowledgeable in their fields presented their views to the Commission. These meetings were well publicized and well attended.

After these public hearings, suggestions received along with those from other sources, formed the body of a major discussion paper which was made available to every citizen and group concerned with land use issues.

Subsequent to the release of this paper, time was allowed for interested groups and individuals to put various questions forward to formulate their own ideas and perhaps put them down on paper for the benefit of the Commission. Throughout February of 1975, the Commission held 12 public hearings at various centers on the Island giving interested groups and individuals the opportunity to respond to the questions on the discussion paper. The final step was the preparation of a final report by the Land Use Commission based on the 66 written briefs submitted to the Commission by organizations and individuals, and the over 1200 people which attended the hearings.

As a result of the hearings, the following was characteristic of the state of land use planning in Prince Edward Island.

There was concern for the future of agriculture. An improved marketing system and farm stabilization programs to enable farmers to gain a decent return on their labour and investment were needed.

There was concern about the lack of knowledge about the planning system and misconceptions about how the land use controls are now being applied within the province, by the citizens.

The legal basis for land use controls in P.E.I. in their present forms (Planning Act, Recreation Development Act, various municipal statutes) are cumbersome and difficult to interpret.

There was concern with the nature of the planning process. Rather than to develop a comprehensive plan which tries to define what is "best" for the people, but could never do so because of great differences in tastes, preferences, and backgrounds of people in the province, the Commission suggested another approach. A process of bargaining among various interested groups is the best way of defining "public good".

A concern over the role of government was expressed.

Strong measures should not be pursued at the present time because the public is not yet fully aware of the problems, and would not accept strong measures taken in the public interest.

The need for a Land Use Commission to continue to monitor the progress being made, or not being made towards improved land use policies and practises within the province.

The first major report ⁷³ was made by the Land Use Commission on April 10, 1975. Although several policies were expressed in the report, comprehensive action was not proposed. Recommendations in the main body of the report came under four headings:

- Community Planning Policies
- Development Control Policies
- Coastal Zone Policies
- General Guidelines for Land Use.

In the area of Community Planning policies the first report of the Land Use Commission made the suggestion that additional regulations on land use at this time would have very limited acceptance if imposed at the provincial level. Although there was support for land use planning and control at the community level, support was far from unanimous. It was suggested as well that the Provincial Government commit itself to supporting community planning, but that planning and regulation of development must be tailored to suit local circumstances. Other proposals were also made by the Commission. Villages and towns should be permitted to have a dual tax rate, to facilitate the extension of village and town boundaries into outlying areas that are building up. Community Improvement Committees should be started and be required where more

than one municipality is involved - otherwise the normal planning function can be carried out by the municipality without the necessity of a formal board. This recommendation represents a decentralization of planning authority.

Development Control Policies, the report suggested, are necessary because of the continuing need for effective provincial guidelines and regulations to control development. A problem exists in the province where developments are being denied on the grounds of preservation of open space, containment of urban growth, prevention of premature development, and non-conformity with existing statutes. Current legislation needs to be reviewed according to the report.

Another major area of concern was the coastal zone. The zone could be developed for recreational use for residents or tourists, it could remain in agricultural use, or it could be left undeveloped. The Commission recognized that there was no census over how this land should be used, but it suggested that the immediate problem is to preserve options for the future while providing reasonable guidelines for present development. A Coastal Management Plan is needed to secure the protection of fragile areas, the Commission stated, but more information and input, they argue, is needed from communities before a plan can become a reality.

Finally, the Commission pointed out some general guidelines for land use. It was stated that the key to a sound provincial economy is a healthy agricultural economy. It is important that the agricultural community be assured of progress towards better and more stable incomes such as government expenditures directed to:

- increase markets for agricultural produce
- introduce a degree of stability into the market place
- assist farmers to maintain a competitive position.

These proposals, it was argued, were of greater immediate concern than an attempt to preserve agricultural land by such a technique as a freeze of development on such land.

A second major report is to be prepared by the Land Use Commission on topics related to the ownership of land. Throughout 1975 and 1976 the Land Use Commission is doing research in the province and conducting public hearings on the extent and acceptability of non-resident ownership in the province. The previous Royal Commission on Land Use and Ownership recommended dropping its controversial 10 acre and 330 foot shore limits on purchases by non-residents, recently upheld by the Supreme Court of Canada, in favour of comprehensive land-use regulations. 74

Although Prince Edward Island had established a long tradition of restricting alien and non-resident land ownership, its land policy in other areas appears to be primitive when compared to provinces such as British Columbia and Ontario. Provincial action, is thus, subject to criticism.

The Royal Commission's recommendation to remove the non-resident purchase restriction could be severely criticised. Such purchases are not forbidden, there is merely a limit to the size of the property sold, so why should an alien, or even a Canadian from another province want more than 20 acres? This restriction appears to be generous as it stands. Aliens and out of province purchasers will likely outbid resident purchasers, and may make large profits on the sale or development of property which could have accrued to an islander.

The Royal Commission on Land Use and Land Ownership, and the P.E.I. Land Use Commission entailed large staffs and massive research

and public hearings since 1972, almost 5 years. There could be some question as to whether the bureaucracies created justify the continuing government expenditure in the area.

The final criticism relates the policy and decision-making on the status of land. From the hearings, the Commission determined that a land use plan was not feasible because the Islanders were not ready to accept one. Many land owners and farmers, particularly those approaching retirement age, fear that land use controls of properties they have maintained and improved will reduce their potential for capital gain when they sell. They claim that they have counted on a profitable capital gain to provide for their retirement years. ⁷⁵ It was in all probability the land owners who made the most noise at the public hearings, and it was likely these interests which influenced the commission to suggest that "strong measures (such as a plan) should not be pursued at the present time because the public is not fully aware of the problem and would not accept measures taken in the public interest". In accepting this philosophy, the Commission has issued licences for individual land speculation. Should the interests of individuals be greater than the interests of an entire province; its economy and its land? Responsible leadership should make hard decisions which will benefit the majority of Islanders over the long term, rather than enhance short-term individual gain. In the words of Alex Cambell, the Premier of P.E.I.:

More and more we are coming to the opinion that an individual or a corporation may "own" some land, but in a larger sense the land belongs to the province - and the collective conscience of the province's citizens must be concerned with the preservation of the land.

The value of the property a person owns arises from community enterprise and it is our view that the community has an unchallengable right to impose restrictions on how the owner uses his property. 76

From the standpoint of the Premier, the recommendation by the Commission does not appear to be realistically in line with provincial needs.

A Land Use Commission, and restrictions placed upon non-resident land purchases represent the current efforts effecting the use and ownership of land in Prince Edward Island. While the restrictions placed upon non-resident ownership of land has helped to stop large blocks of land being owned by foreigners, the Land Use Commission has not recommended substantial land use policies. The Commission appears to be concentrating on being receptive to interests which participate at public hearings and a major pursuit, they claim, is to educate the public to make them aware of the problems. Prince Edward Island's land policy has not been effective in confronting land related problems in the province.

G. Conclusion

Provincial Government legislation in areas effecting land has been increasing in many provinces in Canada. Governments in the provinces of British Columbia, Alberta, Manitoba, Ontario, and Prince Edward Island, as shown in this chapter, have recently become motivated to confront land problems. The legislation has generally related to three areas respecting land - its use, its ownership, and its sale or disposal. British Columbia, Alberta, and Manitoba have been mostly concerned with the use of land. Prince Edward Island has been concerned with the use, as well as the ownership of land. Ontario has recently enacted legislation which it hopes will effect the use of land, the ownership of land, and the sale and disposal of land in the province.

Much of the legislation, has been active, but most often lacks foresight (see Table 5). Measures to prevent the rapid loss of agricultural land, and to reduce land and housing costs have either been unseccessful, or created a host of harmful un-anticipated problems. An astute observer of land use controls has stated:

When land-use controls are needed to correct for faulty prices associated with a government action it, unfortunately, is likely that the distribution of benefits flowing from public action will be more perverse then it would have been without the controls...a far-seeing statesman will feel a greater responsibility to future generations when legislating as to land than any other forms of wealth;...sudden and extreme measures would be inequitable. ⁷⁷

This has largely been the case for most recent land policy innovations in British Columbia, Alberta, Manitoba, Ontario, and Prince Edward Island. In these provinces, either the legislative programs have failed to effectively live up to their stated objectives, or they have helped to induce other problems, often inequitably distorting the land market.

TABLE 5
SUMMARY ASSESSMENT OF PROVINCIAL PLANNING PROGRAMS AND LEGISLATION

Provincial Legislation or Program	Active vs Passive Policy	Area of Concern	Negative Aspects of Recent Provincial Government Activity	Positive Aspects of Recent Provincial Government Activity
British Columbia Land Commission	Active	Preservation of Agricultural Land	<ul style="list-style-type: none"> -normal behaviour of land market distorted -urban housing costs are higher -some lack of co-ordination between other government agencies relating to non-urban lands (forestry, mines, wildlife, etc.) -confusion exists between provincial, regional and local implementation of zoning 	<ul style="list-style-type: none"> -productive farmland is being preserved in the province -complimentary agricultural programs have injected confidence into the farming sector
Alberta Land Use Forum	Passive	General Land Use Issues in Alberta	<ul style="list-style-type: none"> -some evidence indicates that there is no commitment to follow the recommendations of the study -the study was very expensive -several recommendations did not cover critical concerns such as the high cost of housing 	<ul style="list-style-type: none"> -land use issues were extensively discussed with the public and between government agencies -some positive recommendations on land-related issues were made
Manitoba Planning Act	Passive	Planning in Manitoba	<ul style="list-style-type: none"> -government has not actively encouraged the setting up of Regional Districts as proposed in the Act -many drawbacks to the traditional planning process may result -may be lack of co-ordination between municipalities and Provincial Government regarding municipal vs. provincial planning strategy 	<ul style="list-style-type: none"> -vast improvements in regulating land use and subdivision regulations were made over the previous Act -greater public involvement in land is forthcoming
Ontario Official Planning System	Active	Planning in Ontario	<ul style="list-style-type: none"> -many drawbacks to the traditional (comprehensive) planning process may result -considerable cost involved in implementing this type of planning system -Ontario has had poor record in preserving productive farmland through this system -major construction projects have been cancelled after millions had been spent because of insufficient and poorly coordinated planning 	<ul style="list-style-type: none"> -planning has encouraged orderly development throughout Ontario -the TCR plan has been followed and is a useful guide to land use control

Provincial Legislation or Program	Active vs Passive Policy	Area of Concern	Negative Aspects of Recent Provincial Government Activity	Positive Aspects of Recent Provincial Government Activity
Ontario Land Transfer Tax Act	Active	Non-resident and Foreign Purchases of Land in Ontario	-non-resident or foreign purchasers have found ways of evading this tax	-non-resident and foreign purchasers of Canadian land have been discouraged by high taxes from purchasing land
Ontario Land Speculation Tax Act	Semi-Active	Speculative Sales and Capital Gains on the Sale of Unimproved Land	-has encouraged vertical integration of the construction industry and reduced smaller firms -larger corporations evade this tax and very limited revenue has been collected by Ontario -has not significantly reduced housing or land costs	-sales of unimproved raw land have been discouraged and long-term speculation of raw land has decreased
Prince Edward Island Non-Resident Ownership Restriction	Active	Non-resident and Foreign Purchases of Land in PEI	-foreign or non-resident owners can still purchase 200-foot frontage lots in PEI and demand by non-residents for land has not been reduced	-large acre sales of Prince Edward Island's land cannot be sold to non-residents to the Province and foreign owners
Prince Edward Island Land Use Commission	Passive	General Land Use Issues in PEI	-no serious commitment has been made to planning -agricultural land continues to be lost to recreational use	-land use issues were discussed extensively with the public and between government agencies -there was a commitment to preparing a coastline plan and strengthening the agricultural sector

CHAPTER 6

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PART THREE

"WHERE DO WE STAND?"

I want the freedom to do with my land whatever I want! But, I want to live in a clean and healthy environment; I want to see poverty eliminated, people earning their income honestly - not through speculation on land; I don't want foreign interests owning or controlling large segments of Canadian land.

Can the contradiction of how Canadians view land be resolved? Can we obtain the seemingly opposite goals of maintaining individual freedom in dealing with land and intervention by government into the land market to rectify land related problems ...perhaps.

CHAPTER 7

Conclusion To Thesis

Canadians... (are) directly dependant on the wealth of our natural resources. The goods enjoyed may range from fresh fruits grown in the Okanagan Valley or Niagara Peninsula, to automobiles constructed of steel produced from iron-ore from Northern Ontario or Labrador and smelted with Alberta natural gas. Automobiles depend upon petroleum extraction and refining and are driven over multi-large highways which cover large tracts of land and require extensive amounts of sand and gravel in their construction. Almost everything we consume involves the use of land even if it is quite distant from where consumption occurs.

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CHAPTER 7CONCLUSION TO THESISA. The Hypothesis Answered

This thesis has entailed massive research on topics related to land. The research has been conducted in an attempt to test the following hypothesis.

There has been a significant shift from perceiving land as a commodity towards perceiving land as a resource in Canada.

Included in the research were an analysis of imperative future world requirements and land problems, and some Canadian national, Provincial, and local land related issues and problems. There was an analysis of various dimensions of Canadian attitudes towards land. Different aspects of land as a commodity in Canadian context were looked at, such as the role of the private corporation in Canadian urban development, some trends in non-urban land in Canada and the influence of foreign investment and ownership on Canada's land market. The roles of the various levels of Government in areas related to land were explored, and some recently passed Provincial Government legislation and programs were evaluated in relation to their recognition and treatment of land. On the basis of the research conducted, it is now time to answer to the hypothesis which has been posed.

All of the information collected and research conducted in this thesis has not proven that there has been a significant shift from perceiving land as a commodity towards perceiving land as a resource. Because of this, the hypothesis is not proven.

While international and national trends and problems have demonstrated a need to perceive Canada's land as a resource, most segments of Canadian society don't recognize this need.

Large Land Development Corporations, a considerable amount of recent research reflects, make large profits from private urban land development and property investment, and often, they don't pay any income tax. With land being perceived as a commodity, the average consumers of new housing are less capable of purchasing a new home. Foreign non-Canadian interests both individual and corporate are heavily engaged in Canada's mineral extraction, timber cutting, and manufacturing, but they are also actively involved in purchasing Canadian urban land, urban-fringe land, and farm land. The foreign influence in Canada's land market has been a factor in inflating land values and often causing transfers of income and profit to leave Canada. Many problems have been evident from perceiving land as a commodity in Canada.

Has the recent increase in legislation relating to land represented significant governmental intervention towards correcting the many problems associated with land use, land ownership, and the sale and disposal of land? The answer to this question lies at the heart of this hypothesis. While a tremendous amount of legislation has been passed throughout Canada on the subject of land - particularly during the last ten years, it has not been able to effectively solve land problems. Most new legislation has either been too weak, and permits many previous land-related abuses to continue, or it has intervened badly and disrupted the market to the extent that a number of unanticipated consequences have occurred. Government's have only "scratched the surface" in the terms of formulating policies which recognize the value of land as a resource, and confronting current land problems within Canada. The shift towards the perception of land as a resource in Canada in 1976 has definitely not been significant. While there has been greater recognition of the need to look upon our land as being a scarce resource, land is not treated as a resource, but a marketable commodity. Canada's land problems have not been corrected.

With the hypothesis now having been answered, this thesis will reflect upon some personal views about the future and our perception of land in Canada.

B. The Future and Our Perception of Land in Canada

On the basis of all the substance within this thesis, there is a necessary need to perceive land as a resource in Canada, and probably in all other countries of the world as well. The reasons why this conclusion has been made will be discussed here.

In the past, assumptions have been based upon the premise that Canadian land was in endless supply. This is definitely no longer the case. Some obvious examples of this are:

- virtually all arable farmland, which can be feasibly brought into agricultural production is in use today.
- Man's activities have disrupted many aspects of the ecological balance of nature areas such as those surrounding the Great Lakes and in Canada's remote north.
- land prices, reflected by the demand for land are very high in urban areas.

With Canada being over one-hundred years old, many of the long-standing assumptions of our society must change. Canada needs a new set of assumptions about the nation's land and these must perceive it as a resource. If the magnitude of these various concerns are appreciated, it would seem difficult for anyone to imagine the continuing treatment of land as a commodity item.

These reasons are:

- Canadians must not turn their backs on the rest of the world.
- Canadians must recognize the importance of the environment and minimize any disruption of the

current ecological balance.

- Canadians cannot continue to ignore certain of their own domestic concerns and needs.
- Canadians must continue to maintain the spirit of competition within the economy, but the society must define ethical rules which remunerate personal or corporate economic gain on the basis of an "honestly earned work effort".

As is apparent from these assumptions, the land is one aspect of Canada's culture, but it is inter-related with many other aspects of Canadian culture. Our perception of land relates to many things. Firstly, it relates to Canada's foreign aid and relations with other parts of the world. The management of forestry, wildlife, mineral and water resources which are necessary for a healthy environment and a good quality of life. Our perception towards land also is evident in the provision of social services to the domestic population through government intervention such as planning and housing accomodation assistance. Finally, the national issues of income taxation and labour policy are related to land.

By not turning our backs on the rest of the world, Canada, with a highly productive agricultural sector, can assist undeveloped and starving nations. With the world's population expanding at a rapid rate, the future will see a trend of greater demand for food production and for natural resources. Food shortages and dwindling resources may result in political instability in many countries of the world. It is in Canada's own best interests to co-operate through foreign aid programs and contribute to a stable world. The prospect of bad foreign relations and possible nuclear retaliation is not a pleasant thought.

Recognizing the importance of the environment and minimizing the disruption of the current ecological balance may be necessary to assure mankind's long-term survival. Clean air and water are needed to insure a healthy habitat for man's survival. Likewise, man's survival depends upon natural resources of the land. As a

Canadian Conference on land pointed out:

Canadians... (are)
 directly dependent on the wealth of our
 natural resources. The goods enjoyed may
 range from fresh fruits grown in the
 Okanagan Valley or Niagara Peninsula, to
 automobiles constructed of steel produced
 from iron ore from Northern Ontario or
 Labrador and smelted with Alberta natural
 gas. Automobiles depend upon petroleum
 extraction and refining and are driven over
 multi-large highways which cover large tracts
 of land and require extensive amounts of sand
 and gravel in their construction. Almost
 everything we consume involves the use of land. 1

In this context, it is vital that mankind's long-term survival is intricately related to the treatment of land as a resource.

Canadians cannot continue to ignore certain of their own domestic needs. Two immediate concerns immediately come to mind. Firstly, housing costs are much too high in Canada. Many Canadians either cannot afford adequate accommodation for their families, and some Canadians live in inferior and unhealthy housing conditions as a result. Other Canadians pay a high speculative price that bears no relationship to the cost of building their house. Government in the past has provided social welfare programs for such things as Unemployment Insurance, family and widow's allowance, workmen's compensation and health (medicare) insurance. These programs have helped to improve the well-being of Canadians. In the area of housing - current efforts have not enabled all segments of society in need to have equal access to the single family detached housing unit, for example, or enabled housing to be bought at a reasonable price. The second important area of Canadians ignoring their own domestic needs is the foreign domination of the Canadian economy. The major porportion of mineral resources extracted in Canada are done by foreign companies. Also, large tracts of land are owned by foreign corporations and individuals, and a considerable amount of urban development and

construction in Canada is undertaken by foreign - controlled interests, many from outside of North America. Although the Gray Report has recognized this fact and has suggested that no further foreign investment in Canada should take place unless it provides significant benefit to Canada, there is still a tremendous amount of land being bought and developed in Canada by foreigners and Canadians continue to ignore domestic needs or protect their own interests.

A final assumption for the future of Canada relates to establishing a more ethical and decent means of earning personal or corporate economic gain in Canada, perhaps based upon a principal of "an honestly earned work effort". Two factors have largely been responsible for the formulation of this new assumption for the future.

First of all, the nature of land development in Canada has caused the cost of land to be inflated by such factors as speculation in land, the monopolistic and oligopolistic behaviour of the development industry and the availability of mortgage credit. The inflated value often results in a good return on the investment (profit) for those involved in the property industry, but a burden to bare for all the purchasers of housing in the form of very high costs and mortgage payments.

Secondly, the taxation laws in Canada have most often contributed to a state of affairs where the wealthy in Canada remain wealthy (see Appendix V-D). This has the effect of encouraging the trend of larger companies "swallowing up" the smaller companies and encouraging a trend towards monopolization of the land market (and other markets) within the Canadian economy. It could well be that the large corporations are the winners from such a system, and the Canadian public, by paying higher than acceptable costs, are the losers. The Taxation system, thus, has a major impact

upon the distribution of wealth in Canada, and has seriously contributed to the current state of being. The wealth earned from land, one could argue does not represent income based on "an honest work effort".

If a "land as a resource" policy is created upon four reasons listed above, it will have to relate to several main policy areas. These could include fiscal and monetary policy, foreign investment policy within Canada, environmental preservation control policy, urban planning and development policies, and agricultural stabilization policies. A skeleton policy framework in line with these main policy areas will be discussed in the Policy Scenerio.

Policy Scenerio: Land's Perception as a Resource in Canada

Fiscal & Monetary Policy

1. In the near future, no profit should be made from the sale of unimproved (raw) land. A Federal Capital Gains Tax should be strengthened to tax 75% of profit from the sale of any land (except agricultural) by 1980, and 100% or all land titles will be owned by government leases, but houses themselves will be personally owned.
2. Some fiscal and monetary policies will be geared to break-up corporate monopolistic elements. A Fair Business Practises Act should be passed which discourages mergers, and does not permit multi-directorships. Smaller higher-risk firms should be assured of obtaining loans at the same rates of interests as the larger lower risk firms.
3. Until a leasehold system becomes a reality, a holding tax increment should apply to prevent land from being left idle, and to prevent development companies or individuals from speculating about a change in taxation policy.
4. Many current tax loop-holes such as certain types of tax deferral should be eliminated so that large sums of money are not concentrated in the hands of the corporate powers.

5. To encourage farmland to remain in agricultural use, farmland property taxes should be assessed at a much lower value than other types of land. However, if farmland is sold for other purposes than farmland, it should be subject to the Capital Gains Tax at the time, and perhaps subject to back-taxes levied against the previous lower farmland assessment value (opposed to urban assessment value) as well.

Foreign Investment Policy

1. The proposal of the Gray Report of altering the government policies to improve the benefit-to-cost ratio from foreign direct investment for Canadians should be pursued with greater vigour.
2. No foreign (non-Canadian) purchase of land should be permitted after 1980. Provisions should be made for leasing land to foreigners, but the leasehold permits should be more expensive for the non-Canadians than for the Canadians. A reciprocity agreement could be made with the United States regarding recreational ownership. Since many Canadian individuals own land in the U. S., and many American individuals own land in Canada, it would be in both countries interests to reach some sort of mutual understanding on the issue.
3. Development Companies containing a majority of shareholders who are non-Canadians should be subject to higher taxes than Canadian Companies - those with a majority of Canadian shareholders.
4. There should be a limit to the amount of farmland which can be leased by a foreign citizen.
5. Canada should take a harder-line in protecting its own interests in the future.

Environmental Control Policy

1. All sensitive environmental land or hazardous land should be protected by appropriate land use control.
2. A combination of the zoning and development control techniques may be the most effective land use protection for urban and rural planning areas.
3. No expansion of Nuclear Energy facilities should take place in Canada until there is greater proof of their safety, and until some environmentally acceptable means of disposing of Nuclear wastes is found.

4. By 1980, all productive agricultural land in Canada should be frozen for agricultural use because such lands will be of national significance in the future (actually they already are). Along with high taxes on profits of land sales and agricultural stabilization policies, this will force land to remain in agricultural use.
5. Extraction of mineral and timber resources in Canada should be undertaken through short-term leases. Current long-term leases should be challenged in the Courts - there is an urgent need not only for careful management of the natural resources, but also to insure the maximum benefit from the resources for Canadians.

Urban Planning and Development Policies

1. A system of taxation will apply to land sales such that by 1990, no profit will be permitted on the sale of non-agricultural land, or on agricultural land sold for conversion to non-agricultural use. In 1990, legislation will dictate that the title to all non-agricultural land shall revert back to the crown. Only the structures on the land - the house or garages - will be bought and sold in the market. Land will no longer be a commodity item.
2. The public should be responsible for the provision of services in a sub-division, while the private sector should be active in the construction of housing units. Government should continue to provide housing units for low income families, and they should also be prepared to intervene into the housing market by building moderately priced housing units for middle incomes if the private sector behaves monopolistically by holding - back on the construction and supply of new units to gain a higher income.
3. Public authorities should use land assembly and landbanking to direct urban development and provide the essential services until 1990. After 1990, governments shall employ land banking and land assembly to purchase agricultural land around cities when needed for expansion, and services the land before allowing developers and builders to construct housing on the land.
4. Attempts must be made to improve urban downtown core areas and to make them more liveable. With public authorities gaining greater control of land through leasehold system by the year 1990, they will be in a better position to improve certain areas and provide incentives for such development.

5. Public urban transportation systems should be improved in Canadian cities, while expressways and freeways should no longer be built. Urban development patterns must expand with full awareness of possible future energy shortages.

Agricultural Stabilization Policies

1. To encourage farmers not to sell or convert their productive land to non-farm uses and to encourage the farmer to remain in the farming occupation, ways must be found to improve farmers' income.
2. Since a farmer's land is closely related to the value of the farm, this land should remain as privately owned, as are other fixtures on the property. Since the productive capacity of the land is dependent to a large extent upon how much (effort, fertilizer, water, etc.) a farmer puts into his land, the land should be sold as part of the total farm package.
3. After 1980, farmland should not be allowed to be sold for conversion to another use without punitive taxation effecting the sale - a 75% tax on the profits of the sale by 1980, and a 100% tax on these profits by 1990. However, if farmland is sold from one farmer to another with its use to be continued in farm production, there will be no unusual governmental intervention over the sale (there is generally no intervention when a business is sold from one businessman to another).
4. Farmland should be assessed at a lower rate of assessment than other uses of the land. This will help to keep farm costs down and raise farm income.
5. Other farm stabilization programs should be explored to encourage farmers to remain in farming and to increase their income. Some are: low interest guaranteed loans - for farmers starting out or for expansion, grants to modernize water and sewage systems, farm management assistance through workshops and seminars, and leasing of land to farmers with the option to purchase the land.
6. A farmer's pension program could be set up to ensure that the farmer has a reliable source of income during the retirement years.

7. A father who is retiring should be able to pass farmland down to his sons without having to be heavily taxed on such a transaction as he is today.

For land to be genuinely appreciated as a resource in Canada today, governments must take serious action in a number of areas to fulfill this goal. Some broad policy areas: Fiscal and Monetary Policies, Foreign Investment Policies, Environmental Control Policies, Urban Planning and Development Policies, and Agricultural Stabilization Policies are areas which could represent a significant shift towards perceiving land as a resource. Although these areas represent a very general framework, they suggest a significant thrust in land policy for Canada.

The Thesis

Although the hypothesis was not proven, writing this thesis, in my opinion, was well worthwhile. The research has demonstrated that perceiving land as a commodity within Canada may have serious long-range implications for this nation. Many landowners in Canada will benefit substantially from maintaining land as a commodity, and it has been argued at the United Nations Habitat Conference resolution (refer to Appendix II), that speculative increases in land values are unearned, and they bear no relationship to an honestly - earned income. The position has been taken here that land in Canada should be treated as a resource, and that government policy will be mobilized towards this end. Hopefully, this thesis will contribute to the formulation of a new "land ethic" in Canada in which land is perceived as a resource.

CHAPTER 7

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APPENDIX I

POPULATION, RESOURCES,
AND CANADA

APPENDIX I-A

IS CANADA BECOMING OVERPOPULATED?

Lorna R. Marsden

In almost any of the main components of population (births, deaths, immigration, emigration, migration within the country, age distribution), we appear to be untroubled and by world standards we are; but, considered in terms of the domestic future, the picture is not so rosy. As our population grows, as it inevitably will, the complications will become clear.

Consider plain figures. Canada had a population in 1972 of 21,830,000 in an area of 3,851,809 sq. miles (10,018,903 sq. km). That is 5.7 persons per sq. mile (2.6 per sq. km). The United Kingdom had recently about 587 persons per sq. mile and the United States 57. For sheer breathing space, Canada looks like a good place; but living space is another matter altogether.

Roughly half of Canada is underlain by continuous or discontinuous permafrost, and large portions are muskeg or mountains. While other regions of Canada may be habitable, they are so only with a heavy energy subsidy: the importation of heating fuels, food and all other supplies. Problems with the assimilation of waste in areas of permafrost and the amount of land required to support a single family cuts drastically into the simple estimates of population density.

The population density figures for Canada, based on an area divided by population, are highly misleading and contribute to the myth which flourishes in the rest of the world of Canada as the "land of wide open spaces". Wide open spaces they may be; but habitable spaces for migrants they are not. An information gap exists between Canada and other countries and, indeed, between the realities of Canadian living space and the knowledge of most Canadians. One of the problems that will face the Canadian government in the coming decade will be to transmit

APPENDIX I-A (continued)

information about the actual amount of habitable or cultivatable land in Canada to the rest of the world. The second will be to establish national priorities for its use...

Although detailed understanding of changes is very important, the problems facing the nation in the area of population seem to me to centre on general ignorance among citizens and many people in social planning of even the major trends, of what these imply for the future of the society, and of what can be done to intervene in the process if intervention appears necessary.

Among those who do understand the trends, many believe that Canada is in danger of becoming, or is already, overpopulated. Biologists, ecologists and agricultural scientists have been concerned for some time about the impact of our high-consumption citizens on the ability of the country to assimilate wastes and to produce food in some state of ecological balance.

There are a lot of struggles to be lived through yet: Struggles among the experts about the number of people the Canadian ecology can sustain, about technology, forecasts and social consequences; struggles among local planners and citizens' groups about future growth and airports, highways and zoning; struggles among governments on jurisdictions, funding and population balance. As time flies by, our choices narrow.

Excerpt taken from: Marsden, L.R., Canadian Geographical Journal,
Volume 89, Number 5, November, 1974.

Winnipeg Free Press August 19, 1976

Immigration would have to be halved

Population control urged for Canada

By DAN POTTIER

Free Press Correspondent

OTTAWA — Canada should start planning now for the year 2000 and the cornerstone should be putting limits on population growth, according to the Science Council of Canada.

In a report released yesterday, the council recommended that Canada's population should be allowed to reach only 29 million by the end of the century compared to the

35 million it would reach without efforts to control it.

Given that the fertility rate has stabilized, the report says the flow of immigration would have to be checked to keep the population level down. Based on current rates immigration would have to be halved.

The council sees this as the key way to limit demand on Canadian resources and enable technology to meet growing demands for dwindling re-

serves of food, minerals and energy supplies.

Planning is the main theme of the report called Population, Technology and Resources. It explores how science can help that planning once the moral and political decisions have been made.

It is basically the Science Council's contribution to the limits to growth debate of the past few years; it applies the arguments for marshalling

resources to the Canadian scene.

The Science Council, an advisory body to the government, says the report is designed to spur debate and to dispel certain "myths" about Canada.

These myths included beliefs that the country's agricultural potential was more or less infinite and that its resources and land area would

—Continued—

See POPULATION page 4

Population control urged

always support a virtually open-door immigration policy.

Questions were raised at a council press conference on reports that former council member Fernand Seguin wanted to present dissenting views on the recommendations.

John Shepherd said Mr. Seguin had prepared such a report but that it had been rejected as "inadequate" by the council.

Dr. O. M. Solandt, who chaired the committee which produced the report, said the

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Seguin report was "unrelated to this report. It dealt with disgruntlement on other matters and I agree with not publishing it."

Population, urban development, land use, agricultural policy and energy form the key points of the recommendations made by the council as it looks toward the year 2000.

It saw urgent need for a national policy on agricultural

land use. Agricultural land should be designated for agriculture only and Ontario and Quebec should do this immediately.

The country should also intensify food production to meet not only future domestic needs but also to meet some of the world need which is edging higher because of population growth.

Energy conservation through higher prices is urged "but this should not be enforced to the point of preventing desirable economic growth."

Winnipeg Free Press December 22, 1976

World food shortage continues

Children will go hungry this Christmas

WASHINGTON (CP) — No one knows how many millions of children will go to bed hungry this Christmas Eve.

World food experts, however, say the number is appallingly high and likely to increase markedly in future years despite intensified efforts to increase food produc-

tion in developing countries.

The Food and Agriculture Organization (FAO) of the United Nations warned recently that the generally good harvests of 1975 and 1976 have not substantially improved the long-term world food outlook.

"In spite of higher priority

for agriculture in many developing countries, the recent production increases must—as so often in the past—be attributed to better weather," the FAO annual food survey said.

"The longer-term trend in food production in the developing countries remains dis-

appointingly inadequate in relation to the need to improve nutritional levels."

The FAO also said that aid to agriculture in developing countries will probably decline in real terms in 1976, that the developing countries'

—Continued

See CHRISTMAS page 6

Christmas means hunger to many

CONTINUED

ability to finance food imports has been hit by trade problems and that international talks on the situation have produced "virtually no concrete progress."

Another recent study, by the Worldwatch Institute of Washington, gives a graphic description of what lack of progress means in human terms.

The institute—a body funded partially by UN and governmental agencies—said severe undernutrition strikes hardest at small children, who need twice as much protein and energy as adults in relation to weight.

"Community examinations show that at any given time about one to seven per cent of the pre-school children in poor countries weigh less than 60 per cent of their expected weights, a desperate condition akin to walking death. . .

"When they do not starve,

these victims of the modern economic order face the possibility of living with irreversibly stunted bodies and minds.

"And the clinical surveys also reveal that significant, if less dramatic, undernutrition affects as many as half to two-thirds of the children in the poor countries."

In 1970, studies estimated there were 460 million undernourished people in non-communist countries, about one in six of the populations surveyed.

Since then, experts agree, the problem has worsened because of tight food supplies in 1972-74 and leaps in food prices.

The same price jumps that brought prosperity back to Prairie grain farmers in Canada forced many people in developing countries to cut their food consumption and shifted many into the undernourished category.

APPENDIX I-D

OPENING STATEMENT BY PREMIER EDWARD SCHREYER
FEDERAL-PROVINCIAL CONFERENCE OF
FIRST MINISTERS: APRIL 9 - 10, 1975

Mr. Chairman:

In the next two days--during discussions which will probably not last more than 10 or 12 hours at the most--all of us around this table will face some very difficult decisions--decisions which will involve potential transfers of billions of dollars, and decisions which will affect the daily lives of every citizen in this country for years to come.

The issues at stake are so great, and the choices so complex, that--unless there are fundamental changes in certain basic assumptions--it almost seems we have an impossible task ahead of us.

I am extremely troubled by this situation.

There is no question that we can make the decisions. Our governments have a clear mandate to do so.

But, our governments also have a responsibility to make absolutely certain that the choices we make are in the best interests of the people we represent and of the nation as a whole.

I wish I could say that I thought we were in a position to make these kinds of choices in a responsible way. But, I think it is quite clear that we are not.

We do not have a clearly-defined national energy policy in this country:

- . we need more reliable estimates of our current domestic energy reserves and of world supply conditions;
- . we need clear policies on the conservation of non-renewable resources, as well as on consumption and regional allocation priorities;

APPENDIX I-D (continued)

- . we need specific national plans to develop alternative energy sources;
- . we need more detailed knowledge of the overall financial positions of the major resource corporations;
- . we need clear guidelines concerning the degree of foreign ownership which should be permitted;
- . we need rational strategies for public sector involvement;
- . we need a system for coordinating energy investment, development, and distribution; and
- . we need adequate data to determine a rate base for oil production costs. The lack of such data--which would permit judgments about justifiable rates of return--makes the intelligent and systematic pricing of oil extremely difficult.

Yet, despite insufficient information, and despite the lack of a comprehensive planning framework, we are being asked to make virtually irrevocable decisions about oil and natural gas prices--decisions which will have a profound effect on people's jobs--on their buying power--and, indeed, on the economic future of the regions in which they live.

APPENDIX II

RESOLUTIONS OF
UNITED NATIONS CONFERENCE
ON HUMAN SETTLEMENTS
1976: HABITAT RECAP

APPENDIX II

Accomplishments of Habitat Conference: 1976

Exerpt from: Community Planning Association of
Canada Newsletter, Summer Issue,
1976.

HABITAT Vancouver, The United Nations' Conference on Human Settlements, was attended by officials of 131 countries. The Programme consisted of three elements.

I. " THE VANCOUVER DECLARATION OF HUMAN SETTLEMENTS 1976 "

Declaration of Principles, a 55 paragraph statement intended as a broad guide for bettering standards in villages, towns and cities, and starting from the premise that "improvement of the quality of life in human beings is the first and most important objective of every human settlement policy" was comprised of a preamble and three sections. The three sections set forth:

- 1) " Opportunities and Solutions "
- 2) " General Principles"
- 3) " Guidelines for Action"

Much publicity was given to the adoption of the Vancouver Declaration of Human Settlements, which recorded 89 in favour, 15 against and 10 abstentions. The countries voting against the Declaration said their primary objection was the inclusion of an implicit endorsement of General Assembly resolution 3379 (XXX) of November 1975 which characterized Zionism as a form of racism. Voting against the adoption of the document as a whole was Australia, Belgium, Canada, Denmark, France, Germany (Federal Republic of), Ireland, Israel, Italy, Luxembourg, Netherlands, New Zealand, Norway, the United Kingdom and the United States.

II. RECOMMENDATIONS FOR NATIONAL ACTION TO IMPROVE SETTLEMENTS

A set of 64 recommendations for national action followed six main subject areas. A brief introduction of the subjects was followed by sets of recommendations, each preceded by a brief rationale and followed by suggestions for implementation. The six subject areas were:

- A) Settlement Policies and Strategies
- B) Settlement Planning
- C) Shelter, Infrastructure and Services
- D) Land
- E) Public Participation
- F) Institutions and Management

The Recommendations for National Action were approved mainly by consensus, except for two amendments by which the Conference condemned certain activities relating to settlements in territories under foreign occupation. The full text of the Recommendations for National Action to Improve Settlements is fairly voluminous. However, since CPAC Manitoba Division believes that these adopted recommendations are most relevant to Manitoba and to future Government decisions, we have reprinted the 64 recommendations. (Please refer to Page 25)

III. PROPOSAL ON FUTURE UNITED NATIONS ACTIVITIES

A resolution for international co-operation in regard to Human Settlements and calling for the creation of an "intergovernmental body for human settlements" was adopted on the final day. The resolution adopted consisted of 9 parts of the 10 part text.

Recommendations For National Action

A. SETTLEMENT POLICIES AND STRATEGIES

The seven recommendations approved by Habitat on this topic deal with national settlement policies, their content and their relationship to the distribution of population, the environment, economic and social development, and the use of resources.

- A.1 ALL COUNTRIES SHOULD ESTABLISH AS A MATTER OF URGENCY A NATIONAL POLICY ON HUMAN SETTLEMENTS, EMBODYING THE DISTRIBUTION OF POPULATION, AND RELATED ECONOMIC AND SOCIAL ACTIVITIES, OVER THE NATIONAL TERRITORY.
- A.2 A NATIONAL POLICY FOR HUMAN SETTLEMENTS AND THE ENVIRONMENT SHOULD BE AN INTEGRAL PART OF ANY NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT POLICY.
and should be consistent with the preservation, restoration and improvement of the natural and man-made environment...be directed at all settlements, rural and urban, and take into account, among other things, the changing roles of women.
- A.3 A NATIONAL HUMAN SETTLEMENT POLICY SHOULD CONCENTRATE ON KEY ISSUES AND PROVIDE BASIC DIRECTIONS FOR ACTION.
It should promote the goals and objectives of national development, establish priorities among regions and areas of a country, and be led by public sector action.
- A.4 HUMAN SETTLEMENTS POLICIES SHOULD AIM TO IMPROVE THE CONDITION OF HUMAN SETTLEMENTS PARTICULARLY BY PROMOTING A MORE EQUITABLE DISTRIBUTION OF THE BENEFITS OF DEVELOPMENT AMONG REGIONS; AND BY MAKING SUCH BENEFITS AND PUBLIC SERVICES EQUALLY ACCESSIBLE TO ALL GROUPS.
Public sector investments, subsidies, and fiscal and legal incentives and disincentives are among the measures mentioned in this context.
- A.5 NATIONAL HUMAN SETTLEMENTS STRATEGIES MUST BE EXPLICIT, COMPREHENSIVE AND FLEXIBLE.
They require, among other things, the designation of a body responsible for policy formulation, the active participation of governmental bodies, non-governmental organizations and all sectors of the population, and the means for their periodic review.
- A.6 THE IMPROVEMENT OF QUALITY OF LIFE IN HUMAN SETTLEMENTS MUST RECEIVE HIGHER PRIORITY IN THE ALLOCATION OF CONVENTIONAL RESOURCES, WHICH OUGHT TO BE CAREFULLY DISTRIBUTED BETWEEN THE VARIOUS COMPONENTS OF HUMAN SETTLEMENTS; IT ALSO REQUIRES THE PLANNED USE OF SCARCE RESOURCES AND THE MOBILIZATION OF NEW RESOURCES, IN PARTICULAR HUMAN CAPACITIES.
- A.7 GOVERNMENTS SHOULD REPORT PUBLICLY ON A CONTINUOUS EVALUATION OF HUMAN SETTLEMENTS CONDITIONS.
suggests such measures as a permanent national review body, a periodic report on past achievements and future goals, and independent monitoring and evaluation components in all major settlement programmes, projects and institutions.

B. SETTLEMENT PLANNING

Sixteen recommendations treat settlement planning in the national, regional and local context, and deal with such subjects as the availability of resources, urban improvement and expansion, reconstruction after disaster, new settlements, temporary settlements, and the settlements of mobile groups such as nomads and migrant workers.
The preamble states that plans must include clear goals and adequate policies, objectives and strategies along with concrete programmes, and should promote and guide development rather than restrict or simply control it. It is recommended that planning and development of rural settlements should become a focus of national development policies and programmes.

- B.1 SETTLEMENT AND ENVIRONMENTAL PLANNING AND DEVELOPMENT MUST OCCUR WITHIN THE FRAMEWORK OF THE ECONOMIC AND SOCIAL PLANNING PROCESS AT THE NATIONAL, REGIONAL AND LOCAL LEVELS.
It urges special emphasis on balanced development for all regions, a unified approach, and the use of suitable methods and procedures.
- B.2 SETTLEMENT PLANNING SHOULD REFLECT NATIONAL, REGIONAL AND LOCAL PRIORITIES AND USE MODELS BASED ON INDIGENOUS VALUES.
Particular mention is made of such national objectives as social justice, employment opportunities, economic self-sufficiency and cultural relevancy, and of the need to bring planning and planners in close contact with the people.
- B.3 SETTLEMENT PLANNING SHOULD BE BASED ON REALISTIC ASSESSMENT, AND MANAGEMENT, OF THE RESOURCES ACTUALLY AND POTENTIALLY AVAILABLE FOR DEVELOPMENT.
It calls for the preparation of a comprehensive national ecological and demographic inventory to guide long-range settlement planning, and the development of special technical and managerial skills.
- B.4 SETTLEMENT PLANNING AT THE NATIONAL LEVEL MUST BE CONCERNED WITH THE CO-ORDINATION OF THOSE DEVELOPMENTS, ACTIVITIES AND RESOURCES THAT HAVE NATIONAL SIGNIFICANCE. THESE ARE PARTICULARLY, THE GENERAL DISTRIBUTION OF POPULATION, THE SIGNIFICANCE OF DEVELOPMENT OF CERTAIN ECONOMIC SECTORS, AND CERTAIN INFRASTRUCTURE COMPONENTS.
- B.5 PLANNING FOR RURAL AREAS SHOULD AIM TO STIMULATE THEIR ECONOMIC AND SOCIAL INSTITUTIONS, IMPROVE GENERAL LIVING CONDITIONS, AND OVERCOME DISADVANTAGES OF SCATTERED POPULATIONS.
Consideration should be given to designation of towns of appropriate size as social economic and cultural centres for their regions, schemes for village amalgamation and programmes of shared services and facilities, and the creation of new employment opportunities and increasing economic productivity.
- B.6 PLANNING FOR METROPOLITAN REGIONS SHOULD AIM AT AN INTEGRATED APPROACH OVER THE TERRITORY AFFECTED BY THE METROPOLIS, AND INCLUDE ALL MAJOR FUNCTIONS.
It includes measures such as the co-ordinated provision of food, utilities and services and the protection of regional ecology.
- B.7 LOCAL PLANNING MUST BE CONCERNED WITH SOCIAL AND ECONOMIC FACTORS, AND THE LOCATION OF ACTIVITIES AND THE USE OF SPACE OVER TIME.
Among measures called for is the designation of general land-use patterns, provision of infrastructure networks and systems required to link activities on the basis of economy, safety, convenience and environmental impact.
- B.8 SETTLEMENTS MUST BE CONTINUOUSLY IMPROVED. RENEWAL AND REHABILITATION OF EXISTING SETTLEMENTS MUST BE ORIENTED TO IMPROVING LIVING CONDITIONS, FUNCTIONAL STRUCTURES AND ENVIRONMENTAL QUALITIES. THE PROCESS MUST RESPECT THE RIGHTS AND ASPIRATIONS OF INHABITANTS, ESPECIALLY THE LEAST ADVANTAGED, AND PRESERVE THE CULTURAL AND SOCIAL VALUES EMBODIED IN THE EXISTING FABRIC.
Attention is called for the development and use of low-cost techniques and the direct involvement of present inhabitants.
- B.9 URBAN EXPANSION SHOULD BE PLANNED WITHIN A REGIONAL FRAMEWORK, AND CO-ORDINATED WITH URBAN RENEWAL TO ACHIEVE COMPARABLE LIVING CONDITIONS IN OLD AND NEW AREAS.
Special provision should be made for institutions for management of land acquisition and development, improved development of existing urban land use, the active participation of the public, and access to places of work.
- B.10 NEW SETTLEMENTS SHOULD BE PLANNED WITHIN A REGIONAL FRAMEWORK, TO ACHIEVE NATIONAL SETTLEMENT STRATEGIES AND DEVELOPMENT OBJECTIVES.
Among other things, special attention should be paid to relating new settlement programmes to the renewal and expansion of existing settlements.

- B.11 PLANNING FOR THE IMPROVEMENT OF INDIVIDUAL RURAL SETTLEMENTS SHOULD TAKE INTO ACCOUNT THE PRESENT AND EXPECTED STRUCTURE OF RURAL OCCUPATIONS, AND OF APPROPRIATE DISTRIBUTION OF EMPLOYMENT OPPORTUNITIES, SERVICES AND FACILITIES.
Respect should be paid to local customs as well as to new needs, use of local resources and traditional techniques of construction.
- B.12 NEIGHBOURHOOD PLANNING SHOULD GIVE SPECIAL ATTENTION TO THE SOCIAL QUALITIES AND PROVISION OF FACILITIES, SERVICES AND AMENITIES, REQUIRED FOR THE DAILY LIFE OF THE INHABITANTS.
Particular emphasis is stressed on the needs of children, their parents, the elderly and the handicapped. The need for community involvement and ready access to facilities and services.
- B.13 PLANNING FOR TEMPORARY HUMAN SETTLEMENTS SHOULD PROVIDE FOR COMMUNITY NEEDS, AND THE INTEGRATION OF SUCH SETTLEMENTS, WHERE APPROPRIATE, INTO THE PERMANENT NETWORK OF SETTLEMENTS.
- B.14 PLANNING FOR HUMAN SETTLEMENTS SHOULD AVOID KNOWN HAZARDS WHICH COULD LEAD TO NATURAL DISASTER. THE PLANNING OF RECONSTRUCTION AFTER NATURAL OR MAN-MADE DISASTERS SHOULD BE USED AS AN OPPORTUNITY TO IMPROVE THE QUALITY OF THE WHOLE SETTLEMENT, ITS FUNCTIONAL AND SPATIAL PATTERN AND ENVIRONMENT.
- B.15 THE SPATIAL, SOCIAL, ECONOMIC AND CULTURAL NEEDS OF MOBILE GROUPS MUST RECEIVE SPECIAL PLANNING ATTENTION AT LOCAL, AS WELL AS REGIONAL AND NATIONAL LEVELS.
Including training and counselling, facilities for health and education services, and assistance with shelter, food and water.
- B.16 PLANNING AT ALL SCALES MUST BE A CONTINUING PROCESS REQUIRING CO-ORDINATION, MONITORING EVALUATION AND REVIEW, BOTH FOR DIFFERENT LEVELS AND FUNCTIONS AS WELL AS FEEDBACK FROM THE PEOPLE AFFECTED.
It states that planning should be comprehensive, timely and action-oriented, and be backed by firm political commitment to action.

C. SHELTER, INFRASTRUCTURE AND SERVICES

This topic, on the anatomy and physiology of human settlements, the Conference approved 18 recommendations dealing with such questions as national housing policies, waste management and prevention of pollution, energy, water supply and social services. Infrastructure was defined as the networks designed to deliver or remove people, goods, energy or information, including transport and communications. This is distinguished from services, such as education, health, culture, welfare, recreation and nutrition.

- C.1 SHELTER, INFRASTRUCTURE AND SERVICES SHOULD BE PLANNED IN AN INTEGRATED WAY AND PROVIDED IN THE SEQUENCE APPROPRIATE TO CIRCUMSTANCES.
Proposes a comprehensive approach to shelter, infrastructure and services.
- C.2 IN MEETING ESSENTIAL HUMAN NEEDS THE PROVISION OF SHELTER, INFRASTRUCTURE AND SERVICES MUST BE GEARED TO ACHIEVING THE OVER-ALL OBJECTIVES OF NATIONAL DEVELOPMENT.
It suggests that attention be paid to massive and effective mobilization of financial, material and human resources, including the encouragement of voluntary activity.
- C.3 STANDARDS FOR SHELTER, INFRASTRUCTURE AND SERVICES SHOULD BE COMPATIBLE WITH LOCAL RESOURCES, BE EVOLUTIONARY, REALISTIC, AND SUFFICIENTLY ADAPTABLE TO LOCAL CULTURE AND CONDITIONS, AND BE ESTABLISHED BY APPROPRIATE GOVERNMENT BODIES.
Efforts should be made to reduce dependence on foreign technologies, resources and materials.

- C.4 THE CHOICE OF DESIGNS AND TECHNOLOGIES FOR SHELTER, INFRASTRUCTURES AND SERVICES SHOULD REFLECT PRESENT DEMANDS WHILE BEING ABLE TO ADAPT TO FUTURE NEEDS AND MAKE THE BEST USE OF LOCAL RESOURCES AND SKILLS AND BE CAPABLE OF INCREMENTAL IMPROVEMENT.
Suggests that use be made of available local materials and resources as well as locally existing know-how in such way as to generate employment and income. The needs of the handicapped should also be taken into account in designing shelter, infrastructure and services.
- C.5 THE EFFICIENT UTILIZATION OF ENERGY AND ITS VARIOUS MIXES, SHOULD BE GIVEN SPECIAL CONSIDERATION IN THE CHOICE OF DESIGNS AND TECHNOLOGIES FOR HUMAN SETTLEMENTS, ESPECIALLY THE RELATIVE LOCATION OF WORK PLACES AND DWELLINGS.
Recommends the identification and development of new sources of energy as well as conservation of currently available energy. Emphasis placed on the use of renewable over non-renewable energy sources and the rationalization of technologies which are currently known to be hazardous to the environment.
- C.6 IN CHOOSING ALTERNATIVES FOR SHELTER, INFRASTRUCTURE AND SERVICES ACCOUNT SHOULD BE TAKEN OF THEIR SOCIAL, ENVIRONMENTAL AND ECONOMIC COSTS AND BENEFITS INCLUDING THAT OF FUTURE MANAGEMENT, MAINTENANCE AND OPERATIONS AS WELL AS CAPITAL COSTS.
This recommendation on long-term cost suggests that in choosing alternatives, requirements for revision of current budgeting methods, changes in public lending and subsidy policies and a review of cost accounting methods is needed.
- C.7 THE SPECIAL IMPORTANCE OF THE CONSTRUCTION INDUSTRY SHOULD BE RECOGNIZED BY EVERY NATION AND THE INDUSTRY SHOULD BE GIVEN THE POLITICAL, FINANCIAL AND TECHNICAL SUPPORT IT REQUIRES TO ATTAIN THE NATIONAL OBJECTIVES AND THE PRODUCTION TARGETS REQUIRED FOR HUMAN SETTLEMENTS.
Attention to be given to simplifying formal procedures, expanding the training of local entrepreneurs, and providing finance, guarantees and, if necessary, selective subsidies to local industry.
- C.8 THE INFORMAL SECTOR SHOULD BE SUPPORTED IN ITS EFFORTS TO PROVIDE SHELTER, INFRASTRUCTURE AND SERVICES, ESPECIALLY FOR THE LESS ADVANTAGED.
Action should be taken to ensure security of land tenure for unplanned settlements where appropriate or if necessary providing for relocation and resettlement with opportunity for employment.
- C.9 NATIONAL HOUSING POLICIES MUST AIM AT PROVIDING ADEQUATE SHELTER AND SERVICES TO THE LOWER INCOME GROUPS, DISTRIBUTING AVAILABLE RESOURCES ON THE BASIS OF GREATEST NEEDS.
Measures proposed to achieve this include low-interest loans, rent subsidies based on family needs and incomes, and improved availability of housing alternatives such as low cost rentals near job opportunities.
- C.10 A MAJOR PART OF HOUSING POLICY EFFORTS SHOULD CONSIST OF PROGRAMMES AND INSTRUMENTS WHICH ACTIVELY ASSIST PEOPLE IN CONTINUING TO PROVIDE BETTER QUALITY HOUSING FOR THEMSELVES, INDIVIDUALLY OR CO-OPERATIVELY.
Some measures suggested for Aided self-help include simplification of procedures for acquisition of sites, short and long-term finance, building permits and codes, and zoning, and incentive to the imaginative use of local materials.
- C.11 INFRASTRUCTURE POLICY SHOULD BE GEARED TO ACHIEVE GREATER EQUITY IN THE PROVISION OF SERVICES AND UTILITIES, ACCESS TO PLACES OF WORK AND RECREATIONAL AREAS, AS WELL AS TO MINIMIZE ADVERSE ENVIRONMENTAL IMPACT.
This implies enforcement of minimum and maximum standards, more efficient use of resources, active use of pricing policies and integration of infrastructure networks.

- C.12 SAFE WATER SUPPLY AND HYGIENIC WASTE DISPOSAL SHOULD RECEIVE PRIORITY WITH A VIEW TO ACHIEVING MEASURABLE QUALITATIVE AND QUANTITATIVE TARGETS SERVING ALL THE POPULATION BY A CERTAIN DATE; TARGETS SHOULD BE ESTABLISHED BY ALL NATIONS AND SHOULD BE CONSIDERED BY THE FORTHCOMING UNITED NATIONS CONFERENCE ON WATER.
Specifically it is suggested that programmes be adopted with realistic standards for quality and quantity to provide water for urban and rural areas by 1990. The Canadian Government has made a commitment to ensure that all settlements of significant size have an adequate level of sewage treatment by 1985 and to have a reliable source of clean water in all communities by 1980.
- C.13 IN THE DEVELOPMENT OF HUMAN SETTLEMENTS THE QUALITY OF THE ENVIRONMENT MUST BE PRESERVED. POLLUTION SHOULD BE PREVENTED BY MINIMIZING THE GENERATION OF WASTES; WASTES WHICH CANNOT BE AVOIDED SHOULD BE EFFECTIVELY MANAGED AND WHENEVER POSSIBLE TURNED INTO A RESOURCE.
Measures suggested include innovative use of unavoidable waste as a by-product, better use of technology to reduce the volume of waste material, and the creation of a special fund, with the participation of industries, for establishing recycling mechanisms.
- C.14 POLICIES ON TRANSPORTATION AND COMMUNICATION SHOULD PROMOTE DESIRED PATTERNS OF DEVELOPMENT TO SATISFY THE NEEDS OF THE MAJORITY OF THE POPULATION, TO ASSURE THE DISTRIBUTION OF ACTIVITIES TO FAVOUR MASS TRANSPORTATION, AND TO REDUCE CONGESTION AND POLLUTION BY MOTOR VEHICLES.
Suggestions include more deliberate use of land-use planning and policies, the development of a system of public transportation with adequate incentives and the provision of public subsidies for modes of innovative transport.
- C.15 THE PROVISION OF HEALTH, NUTRITION, EDUCATION, SECURITY, RECREATION AND OTHER ESSENTIAL SERVICES IN ALL PARTS OF THE COUNTRY SHOULD BE GEARED TO THE NEEDS OF THE COMMUNITY AND RECEIVE AN EFFECTIVE PRIORITY IN NATIONAL AND DEVELOPMENT PLANNING AND IN THE ALLOCATION OF RESOURCES.
Areas for priority action on Social Services include National equalization programmes and subsidies, reorientation of legislative, institutional and financial measures, and decentralization of the administrative and financial machinery.
- C.16 GOVERNMENTS SHOULD DEVELOP NEW CRITERIA FOR INTEGRATED RURAL PLANNING TO ENABLE THE GREATEST POSSIBLE NUMBER OF SCATTERED AND DISPERSED RURAL SETTLEMENTS TO DERIVE THE BENEFIT FROM BASIC SERVICES.
Measures to reduce migration to urban areas include promoting the concentration of rural population, promoting the establishment of service centres in rural regions, and new approaches to education.
- C.17 GOVERNMENTS SHOULD CONCENTRATE ON THE PROVISION OF SERVICES AND ON THE PHYSICAL AND SPATIAL REORGANIZATION OF SPONTANEOUS SETTLEMENTS IN WAYS THAT ENCOURAGE COMMUNITY INITIATIVE AND LINK "MARGINAL" GROUPS TO THE NATIONAL DEVELOPMENT PROCESS.
- C.18 NATIONAL GOVERNMENTS SHOULD CO-ORDINATE AND CO-OPERATE WITH THE EFFORTS OF LOCAL AND REGIONAL AUTHORITIES AND ORGANIZATIONS IN THE PLANNING, DEVELOPMENT AND IMPLEMENTATION OF LEISURE AND RECREATIONAL FACILITIES AND PROGRAMMES, FOR THE PHYSICAL, MENTAL AND SPIRITUAL BENEFIT OF THE PEOPLE.

D. LAND

The 8 recommendations dealing with land as a basic component of human settlements include suggestions on land ownership, conservation and reclamation of land as well as other aspects of effective land management.

- D.1 LAND IS A SCARCE RESOURCE WHOSE MANAGEMENT SHOULD BE SUBJECT TO PUBLIC SURVEILLANCE OR CONTROL IN THE INTEREST OF THE NATION.

- D.2 CHANGE IN THE USE OF LAND, ESPECIALLY FROM AGRICULTURAL TO URBAN, SHOULD BE SUBJECT TO PUBLIC CONTROL AND REGULATION.
Measures might include direct intervention, legal and fiscal controls, as well as zoning and land-use plans.
- D.3 THE UNEARNED INCREMENT RESULTING FROM THE RISE IN LAND VALUES RESULTING FROM CHANGE IN USE OF LAND, FROM PUBLIC INVESTMENT OR DECISION OR DUE TO THE GENERAL GROWTH OF THE COMMUNITY MUST BE SUBJECT TO APPROPRIATE RECAPTURE BY PUBLIC BODIES (THE COMMUNITY), UNLESS THE SITUATION CALLS FOR OTHER ADDITIONAL MEASURES SUCH AS NEW PATTERNS OF OWNERSHIP, THE GENERAL ACQUISITION OF LAND BY PUBLIC BODIES.
Specific ways and means of Recapturing plus value include levying of appropriate taxes, periodic and frequent assessment of land values and adopting pricing and compensation policies relating to value of land.
- D.4 PUBLIC OWNERSHIP, TRANSITIONAL OR PERMANENT, SHOULD BE USED, WHEREVER APPROPRIATE TO SECURE AND CONTROL AREAS OF URBAN EXPANSION AND PROTECTION; AND TO IMPLEMENT URBAN AND RURAL LAND REFORM PROCESSES, AND SUPPLY SERVICED LAND AT PRICE LEVELS WHICH CAN SECURE SOCIALLY ACCEPTABLE PATTERNS OF DEVELOPMENT.
In outlining measures, it suggests that consideration be given to the measures indicated for recommendations D.2 and D.3.
- D.5 PAST PATTERNS OF OWNERSHIP RIGHTS SHOULD BE TRANSFORMED TO MATCH THE CHANGING NEEDS OF SOCIETY AND BE COLLECTIVELY BENEFICIAL.
Special attention should be given to redefinition of legal ownership, separation of land ownership and development rights, and the land rights of indigenous peoples.
- D.6 THE SUPPLY OF USABLE LAND SHOULD BE MAINTAINED BY ALL APPROPRIATE METHODS INCLUDING SOIL CONSERVATION, CONTROL OF DESERTIFICATION AND SALINATION, PREVENTION OF POLLUTION, AND USE OF LAND CAPABILITY ANALYSIS AND INCREASED BY LONG-TERM PROGRAMMES OF LAND RECLAMATION AND PRESERVATION.
It recommends that special attention be paid, among other things, to land fill, control of soil erosion, and control and reversal of desertification and salinization.
- D.7 COMPREHENSIVE INFORMATION ON LAND CAPACITY, CHARACTERISTICS, TENURE, USE AND LEGISLATION SHOULD BE COLLECTED AND CONSTANTLY UP-DATED SO THAT ALL CITIZENS AND LEVELS OF GOVERNMENT CAN BE GUIDED AS TO THE MOST BENEFICIAL LAND USE ALLOCATION AND CONTROL MEASURES.
This implies that effective land use planning and control measures could not be implemented unless the public and all levels of government had access to adequate information.

E. PUBLIC PARTICIPATION

The introduction to 6 recommendations on public participation in activities relating to settlements states that a co-operative effort of the people and their Governments is a prerequisite for effective action on human settlements. As the magnitude and intractability of the problems are too great for Governments to act alone, citizens must be provided opportunities for direct involvement in the decisions that profoundly affect their lives.

- E.1 PUBLIC PARTICIPATION SHOULD BE AN INDISPENSIBLE ELEMENT IN HUMAN SETTLEMENTS, ESPECIALLY IN PLANNING STRATEGIES AND IN THEIR FORMULATION, IMPLEMENTATION AND MANAGEMENT; IT SHOULD INFLUENCE ALL LEVELS OF GOVERNMENT IN THE DECISION-MAKING PROCESS TO FURTHER THE POLITICAL, SOCIAL AND ECONOMIC GROWTH OF HUMAN SETTLEMENTS.
Particular attention should be paid to the advance public disclosure of strategies, plans and programs for public discussion which should be made at the early planning stages before major commitments to the project have been made.

- E.2 THE PLANNING PROCESS MUST BE DESIGNED TO ALLOW FOR MAXIMUM PUBLIC PARTICIPATION.
This can be achieved by providing information in clear and meaningful terms to make it more intelligible to laymen, and seeking the participation of women.
- E.3 TO BE EFFECTIVE, PUBLIC PARTICIPATION REQUIRES THE FREE FLOW OF INFORMATION AMONG ALL PARTIES CONCERNED AND SHOULD BE BASED ON MUTUAL UNDERSTANDING, TRUST AND EDUCATION.
To achieve two-way flow it is suggested that legislation to stimulate public participation and to provide wide accessibility to public information, allocation of resources for the development of skills within the community and use of mass media to provide a forum for citizen participation and public debate.
- E.4 PUBLIC PARTICIPATION SHOULD INTEGRATE THE VARIOUS SECTORS OF THE POPULATION INCLUDING THOSE THAT TRADITIONALLY HAVE NOT PARTICIPATED EITHER IN THE PLANNING OR IN THE DECISION-MAKING PROCESS.
In order to achieve wide involvement it is suggested that particular attention should be paid to expanding and strengthening the role of community organizations, voluntary groups etc., and securing the active involvement of groups whose participation is normally limited.
- E.5 PUBLIC PARTICIPATION MUST RESPOND TO BOTH NEWLY EMERGING NEEDS OF SOCIETY AND TO EXISTING SOCIAL, ECONOMIC AND CULTURAL NEEDS. THE PEOPLE AND THEIR GOVERNMENTS SHOULD ESTABLISH MECHANISMS FOR POPULAR PARTICIPATION THAT CONTRIBUTE TO DEVELOPING AWARENESS OF PEOPLE'S ROLE IN TRANSFORMING SOCIETY.
As regards new forms of participation in the changing world areas for special attention include establishment of effective urban channels of communication between the people and all levels of government, establishment of neighbourhood councils, and recognition of the changing role of women in society.
- E.6 PUBLIC PARTICIPATION ELICITED ON A SCALE COMMENSURATE WITH THE PROBLEMS OF HUMAN SETTLEMENTS, SHOULD INFLUENCE ALL DECISIONS CONCERNING MANAGEMENT OF HUMAN SETTLEMENTS AND SHOULD FOCUS ON THE APPLICATION OF RESOURCES TO IMPROVEMENT OF THE STANDARD OF LIVING AND QUALITY OF LIFE.
Efforts should include assessing felt needs and priorities, promote actions which motivate people to decide and act for themselves and in other ways to mobilize resources.

F. INSTITUTIONS AND MANAGEMENT

Institutions..the political, administrative and technical instruments which formulate or implement settlement plans and policies, and the management of settlements are dealt with in 10 recommendations covering such questions as adaptation to changing circumstances, the use of human resources, financial arrangements, and settlement laws and regulations.

- F.1 THERE MUST BE INSTITUTIONS AT NATIONAL, MINISTERIAL, AND OTHER APPROPRIATE LEVELS OF GOVERNMENT RESPONSIBLE FOR THE FORMULATION AND IMPLEMENTATION OF SETTLEMENT POLICIES AND STRATEGIES FOR NATIONAL, REGIONAL AND LOCAL DEVELOPMENT.
It adds that they should have a distinct identity as well as leadership capacity and executive responsibility for settlement programmes.
- F.2 INSTITUTIONS FOR HUMAN SETTLEMENTS SHOULD BE CO-ORDINATED WITH THOSE RESPONSIBLE FOR NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT AND ENVIRONMENTAL PLANS AND POLICIES AND INTERRELATED ON A MULTIDISCIPLINARY BASIS.
They should ensure among other things, adequate representation of inhabitants on principal policy-making bodies.
- F.3 INSTITUTIONS DEALING WITH HUMAN SETTLEMENTS SHOULD ADAPT TO CHANGING CIRCUMSTANCES.
In particular, institutions should be continuously reviewed and reorganized as necessary.

F.4 INSTITUTIONS SPECIALLY ESTABLISHED TO SOLVE SHORT-TERM SETTLEMENT PROBLEMS SHOULD NOT OUTLIVE THEIR ORIGINAL PURPOSE.

Among measures suggested are the preplanned transfer of functions to permanent bodies and the appropriation of additional funds only after careful review.

F.5 INSTITUTIONS SHOULD BE DESIGNED TO ENCOURAGE AND FACILITATE PUBLIC PARTICIPATION IN THE DECISION-MAKING PROCESS AT ALL LEVELS.

Suggestions for incentives to such participation include decentralization of administration and management as well as public accountability.

F.6 SETTLEMENTS MUST BE IMPROVED BY RESPONSIVE AND IMAGINATIVE MANAGEMENT OF ALL RESOURCES.

It stresses the need to establish the management responsibilities of government and to prevent speculation over the basic needs of people and calls for efforts by government and inhabitants to maintain, restore and improve settlements.

F.7 THE DEVELOPMENT OF RESEARCH CAPABILITIES, AND THE ACQUISITION AND DISSEMINATION OF KNOWLEDGE AND INFORMATION ON SETTLEMENTS, SHOULD RECEIVE HIGH PRIORITY AS AN INTEGRAL PART OF THE SETTLEMENT DEVELOPMENT PROCESS.

In regard to Human Resources special emphasis must be placed on projects that demonstrate innovative use of human resources, materials and technology, practical on-the-job-training and exchange of relevant information expressed in simple terms.

F.8 SEPARATE FINANCIAL INSTITUTIONS AND ADEQUATE MEANS ARE NECESSARY TO MEET THE REQUIREMENTS OF HUMAN SETTLEMENTS.

In dealing with financial arrangements it proposes that investors and purchasers especially the least advantaged, be protected against inflation through monetary or other means.

F.9 INSTITUTIONS AND PROCEDURES SHOULD BE STREAMLINED TO ENSURE THAT INTENDED BENEFICIARIES RECEIVE THE LARGEST POSSIBLE SHARE OF RESOURCES AND BENEFITS.

It emphasizes open decision-making and public accountability for use of funds, greater local control in management and administration, and removing the role of intermediaries in citizen involvement, in an effort for reaching the people.

F.10 ANY FRAMEWORK FOR SETTLEMENTS LEGISLATION MUST ESTABLISH CLEAR AND REALISTIC DIRECTION AND MEANS FOR IMPLEMENTATION OF POLICIES.

Noting that existing laws and regulations are often complex, rigid and dominated by vested interests it suggests that special attention should be placed on special legislation and on periodic revision of laws and regulations.

* * * * *

Honourable Barney Danson, Minister of State for Urban Affairs, in an address to the Canadian Federation of Mayors and Municipalities in Vancouver on June 17th, 1976 commented on some commitments already made by the Federal Government. His comments are reprinted below for your information.

"All in all, we have used Habitat as a time of assessment and commitment. It might, therefore, be appropriate to reiterate some of the commitments already made.

1. To ensure the construction of one million new housing units in the years 1976 to 1979.
2. To directly finance the annual construction of at least 40,000 new housing units for low and moderate income people in the same period.
3. To construct or rehabilitate 50,000 units for rural and native people between 1974 and 1982.
4. To construct or rehabilitate 20,000 native dwellings in the period 1976 to 1981.
5. To ensure that all settlements of significant size have an adequate level of sewage treatment by 1985.
6. To have a reliable source of clean water in all communities by 1980.
7. to utilize existing infrastructure in low density areas to provide some medium density housing over the next five years."

THE CANADIAN NGO MANIFESTO

Canadian non-governmental organizations (NGOs) in attendance at Habitat Forum in Vancouver, presented a Manifesto to members of the official Canadian Delegation. The Delegation, made up of representatives of Canada's three levels of government were asked to forward the NGO Manifesto to all levels of government, and especially to the Federal Cabinet as part of the Delegation's final report on Habitat. Following is a reprint of The Canadian NGO Manifesto.

1. Regarding the New International Economic Order, let Canada take action to lead in establishing new international agreements and arrangements regarding trade, monetary systems, industrial strategies and resource development programs that are advantageous to the developing countries. Let Canada's response to the needs of poor countries not be only aid through the Canadian International Development Agency (CIDA).
2. Let Land be treated as a community resource and not as a market commodity. Let such a principle be reflected in control of land speculation, control of urban expansion onto food land, and in terms of provincial policies and legislation.
3. Let Canada lead in establishing a moratorium on expansion of nuclear power, with accompanying emphasis on alternative power sources and on energy conservation.
4. Let there be an end to fragmentation of housing programs among the federal, provincial and municipal levels of government. Let priority in housing be directed to special-need groups, especially by means of government action at all levels to control the cost of land and the cost of money for housing.
5. Let there be a Canadian dollar commitment now to programs for clean water, but let Canada's commitment in this regard especially be tied in with trade, monetary and other changes aimed at building up the self-reliance of every nation as the main means for attaining the objective of clean water everywhere.
6. Let indigenous land claims be settled prior to the undertaking of development projects in Canada; and let special attention be paid to advancing the equality of indigenous women and to the general needs of Native peoples in such matters as housing and jobs.
7. Let all levels of government, and non-government organizations, follow through in deeds what has so often been said in words about equality for women in Canadian society.
8. Let there soon be Right to Information legislation covering all levels of government in Canada to facilitate public participation, as well as legislation to permit citizen class actions against environmental offenders. Let governments also encourage and facilitate public participation in private sector decision making.

These points are submitted as a challenge to post-Habitat commitment and action at every level of government in Canada. In future, let the three-level division of responsibilities in Canada not be used as a device for passing the buck and dodging responsibility. Let the Canadian federation be made to work for people.

APPENDIX III

THE COSTS OF
SPRAWL

THE COSTS OF SPRAWL

FACTORS	LOW DENSITY SPRAWL	HIGH DENSITY PLANNED
Definition	Community consisted of single family homes, 75% sited on traditional grid pattern, and the rest clustered. Neighbourhoods sited in leap frog pattern representing a typical pattern of suburban development.	Community contains 40% high-rise apartments, 30% walk up apartments, 20% townhouses, and 10% clustered single family homes. All dwelling units are clustered together into contiguous neighbourhoods, much in the pattern of a high density "new community"
Land Use	<ul style="list-style-type: none"> - All land at least partially developed - only 2/3's as much land dedicated to open spaces - four times as much land used for residential purposes 	<ul style="list-style-type: none"> - over 50% land completely under-developed - 1/2 less land used for transportation - more spaces for preserving wild-life and vegetation, parks or agriculture
Investment	Greater total costs in terms of both total individual costs, and total costs borne by governments	<ul style="list-style-type: none"> - 44% overall less than lower density - 41% saving on development due to better planning - 65% savings on construction of roads and utilities - less costs likely to be borne by government - less costs in terms of total operating and maintenance costs and in costs.
Pollution	<ul style="list-style-type: none"> - generates more air pollution, but less pollution generated per developed acre - generates more storm water run-off pollution (greater paved area) and which may also result in downstream flooding - less concentration of noise generation activities 	<ul style="list-style-type: none"> - generates 45% less air pollution - generates 20 - 30% less total air pollution from automobiles because of such communities stimulate less automobile use - generates less storm-water runoff pollution - more concentrated noise generating activities
Energy Consumption	<ul style="list-style-type: none"> - higher total energy costs - greater travel costs - more time taken for cleaning and maintenance - greater water consumption (watering gardens and lawns) 	<ul style="list-style-type: none"> - can save up to 44% total energy costs due to planning - reduced cost and time of travel to work or school, etc. - less time taken for cleaning and maintenance - up to 35% less water consumption
Method of Analysis:	All communities were assumed to have 6,000 acres of land, with 10,000 dwelling units corresponding to a population of 33,000 people. Housing types consisted of single family homes (conventionally located and clustered), townhouses, walk up apartments (2 stories) and high rise apartments (6 stories).	

Source: Data taken from Council on Environmental Quality, The Costs of Sprawl. Executive Summary, Washington, October 1974.

APPENDIX IV

MANITOBA: PROVINCIAL
DEPARTMENTS AND AGENCIES
AFFECTING LAND USE IN
THE PROVINCE

APPENDIX IV

TABLE OF ACTS WHICH DIRECTLY OR
INDIRECTLY AFFECT LAND USE IN MANITOBA

- | | |
|---|--|
| 1. Park Lands Act | 24. Housing & Renewal Corporation Act |
| 2. Historic Sites Act | 25. The Municipal Act |
| 3. Crown Land Act | 26. Local Government Districts Act |
| 4. Clean Environment Act | 27. Municipal Board Act |
| 5. Dyking Authority Act | 28. City of Winnipeg Act |
| 6. Fires Prevention Act | 29. Agricultural Societies Act |
| 7. Forest Act | 30. Dept. of Agriculture Act |
| 8. Ground Water & Water Well Act | 31. Land Rehabilitation Act |
| 9. Lake of the Woods Control Board Act | 32. Agriculture Credit Corporation Act |
| 10. Mines Act | 33. Highways Department Act |
| 11. Pipeline Act | 34. Highways Protection Act |
| 12. Resource Conservation Districts Act | 35. Gas Pipe Line Act |
| 13. Rivers and Streams Act | 36. Religious Societies Lands Act |
| 14. Surveys Act | 37. Expropriation Act |
| 15. Watershed Conservation District Act | 38. Land Acquisition Act |
| 16. Water Resources Administration Act | 39. Real Property Act |
| 17. Water Power Act | 40. Special Survey Act |
| 18. Water Rights Act | 41. Vacant Property Act |
| 19. Water Services Board Act | 42. Dept. of Public Works Act |
| 20. Water Supply Districts Act | 43. Northern Manitoba Affairs Act |
| 21. Wildlife Act | 44. Draft Northern Affairs Act |
| 22. Water Commission Act | 45. Manitoba Hydro Act |
| 23. The Planning Act | 46. Public Utilities Board Act |

*Research done by Community Planning Association of Canada, Manitoba Division, 1974.

APPENDIX Ⅴ

NEWSPAPER CLIPPINGS

Winnipeg Free Press
April 3, 1974

Sask. Land Bill Moving

FOREIGN LAND OWNERSHIP RESTRICTION

Ownership control

Edmonton Journal, September 22, 1976

Alberta is setting the stage for some form of control over land sales to outsiders. By next spring, she hopes to bring in legislation preventing extra-national control of provincial acreages.

The move will put this province in line with Prince Edward Island and Saskatchewan, where land sales now are restricted to residents. Hopefully, though, by the time the Alberta law comes into being, it will be possible to control sales on the basis of Canadian citizenship rather than provincial residence.

This Prince Edward Island wanted to do last year, but the Supreme Court of Canada subsequently ruled that restriction tied to citizenship was beyond provincial jurisdiction since citizenship is in the federal domain. Ottawa lately has been looking at its Foreign Investment Review Agency Act, with a view to amendments that would clear the citizenship hurdle. Premier Lougheed gives the senior government a few more months to make the needed change. If it is not forthcoming, Alberta may have to enact residence restrictions.

The distasteful aspect of residence qualifications is that it would deny Canadians the right to own land in whichever provinces adopt the limitation. Were it to be applied across the nation, a Canadian citizen would enjoy the full rights of citizenship only in his own province; elsewhere he would be a second-class citizen. Such a situation would render gross disservice to the concept of national unity.

Alberta has done well to apply the brakes to private ownership of recreational land. But in view of her wealth, the availability of her land and the attraction of land ownership, she must move farther and quickly into sales control.

REGINA (CP)—A controversial government bill to restrict non-resident ownership of Saskatchewan farmland this week moved a step closer to becoming law, despite liberal assertions that the New Democrat government is after total control of provincial farmland.

The bill received approval in principle as the New Democrat majority outvoted the Liberal opposition and sent the bill into the next stage, clause-by-clause examination.

Before the vote, Liberal leader Dave Stewart summed up his party's criticism, saying the bill represents a New Democrat power grab, is un-Canadian, is not necessary and does nothing to solve problems concerning use of land for recreation, industry or housing.

Mr. Stewart suggested that perhaps the time has come for provincial zoning laws to guide land use.

Agriculture Minister John Messer countered by blaming the federal government for the fact the bill places no restrictions on American farmers who live close to the Saskatchewan border and buy farmland in the province.

Farmers living outside the province but within 20 miles of the border are exempt from the bill's restrictions.

Mr. Messer said that provision was included to avoid unfairness to Manitoba and Alberta farmers living by the border.

He asserted that the bill would be open to constitutional challenge if the province attempted to distinguish between non-residents who are Canadian citizens and non-residents who are not Canadian citizens, since citizenship is a federal matter.

He said that the anomaly of some American farmers having more freedom than most Canadians to buy Saskatchewan farmland would not exist if the federal government had been willing to bring in a minor constitutional amendment to allow the province to extend the exemption only to Manitoba and Alberta farmers within 20 miles of the Saskatchewan border.

Financial Post October 23, 1976

'Ugly Canadians' buying up Western U.S. resort land

By Mark Ricketts

TURNING THE OTHER cheek might have a biblical precedent but surely none involving beef quotas and real estate. While Canadians stew over President Gerald Ford's restrictions on imported beef, Americans resent Canadians buying up their land. Hence the phrase, "the ugly Canadian," used to describe

our countrymen buying land south of the British Columbia border.

The high cost of housing in Vancouver has influenced prices in the leisure property market. As a result, many in Vancouver are buying land and summer property in the U.S. states of Washington and Oregon, where prices are 20% less than a comparable property on Canadian soil within an hour's drive of Vancouver.

About 85% of the building lots in Sudden Valley, near Bellingham, Washington, 28 miles south of the U.S.-Canadian border, belong to Canadians. There are several hundred lots in the valley.

"Canadians can drive from Vancouver to their summer homes in about an hour, and there is no ferry crossing involved — unlike those who have summer property on some of the gulf islands," a spokesman for the Real Estate Board of Greater Vancouver says.

Some Canadians are even venturing further south, investing in land and property in northern California, where prices are far less than if they had bought back home.

Ontario pledges to exempt farms from taxes by 1978

OTTAWA (CP) — The Ontario government intends to make all agricultural land in the province fully tax-exempt by 1978, Agriculture Minister William Newman said here Friday.

The government is working on a tax subsidy plan to compensate farmers for the full value of property taxes on

land, Mr. Newman said at the official opening of the Central Canada Exhibition.

He ruled out any possibility of a land freeze to keep farmland in production but said the tax plan would help deter farmers from selling land for non-agricultural use.

Under the plan municipalities would assess farmers for the full value of their land

with farmers receiving rebates from the provincial government.

Homes on farms would not be included, Mr. Newman said.

Farmers would have to pay up to 10 years in full back taxes if farmland was sold for non-agricultural use, he said.

Mr. Newman said the plan will be more effective than an outright land freeze in stopping the conversion of farmland to commercial uses.

The government is reassessing all properties in the province, putting much higher assessments on farmland located near urban areas, he said.

The higher assessments likely will mean stiffer back-tax penalties for farmers selling out to land developers.

"We're not saying a farmer can't sell his land," he said. "We're just providing an incentive for him to stay in farming."

Farmers could still sell their land profitably, perhaps by making deals with developers to pay the back taxes, he said.

Taking aim at the provincial New Democratic Party demand for a land freeze, Mr. Newman said there is enough land to provide an abundance of food without stopping all conversion of farmland to other uses.

"When you hear somebody advocating an agricultural land freeze, you can bet your bottom dollar he's not a farmer," Mr. Newman told a gathering of Ottawa area politicians and exhibition directors.

Farmers would have to be compensated for lost profits if the government banned farmland sales for non-agricultural uses, he said and such costs would be too high.

Mr. Newman estimated the cost of compensation in his home township of Pickering, just east of Toronto, at \$140 million to freeze 60,000 acres of farmland.

"On a province-wide scale, any form of just compensation would add up to economic suicide," he said.

Winnipeg Free Press August 23, 1976

Tax proposal shunned

Farm exemption 'lacks realism'

OTTAWA (CP) — An Ontario government proposal to make all agricultural land in the province fully tax-exempt by 1978 has been greeted with skepticism by Gordon Hill, president of the Ontario Federation of Agriculture.

Details of the farm tax exemption team. Page 10.

He said in an interview there Sunday that the Ontario plan outlined by Agriculture Minister William Newman on Friday lacks realism.

Mr. Newman said the plan would entice more farmers to stay in farming and would deter farmers from selling land for non-agricultural use.

"It won't retard development in any way," Mr. Hill said.

"Many farmers also feel that municipal officials may get a bit loose under this plan and it will lead to runaway spending in the municipality then."

Under the provincial plan municipalities would assess farmers for the full value of their land with farmers receiving rebates from the provincial government. Homes on farms would not be included.

Farmers would have to pay up to 10 years in full back taxes if farmland was sold for non-agricultural use.

Mr. Hill predicted that farmers would be unimpressed by the plan. Farmers believe the province should provide a healthier economic climate to ensure top prices so they can better afford to pay taxes, he said.

WINNIPEG FREE PRESS, SATURDAY, NOVEMBER 8, 1975

Business fights inflation through tax deferral

By I. H. ASPER

One of the surest ways to protect capital from inflation created erosion, is to put off until tomorrow what might otherwise have to be paid out today. In that way, the deferred payment, unless it bears interest, will be made with cheaper dollars.

That is, if one owes \$100 today, but pays it one year from now, given a 10 per cent inflation rate, the actual cost of the payment is \$90 less whatever he earns with the \$100 during the period in which payment is deferred.

Business has long recognized this elementary principle and wherever possible has organized its operations to take advantage of every payment deferral available. The income tax levy on business profits normally provides fertile ground for tax deferral.

For example, rapid write-offs of new industrial equipment and similar tax deferral techniques have long been part of the tax arsenal with which the business community has protected its working capital.

One of the most time honoured tax deferral possibilities has, until recently, been year end salary accruals. That is, the law has provided that where at its year end a company sets up a liability for executive salary bonuses in respect of the year, the amount of salary liability accrued becomes a deductible expense for the company in that year.

The executives, in respect of whom the salary bonus is set up, don't pay tax on the bonus, because, being taxable only on the basis of cash receipts, they haven't received anything, so there's no tax.

To prevent abuse, the law provides that in the next fiscal year, the company must do one of two things: pay out the bonus, in which case the executive employee pays his tax; or, nullify the bonus, in which case the company adds the amount back into its income and pays tax in the second year.

But what can be done, if the company plans its affairs carefully, is to achieve an indefinite, or permanent deferral on the income by continually setting up the bonus liability in one year, paying it out in the next and again setting up the liability in the second year, and simply perpetuating the system.

For example, Company A earns \$150,000 in year one. It is taxed at 25 per cent on the first \$100,000 of income and 50 per cent on the remaining \$50,000. It wishes to save the tax of \$25,000 on the last \$50,000. It therefore, on the last day of the year, declares a liability of \$25,000 as a bonus to each of the tax owner employees. Thus the profit is reduced to \$100,000, taxed at 25 per cent, and the \$25,000 tax on the last \$50,000 is saved.

One year later, the company pays out the \$50,000 bonus and the owner-employees pay their tax — but the company has had the use of the extra \$25,000 of tax money for an entire year. At the same time, the company sets up a new liability for a bonus of \$500,000 and again the tax is deferred. And so on, each year, indefinitely postponing the payment of tax.

Now, suppose in some year the company suffers a loss — it can then not pay out last year's bonus in which case it must take into income the amount of the unpaid bonus. But since it has had a loss, no tax is payable, and the company can start the entire process over again once it becomes profitable.

It's just a matter of sound tax planning in defence of a company's hard-to-come-by working capital.

In recent months, Revenue officials have been questioning and challenging this kind of planning, and as a result of the tax court's rulings, corporate tax planners will have to be a little more careful in their use of this tax planning device.

Back in the spring, this column noted that in a recent similar situation, the tax department challenged the right of the taxpayers to so arrange their affairs. The Revenue officials claimed that it was an artificial or "sham" transaction.

The Tax Review Board sustained the taxpayer, but the Revenue Department is appealing that decision to the Federal Court.

However, more recently, another such case has come before the tax courts, with more ominous results. There, the company set up the accrued salary bonuses of \$38,000 in 1969 and \$17,000 in 1970, payable equally to the two owner-employees. The Revenue authorities disallowed the deduction because there was no clear cut legal liability to pay the bonuses, and, in fact, they were never paid, and the company took these bonuses back into its income in subsequent years.

The Tax Review Board upheld the taxpayer. The Minister of National Revenue appealed to the Federal Court, which rendered its judgment in September, ruling against the taxpayer.

Corporate taxpayers should not be discouraged by the verdict, but should be cautioned. Mr. Justice Kerr, in giving his reasons for judgment, agreed that his type of fiscal activity was not artificial or phony tax avoidance, but failed because there had not been strict compliance with the rules.

The company had set up the liability for bonuses but had made the payment conditional upon the subsequent year's profits. Thus, the court ruled, there was no legal liability, but rather only a conditional liability, which could not be the basis of an absolute tax deduction.

Business financial planners are therefore warned that the method by which they implement the accrued salary tax deferral will be carefully scrutinized by tax assessors. Any slip in implementation will obviously provoke a tax attack.

The case reported is Ken and Ray Collins Bay Supermarket Ltd. (MNR).

Economic Council report optimistic

Rich get bigger cut of national income

OTTAWA (CP) — The rich in Canada are getting richer and the poor are getting a smaller slice of the national income, the Economic Council of Canada finds in its annual review released today.

While incomes of all groups have risen since 1955, the top 40 per cent of families and individuals today take in 68 per cent of all income compared with less than 66 per cent 10 years ago. The rest of the population shares the remaining 32 per cent compared with more than 34 per cent a decade ago.

The findings of the federal advisory agency conflict with its assertion that "the equitable distribution of incomes among all Canadians is a continuing objective of economic policy in this country."

Specifically, it observes that in 1965 the top one-fifth of the population, with an average family income of \$12,000 a year, was getting about nine times as much as the average for the bottom fifth's \$1,300. Last year, the top group received \$29,000—about 11 times as much as the \$2,600 in the lowest income group.

The council cites a variety of factors for the shift toward economic inequality, including unemployment among the young and an increased proportion of old-age pensioners.

Further, inflation in the last six years appears to have struck hardest against families

headed both by under-25s and older persons, although the very rich also saw inflation erode the value of their investments.

Youthful, middle-income families are the main gainers from inflation.

The council concentrates on inflation in its 13th annual review of the economy—a 166-page study that ranges from social well-being to foreign trade.

It is generally optimistic about the outlook to 1990, predicting stronger growth, reduced inflation and higher employment.

It concludes in general that federal pay and price controls introduced 14 months ago appear to be working, but warns that some system of restraints will be needed into the 1980s.

"Even if the controls program were 100-per-cent successful during its years of operation, our projections show that, under circumstances in which unemployment would decline to five per cent or lower by the early 1980s, partly because of slower labor-force growth, the cost of living could rise to disturbing levels once again."

The council supports the argument of the Canadian Labor Congress that organized labor and other economic groups should be involved more actively in economic planning after present controls end.

For the first time since the 1964 establishment of the council to represent various eco-

nomie groups, three labor representatives on the 25-member body took no part in this year's review.

CLC President Joe Morris; James McCambly, executive-secretary of the Building and Construction Trades Department, and Donald Taylor, assistant to the national director of the United Steelworkers, withdrew from the council last March in protest against lack of government consultation and the anti-inflation program.

The annual review also finds:

—Wage and price pressures, reinforced by government credit policies, accelerated production costs to an annual rate of 12.3 per cent last year from 3.7 per cent in 1971.

—Canada's net debt to other countries reached \$43.3 billion in 1975 and costs the country about \$2 billion a year in dividends and interest payments abroad, about the same burden in relation to total national income as a generation ago.

—Canadians "have generally been too optimistic and too profligate in their foreign spending," running up deficits on international transactions that can be balanced only by heavy borrowing abroad. Investment should be shifted

more heavily into manufacturing goods that can be exported or replace imports at home.

—The federal and provincial governments have made revenue gains, mainly because of inflation, but municipal governments lag behind although many agree they need more money.

—The indexing of taxes and welfare repayments—reducing taxes and increasing welfare in line with the cost of living—can help stabilize the economy, reduce inflationary pressures and promote fairness, although it reduces Ottawa's freedom to manage the economy.

—Inflation effectively eroded the purchasing power of the old by as much as \$165 million out of total pensions of about \$1.5 billion in 1974.

—Combined impact of economic recovery abroad and anti-inflation trends at home hold out the promise of stronger real growth in the economy at an annual rate of 5.7 per cent to 1980 compared with virtual stagnation recently. Prices should moderate and unemployment decline, but growth in the spending power of individuals will not be as great as in the early 1970s.

Land prices blamed for expensive houses

Financial Post

December 11, 1976

By John Schreiner

CALGARY

LAST WEEK'S urban land symposium here, organized by the Canadian Council on Social Development, prompted two disturbing observations:

- For many Canadians affordable housing is galloping out of reach rapidly and at a pace disguised only by increasing subsidies.
- The recently established federal-provincial task force on the supply and cost of serviced urban residential land faces a real fight reconciling contending theories and solutions about affordable housing.

The warning on how quickly housing costs have soared came from William Teron, the former developer, now deputy minister of Urban Affairs and chairman of Central Mortgage & Housing Corp. "Over two thirds of all Canadians who currently do not own a home could not purchase the minimum-priced home within their community without assistance from the government," Teron told the symposium.

As it is, government assistance has increased substantially in the past few years. Teron said the CMHC housing subsidy has risen from \$9 million in 1970 to a forecast \$170 million this year, and expected to get to \$400 million in 1980. The money goes into a variety of programs to help home ownership or keep down rents.

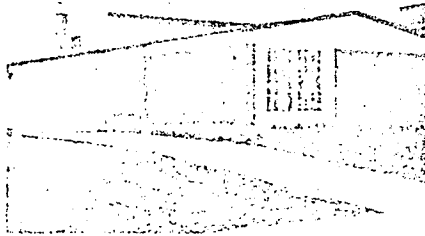
"Almost 100,000 new families in 1976, out of 250,000 housing starts, will receive subsidies from the government," Teron said.

Those figures show how inflation, family formation and government policies have affected housing costs in the past decade. Clearly, Teron concluded, "Canada cannot afford to have a universal shelter subsidy or tax rebate to bridge the gap for so many."

The federal government is only one of the levels of government in the housing subsidy business. Alberta Housing Minister William Yurko told the symposium that Alberta alone puts approximately \$400 million a year into housing programs, from public housing to subsidized mortgages. That's one province with fewer than three million people.

Alberta has the most extreme housing shortage in the country. This year, as in 1975, the province expects a net population gain of about 60,000 — double what had been normal for more than a decade. This has put pressure on housing, so the province has aimed much of its money at programs to accelerate housing starts. Yurko estimated that the province will have 34,000 to 35,000 starts this year, vs 19,000 two years ago.

But even with that accelerated activity, Alberta housing prices have more than doubled in that period. Edmonton and Calgary housing costs are now as high as those in Toronto and Vancouver. Comparable, though less elevated, trends are found in most other cities of Western Canada and Ontario.



In Calgary housing costs are now as high as in Toronto or Vancouver.

There's some agreement about what is making housing so expensive, but the real argument — as the federal-provincial task force has already learned — is about the order of importance of those reasons. Alberta's first reaction to the task force was to withdraw, because Yurko suspected it was nothing but a simplistic hunt for a villain.

In his view, there are at least nine major factors involved. High interest rates come first, followed by profit-taking by a highly-concentrated development industry and the impact of taxes.

The soaring costs of urban land and the long-drawn out and expensive municipal development approval processes get fourth and fifth place in Alberta. However, Yurko conceded that the priorities might be different in other provinces.

Teron argued that "the scarcity of an adequate supply of serviced registered land is the root cause of excessive inflation in land and, in turn, on its effect on the price of housing."

The technical paper presented at the seminar by CCSD's Program Director for Housing, Jeffrey Patterson, said land costs were a major reason why some housing prices had soared.

In Vancouver last year, land made up 46% of the total cost of a single-detached house, vs 21% in 1968. In Toronto, the proportion had risen to 43% from 33%.

That hasn't happened in all Canadian cities. Montreal has seen a decline in the cost of land as a percentage of total house cost, from 12% in 1968 to 9% last year, emphasizing Yurko's point that the reasons for high housing costs vary.

Cities with effective public land banks, notably Saskatoon, have managed to keep land costs steady. But, as another symposium paper noted, land banks are effective when the land is bought cheaply and far in advance of being used. This suggests it is too late for public land banking to have near-term impact around most major cities.

Toronto planning consultant Andrzej Derkowski presented yet another view. He said that municipal and other government levies and regulations are the major reasons for expensive housing.

APPENDIX VI

CALENDAR OF EVENTS
EFFECTING THE STATUS
OF LAND IN CANADA

APPENDIX VI

CALENDAR OF EVENTS AFFECTING THE STATUS OF LAND IN CANADA*

<u>YEAR</u>	<u>EVENT AND SIGNIFICANCE</u>
1867	By The <u>British North America Act</u> of the British parliament, Canada, consisting of Ontario, Quebec, Nova Scotia, and New Brunswick becomes an independant nation. The powers of the Federal and Provincial Government were laid down at that time.
1869	The Federal Government arranged for a survey of the vast western territory acquired from the Hudson Bay Company after Confederation. It included Manitoba, Saskatchewan, Alberta, and the Northwest Territories of today. The survey used the Torrens System (Townships six miles square) as in the United States and Eastern Canada.
1870	Manitoba becomes a province of Canada.
1871	British Columbia becomes a province of Canada.
1872	A <u>Homestead Act</u> was passed which entitled settlers to have one-quarter section of land free. This encouraged a wave of immigration to Canada from Europe. The free land clause was withdrawn in 1881.
1873	Prince Edward Island becomes a province of Canada.
1880	Federal Parliament gave the Canadian Pacific Railroad \$25,000,000 and twenty-five million acres of land. All lands given were exempt from taxes for 20 years. The CPR acquired all mineral rights except for silver and gold on their lands.
1886	Trans-Continental Railroad across Canada was completed.
1898	<u>Crow's Nest Pass Agreement</u> prevented an increase in freight rates over the rates of 1898 on grains moving from Prairie Provinces into export channels.

*Through the vast research carried out in the process of preparing this thesis, this calendar of events has been tabulated. This represents an accumulation of the events documented during research explored (see the Bibliography).

<u>YEAR</u>	<u>EVENT AND SIGNIFICANCE</u>
1905	Alberta and Saskatchewan become provinces of Canada. However, Alberta, Saskatchewan, and Manitoba did not gain control of the Crown lands within their boundaries until 1930. A new <u>Homestead Act</u> was passed to encourage immigration. The free-homestead system was again instituted and the homesteader was allowed up to 320 acres of land.
1909	Thomas Adams of Great Britain was sent to Canada to forward planning in Canada. He drafted the <u>first model Planning Act in Canada</u> , and between 1909 and 1950, every province in Canada had developed a Planning Act based on the model. Walter Fisher, an American attorney, also helped draft the first Conservation Act in Canada in 1909.
1914	<u>Town Planning Institute of Canada (T.P.I.C.)</u> was formed which consisted of professions such as architects, engineers, and some planners engaged in city planning of that time.
1921	<u>Land Transfer Tax Act</u> established in Ontario, a mild tax on the purchaser when any real property is acquired. This Act, amended in 1974, was set at 0.3% on the first \$35,000, and 0.6% on the excess.
1927	The <u>Aeronautics Act</u> passed designating airports as a Federal responsibility.
1937	<u>Dominion Housing Act</u> , Canada's first Federal Housing Act, was passed to permit the Federal Government to make joint loans with lending institutions or local authorities for house building.
1938	<u>Prairie Farm Rehabilitation Act (P.F.R.A.)</u> was instituted by the Federal Government in the post depression era to provide farming programs such as irrigation assistance, dams and reservoir construction, to assist the farm sector.
1939	Prince Edward Island enacted an order-in-council forbidding aliens from owning more than 200 acres of land without the consent of the Lieutenant Governor in Council.
1944	<u>Central Mortgage and Housing Corporation (C.M.H.C.)</u> was formed and it established a mortgage loan system for prospective purchasers of new homes.
1945	A new <u>National Housing Act</u> replaced the older Dominion Housing Act and the Central Mortgage and Housing Corporation Act was officially passed.

YEAREVENT AND SIGNIFICANCE

- 1946 The Community Planning Association of Canada was formed with funding assistance from C.M.H.C. The Association was open to local government elected representatives and administrators, local developers, planners, and interested citizens.
- 1946 - Montreal, Toronto, and Vancouver formulated Master Plans for
1949 their future development. Other cities like Winnipeg, Regina and Windsor made sizeable outlays in plans and reports for their physical future. These plans were generally prepared by consultants. They assumed a static city and projected the future by systematically laying out streets, building blocks, and space for parks or civic complexes. They also treated problems in isolation - slum clearance of the fifties and sixties is a good example of this.
- 1949 Newfoundland becomes Canada's tenth province.
- Lower Mainland Regional Planning Board (L.M.R.P.B.) formed and it had a regional planning function for the entire lower Frazer Valley (Vancouver Region).
- 1950 The Town and Rural Planning Act in Alberta permitted the establishment of Regional Planning Commissions and Regional Planning Districts across the Province. Today (1976) there are nine regional commissions and districts established in the province, covering more than 80% of the population and 50% of the land area of the province.
- 1952 The Town Planning Institute of Canada was reactivated after being inactive since the war years. In 1975, its name changed to the Canadian Institute of Planners.
- 1953 A Metropolitan System of Local Government was established in Toronto providing services for the central city and 12 suburban municipalities.
- 1955 The Township of London, Ontario, first uses the Development Control concept for controlling land use. In 1961, since annexation, the City of London also adopted development control. This technique was used instead of zoning.
- 1956 A debate was conducted on the construction of a pipeline across Canada - it was decided to construct the pipeline. This took place in the Federal Parliament in Ottawa.
- 1958 The National Capital Commission was established by an Act of Federal Parliament to prepare plans and assist in the development, conservation, and improvement of the National Capital Region in accordance with its national significance.

YEAREVENT AND SIGNIFICANCE

- 1960 Winnipeg adopts a Metropolitan System of Government to administer certain prescribed intermunicipal functions such as wholesale water supply, sewage treatment and disposal, major streets and transit, assessment, major parks and golf courses, and transit.
- 1961 The Agricultural Rural Rehabilitation and Development Act (A.R.D.A.) created by the Federal Government focusses upon improving the physical qualities of land and increasing agricultural output. A part of this program included developing Land Capability Classification (Canada Land Inventory) for agriculture, forestry, recreation and wildlife; such a system defines land value as a resource.
- 1962 The Metropolitan Toronto and Regional Transportation Study (M.T.A.R.T.S.) examined transportation problems in Oshawa-Hamilton area corridor.
- 1963 The Area Development Agency (A.D.A.) was a federal program designed to encourage industrial development to areas of chronic unemployment.
- Lower Mainland Regional Planning Board (Vancouver Region) published a comprehensive Regional Plan designating approximately 300,000 acres (about 50% useable land in the valley) for long-term agriculture.
- 1964 In Prince Edward Island, restrictions placed upon the amount of land an alien was permitted to own was reduced to 10 acres, and 330 feet of shore frontage.
- 1965 Bill 83 was passed by the British Columbia legislature which enabled the setting up of Regional Government Districts and Regional Planning Commissions. The two original functions proposed were preparation of a regional plan and responsibility for sharing of the local share of providing hospital facilities. Since its inception, the districts have provided many other services. There are 29 Regional Government Districts encompassing all of B.C. today (1976).
- 1966 The Fund for Rural Economic Development (F.R.E.D.) was established by the Federal Government to enable large amounts of federal dollars to be spent on projects in rural disadvantaged areas.
- 1968 Lower Mainland Regional Planning Board was dissolved by the British Columbia Government. The Board was replaced by four smaller districts.

YEAR

EVENT AND SIGNIFICANCE

1968

The Greater Winnipeg Metropolitan Development Plan and the Winnipeg Area Transportation Study (W.A.T.S.) were published. These were comprehensive plans for the future of Winnipeg done by the Metropolitan Corporation of Greater Winnipeg.

1969

In Nova Scotia, an Act to provide for the disclosure of land holdings by non-residents and certain corporations was passed to provide an inventory of the location and amount of land held by those residents outside of the province of Nova Scotia. It does not hinder transfer of land in any way.

Federal Ministry of Regional Economic Expansion (DREE) was established. DREE's objective was to minimize disparities among high and low growth regions of Canada by giving financial incentives to industries starting or expanding in designated areas of the country, supplying funds or guaranteed loans for special community services, and giving financing assistance where provinces haven't the resources to do so.

1970

The Montreal Urban Community Act established a two-tier government structure covering 30 municipalities in Montreal and the Bizard Islands.

The Toronto-Centered Region Plan was published to discourage excessive growth in Metropolitan Toronto. This is a comprehensive planning document providing guidelines for Toronto's future growth.

The B.C. Legislature passed a Land Act which precludes the sale of Crown land to non-Canadians. Crown waterfront property may be leased with no option to purchase.

The Cities of Port Arthur and Fort William and some of the surrounding municipalities were amalgamated to form the City of Thunder Bay, on the recommendation of the Hardy Report of the Government of Ontario.

1971

Newfoundland passed legislation providing no grant, lease, license, or permit regarding Crown lands should be issued to any non-resident company or person except for industrial or commercial development approved by Order-in-Council.

The Ministry of State for Urban Affairs was established by the proclamation. Its main function is as a policy development, co-ordination, and research agency. The Department works closely with DREE, Transport, Manpower & Immigration, Health & Welfare, Public Works, and Energy, Mines and Resources.

YEAR

EVENT AND SIGNIFICANCE

1971

Sparks Street Mall in Ottawa wins C.M.H.C. Vincent Massey Award. This attempt at city center recycling turned a congested, decaying downtown shopping street into a vital and thriving pedestrian shopping mall. Vancouver's Granville Street Pedestrian Mall and Calgary's 8th Avenue Pedestrian Mall have been based on this concept.

The Government of Manitoba set up the Winnipeg Region Study (under the Dept. of Municipal Affairs) to research the urban-fringe development outside the limits of the City of Winnipeg.

The construction of a large expressway called the Spadina Expressway in Toronto was cancelled when only 1/3 completed when the Provincial Government in Ontario over-ruled the Ontario Municipal Board and stopped the project. Citizen pressure to stop much of the expenditure of \$200 million on the Expressway caused this move.

In British Columbia, the Environment and Land Use Act established a cabinet committee to ensure that adequate consideration is given to environmental factors in land and resources decisions. The committee is empowered to appoint technical committees, to engage consultants, and to hold public meetings, but it is not required to undertake any of these steps.

1972

A new Federal Income Tax Act came into effect which imposed a tax upon all gains and losses on the sale and disposal of most property. This Capital Gains Tax has required that all gains and losses on the sale and disposal of most property must take into account the income of all income taxpayers, including corporations.

The City of Winnipeg Act was proclaimed law, and a one-city (unicity) concept has been created in which all municipalities or suburban areas were amalgamated, with an equalized mill-rate (tax) structure and an equal level of local (fire, police, garbage collection, etc.) services in Winnipeg. Metropolitan Winnipeg has just one urban Government.

The Government of British Columbia passed an Order-in-Council placing a freeze on the development of agricultural land by forbidding developing a site, changing a land use, or constructing any building unless the building is necessary for the operation of a farm.

YEAR

EVENT AND SIGNIFICANCE

1972

The Government of Prince Edward Island, with concern over problems of land use and land ownership in the province, established a Royal Commission on Land Ownership and Land Use. It recommended that a Land Use Commission be set up to study and monitor land use.

The Government of Prince Edward Island amended the Real Property Act requiring non-residents (those not resident of the province of Prince Edward Island) to obtain permission to purchase more than 10 acres of real property, or in excess of five chains (330 feet) shore frontage in the province. Recently challenged, this amendment has been upheld by the Supreme Court of Canada.

The Government of Saskatchewan drafted a bill restricting the ownership of farmland in the province by non-residents. The bill was hastily drafted and poorly worded and was referred to a special committee for study.

The Federal Government Gray Report was released which made recommendations for restricting some foreign investment in the Canadian economy.

The Land Bank Commission was begun by the Government of Saskatchewan which buys land from retiring farmers and leases it back to young farmers who want to start or expand a farm. The program is designed for farmers who don't qualify for existing credit programs. After 5 years they have the option to purchase the land.

1973

Major amendments were made to the National Housing Act which significantly expanded the Federal Government's role in land and housing policy. These programs included Land Assembly Assistance, New Communities Program, Loans for Sewage Treatment Projects, Co-operative Housing Assistance, Residential Rehabilitation Assistance Program, Assisted Home Ownership Program, Public Housing Assistance, Loans for Student Housing, Assistance for Native Housing, and the Neighbourhood Improvement Program (replacing former Urban Renewal Programs).

A caveat was imposed upon all remaining Crown land (about 400,000 square miles) of the Northwest Territories by 7,000 native people, to prevent encroachment by developers on aboriginal land rights pending a settlement of native land claims. The caveat was upheld September, 1973, by the Northwest Territories Supreme Court.

YEAR

EVENT AND SIGNIFICANCE

1973

The Alberta Government used a freeze to restrict development activities while alternative land uses are planned for the eastern slopes of the Rocky Mountains.

The Government of British Columbia passed the Assessment Equalization Act which limited annual assessment increases on residential property to 10% and farm property to 5%. The burden of tax increases has been shifted to other uses and holders of land - conversion of farmland uses has been reduced.

A select committee on non-resident ownership of land was established in Nova Scotia in 1973, to examine non-resident ownership of land and to make recommendations. Two bills were tabled in the Legislature, but did not make the agenda or pass in the House. The Non-Resident Land Holdings Approval Act dealt with the approval of purchases over 10 acres by non-residents. An Act to Amend the Land Holdings Disclosure Act, imposed a tax on the transfer of land holdings to a non-resident.

In Alberta, the Public Lands Amendment Act restricts the sale of public land to persons or corporations, unless 75% or more of the shareholders are Canadian citizens; except for certain small parcels of land sold for commercial and industrial purposes.

The Government of Saskatchewan passed a new planning act - the Planning and Development Act improving upon previous acts.

In Alberta, the Alberta Land Use Forum was set up to report and make recommendations on a number of matters. The Forum was managed by a 3-man Commission which made recommendations on: The family farm, multi-use of agricultural land, the use of agricultural land for recreation purposes, land use in and adjacent to urban areas as it affects the cost of housing, future land needs of Alberta's agriculture, corporate farms, foreign ownership of land, absentee ownership and communal farming, the common ownership of land, agricultural processing and marketing facilities, land use as it influences population distribution in Alberta, and the extent of historical rights of land owners to determine the use and disposal of their land.

A federal-provincial committee on Foreign Ownership of Land was established to identify legal, constitutional, and land use problems related to the ownership of land in Canada by "aliens".

YEAR

EVENT AND SIGNIFICANCE

1973

In Manitoba, a Manitoba Agricultural Credit Corporation (M.A.C.C.) was set up which purchases land from retiring farmers and leases it back to farmers who can't afford to buy land and start up a farm. In its first year of operation, M.A.C.C. purchased 50,000 acres of land from 119 farmers and leased land under the program to about 90 farmers.

In Prince Edward Island, a Land Use Commission was established as a result of a recommendation of the Royal Commission on Land Use and Land Ownership in the province. It was given the duties to make recommendations on land use and policy issues, to consider all applications from government departments and agencies who wish to change the use of land or develop it, to make recommendations on petitions for non-resident land purchases and corporate land purchases under the Real Property Act, to approve all official plans proposed for adoption under regional, joint, or municipal planning boards, and to consider appeals of decisions under the Planning Act.

1974

The Federal Government established the Foreign Investment Control Review Act and empowered a Foreign Investment Review Agency to screen foreign investments to ensure that prospective takeovers carry significant benefits to this country. Some sales of real estate, businesses and resources to foreigners have been prevented by the Agency.

The Federal Department of the Environment, Lands Directorate, in co-operation with the provinces, began work developing a land use policy that could lead eventually to new zoning regulations and to government purchases of land. Land uses such as airports, land which should remain in agriculture, and shoreline to be held for public recreation are being looked at by this department.

After almost two years of reviewing and amendments, the British Columbia Land Commission Act came into effect. A follow up implementation of the earlier order-in-council freezing good agricultural land in its present use, the Commission authorized the 28 regional districts in British Columbia to prepare plans in 90 days designating Agricultural Land Reserves to be implemented and enforced by a five-person British Columbia Land Commission. The Commission also had limited powers for acquiring land for greenbelt, landbank and parkland uses.

YEAR

EVENT AND SIGNIFICANCE

1974

In Ontario, a Land Speculation Tax was imposed of 50% on the profits of unimproved real estate (this was later amended to tax 20% of the profits of unimproved real estate). The bill attempted to combat speculation of raw land and profits on land made by individuals or corporations, and stabilize the price of housing.

The Ontario Government also enacted a Land Transfer Act to discourage foreign ownership of land and increase Canadian ownership of land. A tax of 20% was imposed upon all non-resident (foreign) purchasers of Canadian land. For Canadian's a tax of 0.3% on the first \$35,000 and 0.6% on the excess remains in effect, as it has since 1921.

The Government of Ontario also formed a Ministry of Agriculture and Food. A food development committee has been established to develop programs for the most efficient use of land.

The Ontario Planning and Development Act was passed which empowered the government to design, adopt, and implement plans "for areas designated by government." The two areas, Southern Ontario - The Central Ontario Lakeshore Urban Complex (COLUC) and the Niagara Escarpment are such areas designated by government.

In Ontario, relief from real estate taxation to farmers has been provided by Provincial Tax Rebate Programs which return 50% of taxes levied on all bona fide farmers. If land is sold for development within a specified time, the farmer must repay the rebates, plus interest.

The Government of Saskatchewan passed the Saskatchewan Farm Ownership Act which restricts the amount of land a non-resident (defined as someone who does not reside within 10 miles of the Saskatchewan boundary) can own. Non-resident corporations or co-operatives cannot purchase more than 160 acres of land, and even then, higher taxes would discourage such a purchase.

British Columbia has amended its Land Registry Act and it provides that every person applying to be registered as a land owner or holder of any charge on land is required to furnish a statutory declaration stating his citizenship. Corporations must provide the number of directors of the corporations and particulars about their citizenship and residence.

YEAR

EVENT AND SIGNIFICANCE

1974

In Alberta, the Land Titles Amendment Act permitted the Government to monitor the extent to which persons other than Canadian citizens are acquiring the beneficial interest in land in Alberta. The registrar shall refuse to register any transfer to title unless that transfer is accompanied by a statement relating to the citizenship of each transferee or purchaser.

The Federal Government Railway Relocation and Crossing Act provided a large cost-share program which provincial and municipal governments for the planning studies and relocating of railroad facilities away from the center of cities.

British Columbia's provincial legislature institutes rent control in the province and restricted landlord's increases to 8% for that year (10.6% in 1975). Within 2 years, every other province in Canada adopted some form of rental control, but the other provinces followed B.C. mostly because of the Anti-Inflation Board and the Income and Price control system set up by the Federal Government in 1975.

1975

A Federal Transportation program for subsidizing of commuter rail vehicles, platforms, and required traffic control facilities to the tune of 100 million dollars beginning in 1977, was promised. Federal assistance for Municipal urban transit services is also under consideration, according to the Ministry of Urban Affairs.

The Government of Saskatchewan announced that it was making an effort to take over the potash industry in the province, and it would pay the market value of \$1 billion for the mines.

Quebec institutes a tax of 33-1/3% on non-residents or non-Canadians, a similar tax as Ontario's Land Transfer Tax Act.

Pickering Airport, a new airport site planned for Toronto and its construction were cancelled by the Ontario Government after 18,000 acres of land were expropriated by the Federal Government for its construction.

1976

Manitoba proclaims a new Planning Act in the Province which made provisions for the setting up of Regional Planning Districts in Manitoba, more extensive land use regulatory powers, and the setting up of a Provincial Land Use Committee (P.L.U.C. consists of a cabinet committee of Ministers with an interest in Land Use who are to make major decisions on land use).

YEAR

EVENT AND SIGNIFICANCE

1976

A United Nations Conference entitled Human Settlements (Habitat), took place in Vancouver, and its topics focussed upon many subjects concerning land.

Federal Minister of Urban Affairs, Barney Danson, arranges a meeting with Provincial Housing Ministers to discuss the unearned increment in land sale values, and methods of recapturing this value.

The Government of Alberta has drafted legislation to restrict sales of land in the province to non-residents.

Parti Quebecois wins provincial election in Quebec. This party is dedicated to forming an independant country in Quebec in the years ahead and separating from the nation of Canada.

APPENDIX VII

SOME CORRESPONDENCE
RECEIVED FROM MY ENQUIRIES
ABOUT SPECIFIC LAND USE CONCERN
IN SEVERAL PROVINCES

**British
Columbia
Land Commission**

Telephone (604) 294-5211

4333 Ledger Avenue, Burnaby, B.C., V5G 3T3

September 24, 1975

Mr. Dave Smith
409 - 3000 Pembina Hwy.
Winnipeg, Manitoba
R3T 3Z2

Dear Mr. Smith:

As requested in your recent letter, please find enclosed information relating to the B. C. Land Commission.

Yours truly

ga
G. G. Runka
Chairman

/js

encls.

Land Use Commission

PO Box 1957
Charlottetown
Prince Edward Island
Canada C1A 7N7
Telephone 902 892 4259

October 15, 1975

Mr. David T. Smith
Apt. 409
3000 Pembina Highway
Winnipeg, Manitoba

Dear Mr. Smith:

Thank you for your letter of October 6. I am enclosing three documents that have been put out by the Commission that may be of use to you. Unfortunately the Report of the Royal Commission on Land Ownership and Land Use is out of print. Perhaps you might be able to get it on inter-library loan if the University of Manitoba does not have it.

As yet the government has taken few concrete actions based on the Commission report.

Yours sincerely,

John McClellan
Executive Director

JM/njm
Enclosures



LAND USE FORUM

403/424-7316

Petroleum Plaza
9945 - 108 Street
Edmonton, Alberta, Canada
T5K 2G6

October 20, 1975

Mr. David T. Smith
Apt. 409 Lakeshore Park
3000 Pembina Highway
Winnipeg, Manitoba
R3T 3Z2

Dear Mr. Smith:

In response to your request for information on concerns and finding of the Land Use Forum we are enclosing a copy of a summary of concerns registered through our public participation program. The Rural Education and Development Association was engaged by the Forum to carry out this program and some 250 briefs were submitted.

This summary is a listing of all concerns and they deal more specifically with rural Alberta. The proceedings of our public hearings held earlier this year have not been published as yet.

Growth studies are now underway in both Edmonton and Calgary and if you have not been in contact with those respective Planning Commissions, I would suggest you do so and they would have information more specific to your requirements.

We did have a number of reports prepared prior to the hearings and a list of these is enclosed. If you would like copies of any of these please advise. Technical Reports No. 6, 10 and 4a are out of print and will not be reprinted.

Yours very truly

J. R. Gylander
Executive Director
Alberta Land Use Forum

JRG/tm

Encl.



Minister of
Revenue

Telephone:
965-2901

Parliament Buildings
Queen's Park
Toronto Ontario

11th floor,
801 Bay Street
M7A 1X8

January 21st, 1976

Mr. Dave T. Smith,
409 - 3000 Pembina Hwy.,
Winnipeg, Manitoba
R3T 3Z2

Dear Mr. Smith:

I have your letter of the 7th instant and I am pleased to enclose a package of information in respect to The Land Speculation Tax Act, 1974 and The Land Transfer Tax Act, 1974.

I am satisfied that The Land Speculation Tax Act has served its purpose and its effectiveness was never intended to be measured by the revenue that it generated. In fact, if the revenue produced by the legislation had been greater than was anticipated, the government would have looked upon the legislation as failing to curb the excessive land speculation then occurring and further restraints would have been required.

Although the introduction of The Land Speculation Tax Act on April 9th, 1974, did affect the volume of real estate transactions, it is believed the major forces affecting the market were the depressed economic conditions that became evident in Canada and abroad, together with the prohibitive high interest rates on mortgage financing.

There has been a land transfer tax in force in Ontario since 1921. The Act prior to April 9th, 1974, was a very short one and the enforcement and

Mr. Dave T. Smith

collection of the Act was built around a series of interpretation bulletins and rulings issued over the years. The tax was usually paid quietly and there were few, if any, protests.

The new Act as introduced on April 9th, 1974, was a complete new expansive piece of legislation to implement government policy announced by the Treasurer. The budget address referred to the large scale acquisition of land by non-residents of Canada as an increasingly apparent and significant factor contributing to rapidly rising prices of real property. In order to "maximize Canadian ownership of real estate" the government imposed a tax of 20% of the value of the consideration for a conveyance to or in trust for a non-resident person.

In the original legislation partial tax relief against the tax otherwise imposed at the rate of 20%, could only be granted by the filing of a Regulation under section 18 of the Act, but as the result of amendments to section 16 of the Act, the grounds for obtaining partial exemption were codified and the necessity of exercising ministerial discretion were more or less removed.

Ontario has endorsed the federal proposal to allow the provinces to bar foreign owners from owning land but instead of imposing an outright ban Ontario chose to introduce The Land Transfer Tax Act, 1974. While this does not limit the amount of the land an alien may own, tax at the rate of 20% is imposed on the value of the consideration when a conveyance to a non-resident of Canada is tendered for registration in Ontario, subject of course to the partial tax relief as provided in the Act, particularly under section 16.

I may say that the government is satisfied with the effectiveness of this legislation and that it has general acceptance in the public sector.

I sincerely hope these comments will be of interest to you and will be helpful in preparing your Master's Thesis. I wish you every success in this regard.

Yours sincerely,

Arthur Meen,
Minister



Office of
The Leader of the Opposition

Room 222 North Wing
Queen's Park Toronto
Telephone 416/965-3311

LEGISLATIVE ASSEMBLY

March 31, 1976

Mr. David T. Smith
409-3000 Pembina Hwy.
Winnipeg, Manitoba
R3T 3Z2

Dear Mr. Smith:

This is in reply to your letter requesting information about the NDP's position on the Ontario Land Speculation and Foreign Land Transfer Tax Acts.

I am enclosing copies of the second reading debates on both bills together with an analysis of the Speculation Tax prepared at the time by a member of our research staff. You might also want to check an article that was prepared from that analysis which appears in the fall 1974 issue of City Magazine.

In essence, we predicted that the taxes would be trivial - that they would raise very little revenue, and that they would be ineffective in controlling speculation and foreign ownership. The Land Speculation Tax raised less than \$1 million in 1974-5 and is expected to raise only \$3 million in 1975-6 -- compared with a projection for the first year of \$25 million. The Revenues from Foreign Land Transfer Tax have barely reached \$1 million in 1975-6 compared with a projected \$60 million. And no serious observer of the Ontario scene believes that either tax has had any effect on foreign ownership or speculation.

Yours sincerely,

Stephen Lewis, MPP
Ontario Leader
New Democratic Party

Encl.
opeiu:343

British Columbia Land Commission

Telephone (604) 294-5211

4333 Ledger Avenue, Burnaby, B.C., V5G 3T3

March 4, 1976

Dave T. Smith
409 - 3000 Pembina Hwy.
Winnipeg, Manitoba
R3T 3Z2

Dear Mr. Smith

This will acknowledge your recent letter regarding the Land Commission Act and its administration since the recent change of government in British Columbia.

It is the new government's policy to preserve agricultural land, and to date they have taken the attitude that the Land Commission Act is a useful tool for this purpose. It appears at this time that it is their intention to improve upon the base which has been developed over the past few years by the previous government. At this early stage it is difficult to anticipate what the general attitude will be in the long-run, although the independent efforts of the Commission have not been threatened in any way to date.

Yours very truly

G. G. Runka
Chairman

GGR:js



LAND USE FORUM

403/424-7316

Petroleum Plaza
9945 - 108 Street
Edmonton, Alberta, Canada
T5K 2G6

November 17, 1976

Mr. David T. Smith
409, 3000 Pembina Highway
Winnipeg, Manitoba
R3T 3Z2

Dear Mr. Smith:

This will acknowledge your letter of November 12, requesting information on the follow-up to the Land Use Forum.

The Government has not taken much action, at least that is visible, as a result of the Forum's recommendations. There are, however, a few things underway that in part stem from the work of the Forum. Briefly, they are as follows:

- the Forum report was submitted to the Government in January, 1976 and a Caucus Committee has had it under review since that time. Its task is to advise the Government concerning the recommendations and this has not been completed.
- the Forum recommended that a tax be imposed on unearned profits in land sales and the Government has several tax proposals under study.
- the monitoring of land sales to non-Canadians, which was instituted in June 1975, will be continued and possibly improved upon as far as complete reporting is concerned. There are a few exemptions presently allowed and it is suspected that some buyers are getting around the disclosure of identity by registering the land under a Canadian front.
- the Government has been actively pursuing a change in the Canadian Citizenship Act with Ottawa that will result in the transfer of some jurisdiction to the provinces. I understand the Act has passed the Senate but has not been proclaimed.

Mr. David T. Smith:

November 17, 1976.

- the Forum recommended that the province work toward legislation that would allow free access to rural land for walking, except on farmsteads, cultivated land, etc. The public was quite alarmed at this and the Government made a statement to the effect that no action would be taken on this at this time.
- although not directly related to the Forum, the revised Planning Act will be tabled in the spring of 1977. I understand that some of its provisions coincide with some of the Forum's recommendations.

The Forum has just recently been officially dissolved and this office will be winding down shortly. I will be returning to the Department of Agriculture.

I was interested in the outline for your thesis and it looks very good. I am pleased that the subject of land as a resource is receiving attention in this way, as it needs all the exposure possible. You have included in Chapter 4, the recent action taken by several of the provinces and I would suggest that prior action respecting, the disposition of Crown lands should also be included. Alberta, for example, restricts disposition to Canadian citizens and further, largely restricts disposition to leasing rather than sale of both agricultural and recreation land. Particulars, if you do not have them, are contained in the regulations under the Lands Act in the Department of Energy and Natural Resources. I think most provinces have similar provisions and this does recognize land as a resource.

Yours very truly

J.
J. R. Gylander
Executive Director
Alberta Land Use Forum

JRG/tm

P. S. We are attaching a copy of the Land Use Forum "Report and Recommendations" for your information.

British Columbia

Telephone (604) 294-5211

Land Commission 4333 Ledger Avenue, Burnaby, B.C., V5G 3T3

November 18, 1976

Mr. David T. Smith
409 - 3000 Pembina Hwy.
Winnipeg, Manitoba
R3T 3Z2

Dear Mr. Smith:

Thank you for your letter of 12 November 1976 and the attached outline of your thesis.

I feel the Land Commission concept is working effectively to preserve agricultural land. We have been in the last year through a change in Government and a change in the make-up of the Commission, yet the basic principle is accepted by far the greatest majority of the public regardless of political orientation. There will always be critics and areas where improvements can be made, but I feel that we have been successful to date.

Yours very truly

G. G. Runka
Chairman

GGR:js