

ONTARIO'S NEW FARM PROGRAMME

At a recent press conference, Forestry Minister Maurice Sauvé announced approval of a farm enlargement and consolidation programme for the Province of Ontario. The programme is the largest approved so far under the Agricultural Rehabilitation and Development Act agreements and is designed "to make possible the enlargement of uneconomic farm units to a size that will give a satisfactory income to the operator". The following is a partial text of Mr. Sauvé's statement:

...This is the largest consolidation programme so far approved under the ARDA agreements. The programme is designed to make possible the enlargement of uneconomic farm units to a size that will give a satisfactory income to the operator. The feasibility of this programme was established following an ARDA economic study in Eastern Ontario carried out by the Farm Economics Branch of the Ontario Department of Agriculture in 1964 and 1965. This study provided information on the minimum requirements for a viable farm unit for general agricultural purposes in that part of the province.

The study showed that three out of four of those farms with sales of produce of \$10,000 a year or more had added land during the tenure of the present farm-operator. In contrast, only one out of three of all farms with gross incomes less than \$10,000 a year had added extra land during the tenure of the operator.

We recognize the need for a long-range land rationalization programme particularly in eastern, south-central and northern Ontario. Studies have shown that significant increases in gross income will depend greatly on farm enlargement. Trends in size of farms indicate that the normal rate of increase in Ontario is extremely slow. Thus, reliance on normal changes will not lead to a basic solution for the problem of the uneconomic farm size in Ontario.

NO EXPROPRIATION

Under this programme, uneconomic farm units will be acquired by ARDA as they come on the market for sale and will be consolidated with another farm unit where there is an operator who needs this additional land to improve his farm income. We propose that the land be leased to the farm operator on a long-term basis, with a first option to purchase the land. The terms of the Federal-Provincial Rural Development Agreement restrict this programme to land costing less than \$100 an acre, with development costs not exceeding \$50 an acre.

I must emphasize that farms will be bought by ARDA only when these are on the market for sale and only if they are located within operating range of a small farm unit that requires this additional land to make an improved economic unit. Farms will not be acquired by ARDA by expropriation proceedings.

In order to ensure that resident owners of farms that are offered for sale to ARDA are not put to any disadvantage, this programme provides that, where the owner wishes to continue to reside in the farmhouse, he will be given a life lease for the residence at a nominal rental.

FREE RETRAINING PLAN

One very important aspect of this agreement is that it makes provision for the re-establishment and retraining of people. Some rural families directly affected by the ARDA Farm Enlargement Programme, who would benefit from further training and become better qualified for employment, will be eligible for Programme Five of the Federal-Provincial Technical and Vocational Training Programme. They would thus qualify for free tuition and training allowances. Under this manpower programme, the Federal Government will pay 100 per cent of the training allowances up to \$35 a week, and 90 per cent of the allowances above that amount up to a maximum of \$90 a week. The Federal Government will also reimburse the province for 75 per cent of the cost of the training provided.

Rural families who have sold their land and who wish to move to confirmed employment beyond commuting distance of their present home will qualify for the federal manpower mobility grant. This grant is entirely paid by the Federal Government. It will meet all family moving costs and provide in addition a re-establishment grant up to a maximum of \$1,000 a family, depending on the number of dependents. Rural families already can qualify for loans under the Manpower Mobility Programme.

In the case of purchase of farms from owner-residents between the ages of 55 and 65 who do not wish to take advantage of the above options, the purchase will be governed by the following principles:

1. If the rural development officer (or equivalent agent of provincial ARDA) is satisfied that the vendor will have an adequate income until age 65 from employment, or from the proceeds of the sale, or other income sources, then the purchase and sale of the property can take place.

2. If, in the opinion of the provincial officer, the vendor will not have an adequate source of income after the disposal of his property to the Government, then no purchase and sale will take place.

3. When the proceeds from the sale to vendor who is unable to work (certified by a medical doctor) are insufficient to provide an annual income of \$1,200 a year, then special assistance of an annual amount necessary to make up this figure will be provided until age 65. The costs involved in providing this assistance will be shared equally by the province and Canada as per Section 22(4) of the Rural Development Agreement.

ESTIMATED EXPENDITURES

The estimated cost of this programme until 1970 is \$7,200,000, with the Provincial and Federal Governments contributing \$3,600,000 each. It is anticipated that \$1,200,000 will be required for this programme for the current fiscal year and \$2 million for each of the succeeding three years.

MODEL FOR ALL PROVINCES

I am sure that everyone will appreciate the magnitude of this programme and the effect it will have on the rural economy of Ontario. It may also be a model for