

Let's Be Clear On Our Definitions

by

Dr. James White

A lot of people in the agricultural community are throwing words around which appear to have several meanings. Terms such as property rights, stewardship and compensation need to be defined so we are communicating what we mean to others in a manner that ensures they know what we mean. Meanings are in people. Everyone has their own interpretation of what words mean thus we frequently hear people who are using the same terms without communicating the same meaning.

At the present time the discussion of Bill 43, The Source Water Protection legislation, soon to be passed, has led to discussion of the need for rural landowners to receive financial payments from the government for the loss of uses, decreased market value and inconvenience associated with new strict regulations. Some organization representatives use of the term stewardship and others compensation. Some appear to treat these terms as being equivalent or synonymous which they certainly are not.

They are not even synonyms as they are two quite different forms of payment. A steward is usually defined as a person who looks after someone else's property. As such, I do not like the concept and I believe most landowners think of themselves not as stewards but as managers because they own their land. It appears that in the eyes of the bureaucrats, politicians and environmentalists we are destined to become stewards when the government gets complete control of all rural lands.

Stewardship programs are programs provided by the government as inducements to encourage landowners to carryout approved conservation activities. They are a reward provided in advance to get farmers to undertake programs or make investments perceived to be of benefit to society.

Compensation on the other hand is a payment by the government to landowners to repay them for a loss of either or both income and assets. Compensation is made to rectify a loss experienced by a landowner due to government action. It is in effect a payment for damages.

Stewardship programs encourage individuals to perform a desired behaviour and are voluntarily entered into by the landowner. This approach was quite successful during the Soil and Water Enhancement Programs and the Green Plan in the 1980's and 1990's and has encouraged participation in the Environmental Farm Plan.

References to the O'Connor Walkerton Report Part Two recommendations introduce a third interesting term, shared-cost incentives. These appear to be synonymous with

stewardship programs but have the limitation of being shared rather than full cost payments which likely means the land owner gets the larger share of the costs.

Compensation has been avoided by both senior lands of government by claiming landowners have no rights to such payments when the uses of their lands have been reduced by down zoning or designations such as the Niagara Escarpment Plan, the Greenbelt or designations such as Wetlands and Areas of Natural and Scientific Interest. Landowners are now threatened by the Source Water Protection Act which will establish new restrictions to lands purportedly in the interest of the general public.

The government is caught between the traditional approach of designating lands and claiming no compensation is due and their public promise to implement all 92 of the O'Connor Walkerton Report recommendations.

Recommendation 16 states, "The provincial government, through the Ministry of Agriculture and Rural Affairs in collaboration with the Ministry of the Environment, should establish a system of cost-share incentives for water protection projects on farms". O'Connor probably used the term cost-share incentives either because he realized the government would not admit to compensation thus depriving farmers of any assistance or because he knew the government would be in a position to determine the final sharing equation and thus would be able to accept his recommendation.

Payments to landowners for reductions in their income and the value of assets deserves to be made if the public benefits. The alternative is either government theft or expropriation. In many cases, the landowner would be better off if the land were expropriated and the government paid the market value of the land plus relocation costs, and other costs available under the expropriation legislation.. In many cases, this is also a superior solution for the public interest. It finalizes the situation rather than leaving uncertainty and requiring annual payments for crop or livestock losses.

A system of cost-share incentives is better than no compensation so long as the landowner can anticipate all of the future costs in advance and receives adequate reimbursement. Ideally the landowner-government agreement should divide costs in the same ratio as benefits and should state that the landowner will be paid any future additional or unanticipated costs not already covered by the incentive program

I believe part of the reason we will not achieved compensation in the legislation is because the bureaucrats, parliamentarians and environmentalists believe they can buy us with less expensive stewardship programs as well as avoid the precedent of compensation. Let us start defining our terms and our needs more clearly so they cannot avoid the real issue, which is compensation for costs and losses.

Landowners need both stewardship and compensation programs. Stewardship and incentive programs are admirable but, unless they are designed to compensate farmers for both the loss of the use of their land and decreases in actual market value, they will not succeed. The Source Water Protection legislation, Bill 43, will create major problems for landowners who have wellheads on their farms, which will not be solved by stewardship programs alone. Landowners deserve compensation when programs are compulsory. Now is the time for all landowners to speak clearly to government about compensation not just cost-share incentives or stewardship grants. .