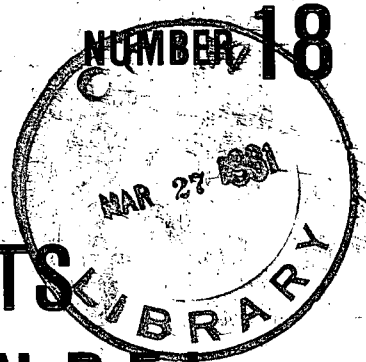


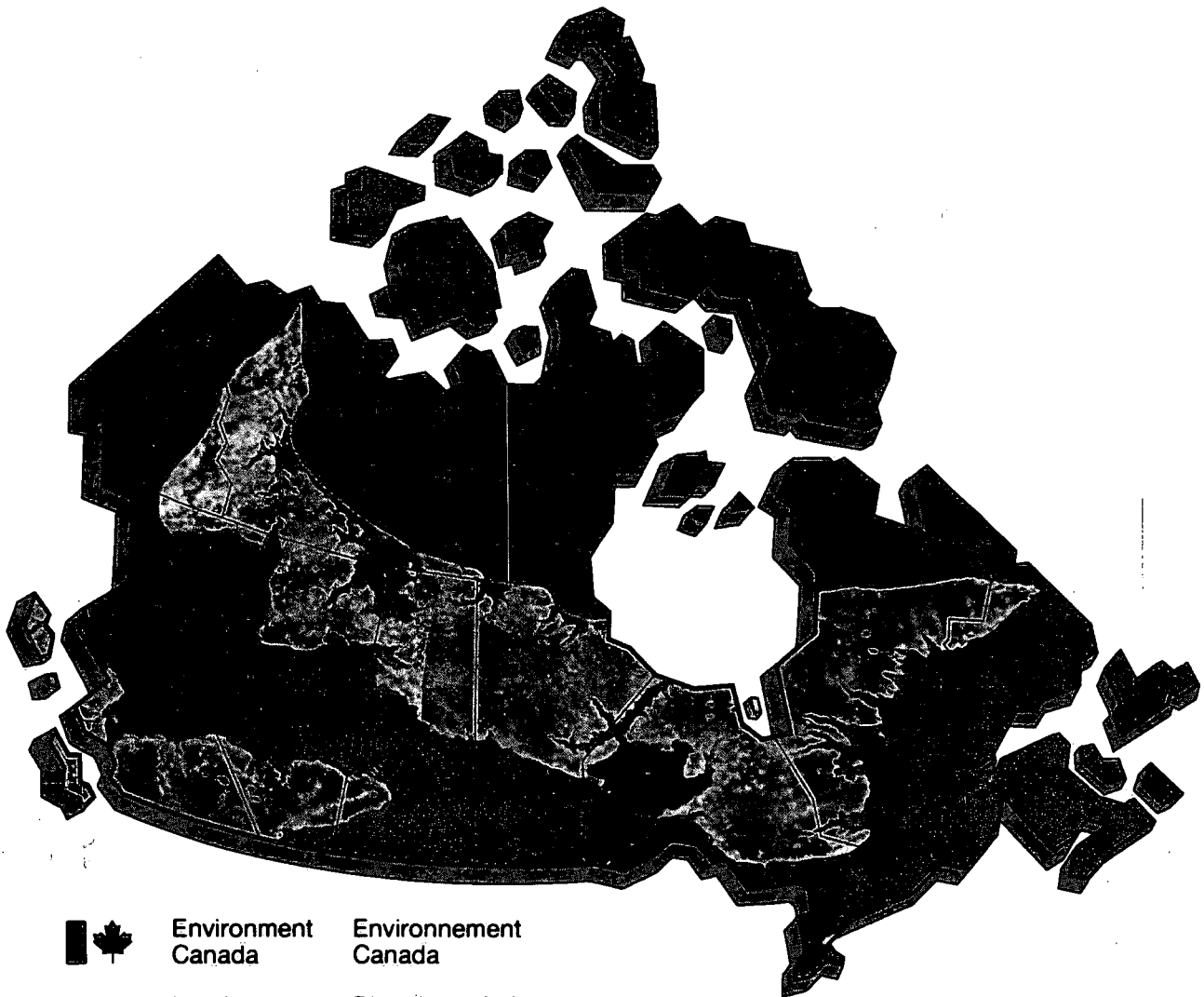
LAND USE IN CANADA SERIES

#18



# THE LAND-USE IMPACTS OF RECENT LEGISLATION IN P.E.I.

AN ANALYSIS OF THE LAND DEVELOPMENT CORPORATION AND NON - RESIDENT OWNERSHIP



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**THE LAND-USE IMPACTS  
OF RECENT LEGISLATION IN P.E.I.:**

**AN ANALYSIS OF  
THE LAND DEVELOPMENT CORPORATION  
AND NON-RESIDENT OWNERSHIP**

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**Lands Directorate  
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**Ottawa  
June 1980**

## LAND USE IN CANADA SERIES

The Land Use In Canada series is designed to address major land-use issues and problems in Canada. The papers, produced by and for the Lands Directorate of Environment Canada, examine the causes and consequences of major land problems and land-use trends throughout Canada and the role of various government programs in effecting solutions.

Incorporating the earlier series entitled "Land Use Programs in Canada" which reviewed the land use programs of Canada's ten provinces, the series examines from a national perspective activities affecting the use of Canada's land.

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## PREFACE

The efforts of different jurisdictions in Canada to develop and manage the land resource are of nationwide interest. Taken together, these policies and programs influence the level of agricultural production in Canada, the management of the nation's forest resources, the availability of unique recreation areas for public use, and the preservation of wildlife habitat throughout the country. In Prince Edward Island, land with high capability for agricultural and recreational use has been under development pressure for cottaging, hobby farms and other recreational uses. Also, the Province's agricultural industry has undergone a major transition during which the farm population has had to cope with mechanization, farm consolidation, rapidly rising land values, and escalating costs of entry into farming. In response to the need for better management of the land resource and to introduce stability into the agricultural land market, Prince Edward Island created the Land Development Corporation (L.D.C.) in 1969 and introduced non-resident land ownership programs in 1972. The various functions of these two programs are detailed in two previous publications in the Land Use in Canada Series, Numbers 12 and 16.

The purpose of this study is to examine the impacts upon land use resulting from the L.D.C. and non-resident land ownership programs. The effects of these new programs on the productive use of agricultural land in P.E.I. is analysed in depth. The economic consequences for the farmer and the wider agricultural community in an era of rapid change are also considered. Finally, the influence that each program has exerted on the retention of prime recreation land and the preservation of ecologically sensitive areas is investigated. To document the impact, present land use and ownership patterns were identified and compared with the patterns in existence prior to the implementation of the two programs through cartographic analysis. Personal interviews were conducted with representatives of governments and members of the private sector including landowners. Six case studies were completed to provide greater understanding of the relationships between land use, ownership, and the implemented legislation.

The P.E.I. Land Development Corporation and non-resident land ownership program have influenced the ownership and use of many properties in P.E.I. for both public and private benefit. The evidence suggests that the L.D.C. program has served to acquire lands for public use, prevent undesirable development and allocate land to its most suitable use, improve the economic viability of the farming industry, and stabilize rural land prices. Although the program has its detractors, the non-resident land ownership legislation has provided the Province with an opportunity to obtain high capability recreation lands for public purposes,

prevent intensive development of environmentally sensitive areas, and reduce less desirable uses such as seasonal residence. In summary, the most significant impacts on land use in P.E.I. arising from these two programs have been (1) to encourage the retention of good farmland in production and (2) to make land better suited to alternative uses available to the public.

The significant achievements resulting from the implementation of these programs by Canada's smallest province should be instructive to other parts of the nation. Other jurisdictions may wish to develop similar programs, adapted to their own circumstances, that improve the viability of the agricultural sector and ensure that land is allocated to the most socially desirable use.



R.J. McCormack  
Director General  
Lands Directorate

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(All photos by Esther Kienholz)



# THE LAND DEVELOPMENT CORPORATION AND NON-RESIDENT LAND OWNERSHIP LEGISLATION IN PRINCE EDWARD ISLAND

## Purpose of the Study

The ownership and use of Prince Edward Island's land resources have been topics of some concern to residents for many years. This interest has been further stimulated by the recent transformation in the economic and social structure of Island society brought about through the processes of urbanization and mechanization. While it is generally recognized that interrelationships exist between land use and tenure systems, the nature and strength of these ties are constantly adjusting to meet the changes in the social, economic, and political milieu.

The rapid and widespread changes in land use and ownership that accompanied urbanization during the 1960s were manifested not only in the concerns of the public, but also in the actions of government. The government of Prince Edward Island attempted to direct the use of land and its ownership through legislation.

In 1969, the Provincial Government and the Federal Department of Regional Economic Expansion (D.R.E.E.) co-operated to formulate a fifteen-year development plan for the Island. Programs carried out in respect of

the plan would be cost shared by the Federal and provincial governments in the ratio of 90 to 10 per cent respectively. Particular emphasis was given in the plan to maximizing development of the land resources; at the same time, land tenure and ownership were addressed.

In accordance with recommendations set forth in the Development Plan for Prince Edward Island, the Land Development Corporation (L.D.C.) was established in 1969. To prevent the rapid spread of absentee ownership and related problems of land use, the Real Property Act was also amended in 1972 to permit the Provincial Government to regulate more closely land purchases by non-residents. Together these programs have influenced rural land use and ownership patterns throughout the Island. While the agricultural sector has been most directly affected, the province has benefited through acquisition of public land suitable for outdoor recreation, tourism, fish and wildlife, and forestry. Reports completed by the Maritime Resource Management Service (M.R.M.S.) for the Lands Directorate (1978a and 1980) provide a detailed description of the activities carried out under the non-resident program and the L.D.C. respectively.

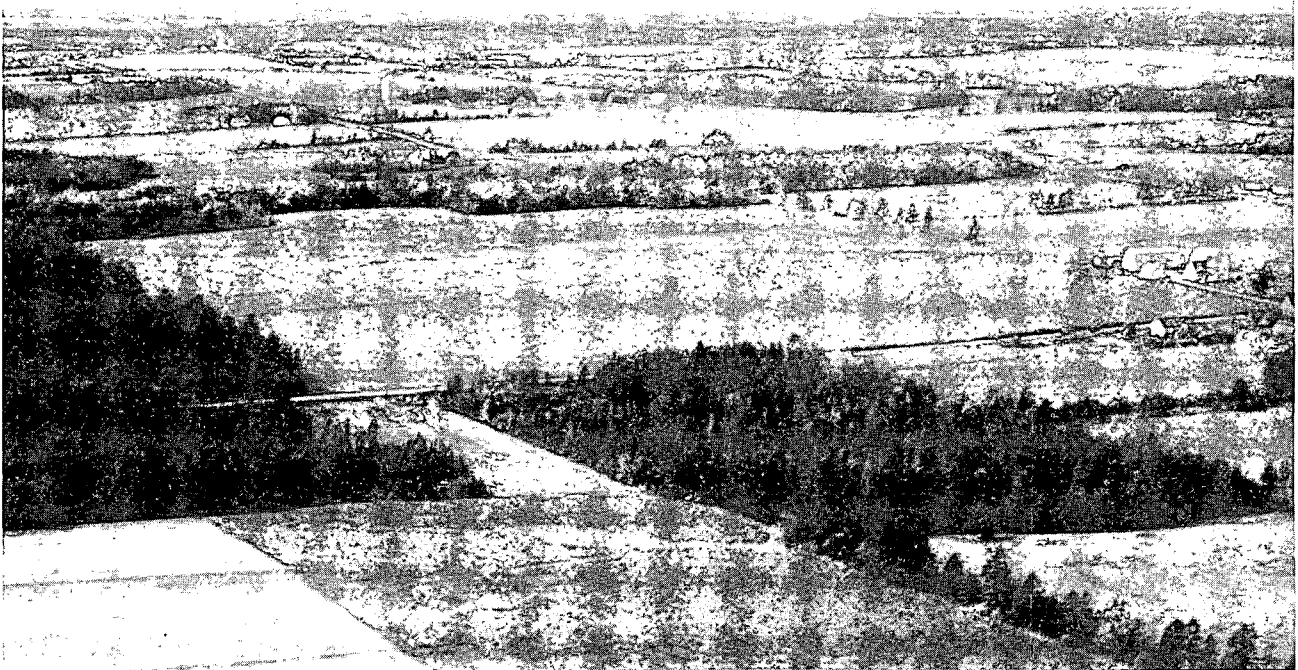
The purpose of this study is to examine in detail the effects on agricultural land use of the L.D.C. and non-resident land ownership programs in P.E.I. The economic consequences for the farmer and the farm community in an era of rapid change are also considered. Finally, the influence that each program has exerted on the retention of prime recreation land and on the preservation of wildlife areas, as well as ecologically sensitive areas, is documented. These investigations have been accomplished through cartographic analyses and personal interviews with landowners, representatives of the Provincial Government, and members of the private sector serving the agricultural community.

A study of this nature has relevance not only in the context of Prince Edward Island, but also elsewhere in Canada. The transformation in the agricultural industry has been felt across the nation and each province has dealt with its consequences through a variety of

measures, of which legislation is one of the more important. Similarly, non-resident land ownership, one aspect of outside control, has been the topic of considerable political debate in Canada. While circumstances vary between the provinces, knowledge of the methods and subsequent results present in each will be of considerable value in evaluating prospective programs and in guiding policy.

The study commences with a brief description of the legislation, the goals, and the activities under the Land Development Corporation Act and the amendment of the Real Property Act. There follows in Chapter II a description of the research methods that were used to assess the effects of the L.D.C. and non-resident ownership legislation on land use. A description of the study area is provided in Chapter III, including an overview of the landscape features and an outline of recent changes in land ownership, the nature of change in land use, and of factors

Photo by E.W. Manning



An aerial view of Queens County, near Charlottetown.

influencing this change. An analysis of L.D.C. activities and of petitions for non-resident ownership in the study area are the subject of Chapter IV. The effects of the L.D.C. and non-resident ownership on land ownership, change in land use, and the health of the agricultural areas are analysed through a series of the six case studies in Chapter V. The summary and conclusions complete the report.

### **The Land Development Corporation**

The Land Development Corporation (L.D.C.) was established as a Crown Corporation in 1969 with the objectives:

- (a) to assist the agricultural industry;
- (b) to acquire, develop and improve land;
- (c) to make land available to farmers;
- (d) to enable consolidation of farm land;
- (e) to provide credit to farmers for land acquisition;
- (f) to acquire, develop or improve land for such purposes including agriculture, forestry, wildlife, fishing, industry, and tourism, and generally to advance the interests of the people of the province in the economic and efficient use of the land comprising the province, and without limiting the generality thereof:
  - (i) to preserve, develop and hold agricultural land for agricultural and farm uses;
  - (ii) to preserve, develop and hold green belt land in and around urban areas, streams, ponds and fragile habitats;
  - (iii) to preserve, develop and hold lands having desirable qualities for urban, industrial, recreational, forestry and wildlife capabilities;
- (g) generally to advance the interests of farmers in an economic and efficient manner in the province.

(Prince Edward Island, 1974)

The L.D.C. is involved in a variety of activities that can be grouped under the following headings: 1) land acquisition; 2) release of farm land; 3) community pastures; 4) land leakage.

Through its role as a land purchasing agent, the L.D.C. has enabled many small or retiring farmers, along with other landowners, to sell their property at a time convenient for them at an assured fair market value. With the exception of special purchases made upon the request of the Provincial Government or for the P.E.I. National Park, the L.D.C. fulfils a passive role. By not actively seeking to buy land, the impact on land value is minimized as is competition with the normal real-estate market.

Since 1969, the greatest activity has occurred in Kings and Prince counties, regions of less-intensive agriculture. To the end of the 1976-77 fiscal year, a total of 1,258 purchases had been made, encompassing approximately 47,000 hectares (116,196 acres). The total value of all purchases made equalled \$11,701,908. During the period prior to 1973-74, land values were low and the agricultural economy was in a generally depressed state. The normal real-estate market was, therefore, weak, even though a large number of landowners wished to sell. As a result, the L.D.C. purchased the largest area during the fiscal years 1971-72 and 1972-73. The L.D.C. land purchases for the period from 1970 to 1977 are summarized in Table 1.1

The average price per hectare showed a steady but slow increase between the years 1970 and 1974. In 1974-75, this trend was interrupted by a significant jump in value, since when the



Table 1.1

P.E.I. Land Development Corporation Purchases, 1970-1977

Fiscal Year	Total Value	No. of Purchases	Value/ Purchase	Area	Value/ Hectare
	(\$)		(\$)	(ha)	(\$)
1970 - 71	887,861	133	6,675	6,742	132
1971 - 72	1,507,776	209	7,214	9,379	161
1972 - 73	1,681,473	232	7,247	8,478	198
1973 - 74	1,374,445	179	7,678	5,875	234
1974 - 75	2,456,708	153	16,056	5,104	285
1975 - 76	2,574,565	199	12,937	6,092	423
1976 - 77	2,219,080	153	14,503	4,809	461
Total	12,701,908	1,258		46,479	

Source: P.E.I., Land Development Corporation, 1971-1977. Annual Reports.

price has remained high. The highest average price was offered in those lots containing the P.E.I. National Park, since recreational land values are invariably the highest. The highest mean value for agricultural land is found in lots within the Kensington region, but relatively high values are also characteristic of the southern part of Queens County. Both are highly developed and successful agricultural regions.

The variation in average land value is determined largely by the type of land purchased. Much of the land acquired in Kings County was forest land of low value. Queens County, by comparison, contained a much larger amount of good farm land. Table 1.2 shows the type of land purchased by county.

Through the judicious release to the

agricultural community of land suitable for farming, the L.D.C. encourages new and expanding farmers to increase production. The selection of applicants wishing to lease or purchase land is dependent on factors such as need for land, proposed use of the land, distance from other parcels operated by the applicant, and the applicant's training and experience in agriculture.

Farm land may be leased for a short term of one to three years, or for five years with an option to purchase. The five-year lease has gained in popularity recently as land values have risen and farmers have become more aware of the advantages inherent in leasing. If a lessee decides to purchase the property under lease, he pays the value of the property when the lease was first signed five years earlier.

Land sales can be by cash agreement, mortgage, or agreement of sale. If land is sold within the same year that it is acquired, farmers pay the cost price to the L.D.C. Should the property be held in inventory for one or more years, the sale price is adjusted to reflect market value. When land is released that has been in inventory for three or more years, financial assistance by the L.D.C. is provided to the farmer for agricultural improvements. Only land with good capability for agriculture is released to the farm sector.

To the end of 1976, approximately 22,132 hectares (54,690 acres) had been released through sale or lease to agriculture. The greatest number of sales and area sold occurred in 1973-74; lease agreements were most numerous in 1975-76, but the greatest area was leased in 1973-74.

The Community Pasture Program directly benefits the agricultural community through the consolidation and improvement of

under-utilized and idle lands. Patrons are bona fide farmers and are selected on the basis of proximity, need, and previous use. While most of the development has occurred in Prince County, pastures have also been established in Queens and Kings counties. To the end of 1976-77, a total of 2,543 hectares (6,284 acres) were included in community pastures. The success of this program is indicated by a greater demand for grazing than can be met at this time.

Community Pastures, first established under an A.R.D.A. program in the 1960s, were originally administered by user co-operatives. When the A.R.D.A. grants were discontinued, the Provincial Government assumed responsibility for them. In 1972, this function was transferred from the Department of Agriculture and Forestry to the L.D.C. Funds for their development are provided on a 90%/10% basis by D.R.E.E. and the Provincial Government in the fifteen-year development plan.

When the L.D.C. acquires land with low

Table 1.2

L.D.C. Purchases by Land Use, January 1970 to December 1976

County	L a n d U s e						Total
	Agriculture	Forestry	Wildlife	Recreation	Other		
Prince	(%) 44*	52	1	3	1	100	
Queens	(%) 47	41	4	9	1	100	
Kings	(%) 25	60	6	8	2	100	
P.E.I.	(%) 38 (ha) 16,841	52 22,778	3 1,227	6 2,512	1 480	100 43,838	

\* Figures are rounded to the nearest whole number. Percentages may not sum to 100 per cent due to rounding error.

Source: P.E.I., Land Development Corporation, Inventory Record, January 1970 to December 1976.



Farmland, northeast of Bangor. The average value of agricultural land such as this has increased rapidly during the last ten years.

capability for agriculture, the property is often transferred to an appropriate Provincial Department for management. This process is termed "land leakage." The L.D.C. is also the purchasing agent for the Provincial Government and, in as much, can actively attempt to purchase lands requested for public use by the Province. Special requests are most often made by the provincial Department of Tourism, Parks and Conservation, or by the Fish and Wildlife Branch, Department of the Environment, P.E.I. Because of the L.D.C., the Provincial Government has been able to acquire an adequate land base for present and future needs of residents and visitors.

To the end of 1976-77, approximately 21,159 hectares (52,285 acres) had been leaked to provincial departments. Of this, less than 10 per cent was cleared land. The total value of land and buildings amounted to

\$3,197,340. The value of recreational land was highest while that of forestry land was very low.

The Forestry Branch of the Department of Agriculture and Forestry (P.E.I.) has received slightly more than three-quarters of all leaked land. With few exceptions, this land has minimal value for recreation or wildlife, is not suitable for agricultural purposes, and is often of low dollar value as a result.

The Fish and Wildlife Branch has received 13 per cent and the Department of Tourism, Parks and Conservation 10 per cent of the area which was leaked. The Fish and Wildlife Branch is interested in conserving valuable habitat for wildlife, waterfowl, and fish and in providing public access to traditional fishing and hunting areas. Recreation lands are often included in the system of provincial parks, but may also be held in inventory if no

immediate need for their development exists.

### Non-Resident Land Ownership Legislation

While the newly created Land Development Corporation benefited the farm population and enabled the Province to acquire public lands in an orderly manner, it did not have the ability to prevent the rapid spread of absentee ownership and related problems of land use. In response to this need, the Real Property Act was amended in 1972 to permit the Provincial Government to regulate more closely land purchases by non-residents:<sup>1</sup>

- 3 (3) Unless he receives permission so to do from the Lieutenant-Governor-in-Council, no person who is not a resident of the Province of Prince Edward Island shall take, acquire, hold or in any other manner receive, either himself, or through a trustee, corporation or any such the like, title to any real property in the Province of Prince Edward Island the aggregate total of which has a shore frontage in excess of five chains. (Prince Edward Island, 1972.)

In practice, the new ownership legislation was made more effective through the mandate given to the newly established L.D.C. The L.D.C. was instructed to make an offer to purchase land when an application from a non-resident was declined by Lieutenant-Governor-in-Council. The Land Use Service Centre (now Community Planning Division, Department of Municipal Affairs) developed an information system to monitor applications by non-residents for land purchase.

Between 1972 and 1976, 1,083 petitions were submitted by non-residents, involving a total of 33,342 hectares (82,390 acres).<sup>2</sup> Of the total number, 911 petitions were

approved, 159 were denied, and 13 were cancelled. During the period 1972-76, approximately 138 kilometres of shore frontage were approved for sale, while 31 kilometres were denied. In 1975, the total shore frontage of petitions decreased to one-third of that in 1974. Since then, small increases have occurred but remain lower than in the pre-1974 period. The annual variation in the number and area of petitions is illustrated in Table 1.3.

Table 1.3

#### Non-Resident Land Ownership Petitions, 1972-1976

Year	Petition Status	No. of Petitions	Area (ha)
1972	Approved	192	4,942
	Denied	46	1,826
1973	Approved	182	5,362
	Denied	54	1,620
1974	Approved	253	9,184
	Denied	35	998
1975	Approved	128	3,610
	Denied	12	340
1976	Approved	156	3,666
	Denied	12	468

Source: Lands Directorate (1978a).

The location of petitioned land is distributed across the province with the eastern end of Kings County having the greatest concentration. Of the total area for which petitions were made between 1972-76, about 60 per cent of the land was wooded and 40 per cent cleared. Approval was given to 90 per cent of the cleared land, but only 80 per cent of the wooded land.

The ability of Executive Council to deny petitions deterred the rapid spread of non-resident land ownership. Approximately 15 per cent of petitions submitted between 1972-76 were denied due to an unacceptable intent of use, or because the land was required for public use. Speculation was considered as an unacceptable use, and no petition was approved if this was the intended use. Seasonal residence was often not considered to be an acceptable use, as well. On the other hand, applicants intending to take up permanent residence and farm the land generally received approval to purchase. During the early years when the value of forest land was particularly low, a substantial amount of denied land was purchased by the Provincial Government and leaked to L.D.C.

When a petition is denied by Executive Council, the L.D.C. is instructed to make an offer of purchase to the owner. Between 1972 and 1975, the land related to 41 per cent of all petitions denied was purchased by the L.D.C. This represented 45 per cent of the area denied sale. In more recent years, the percentage purchased has decreased. This trend could be partially attributed to decreased buying power of the L.D.C. relative to non-residents who are not restricted by existing market values on the Island.

If denied property has moderate to good capability for agriculture, the L.D.C. must offer what is considered, at the time, to be a fair market value for agricultural land. If this figure is much lower than that offered by the non-resident, the decision may be reversed.

It sometimes happens that, even though a

petition is approved, title to the land does not change hands officially. Caution must be taken, therefore, in determining the actual area which has come under non-resident ownership. Lists of all non-resident owners may be obtained from the Land Registration and Information Service. By checking the approved petitions against this list, the actual new area under non-resident ownership can be calculated. Between 1972 and 1976, title to almost one-half of the approved land was transferred.

### **Summary**

The Land Development Corporation Act and amendment of the Real Property Act were passed at a time when public concern over rural land use and ownership was high. Among their aims were improvements to the agricultural economy of the province.

At the same time, the legislation recognized that forestry and tourism are both economically important to the Province and that there is a need to preserve environmentally sensitive areas for their intrinsic value. Rapid changes occurring within the agricultural industry, along with external pressures from urban related developments, stimulated public interest in the landscape.

Through the General Land Acquisition and Dispersal Program, the L.D.C. has added stability to the normal real-estate market. Generally, landowners are assured of a fair market value and can sell all or part of their property at a time convenient for them.

Many new or expanding farmers have benefited from being able to lease or purchase land from

the L.D.C. In recent years, the number of leases has increased relative to sales; this is likely due to the rapid rise in land prices and growing familiarity with the benefits of the system.

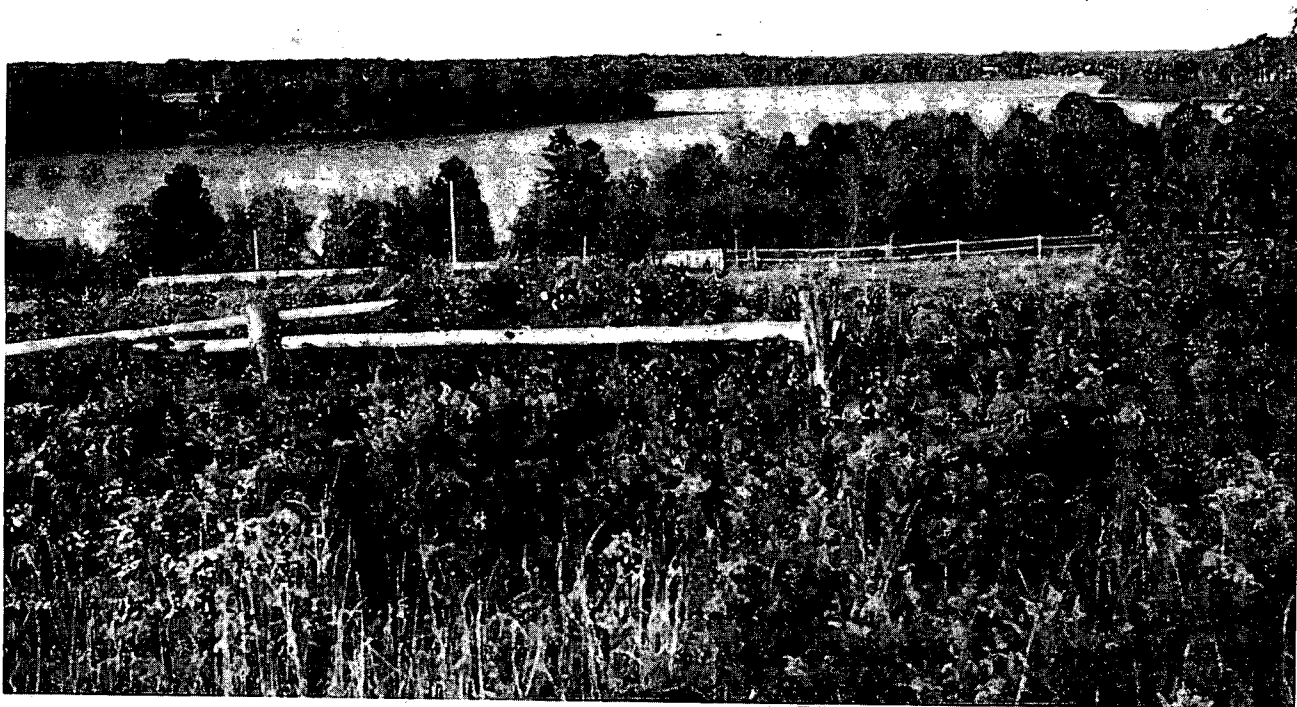
The Land Leakage Program has enabled the Provincial Government to acquire land required to meet the needs of the public for recreational uses; forest lands and environmentally sensitive areas have also come under the management of appropriate provincial departments.

The Community Pasture Program, under the management of the L.D.C., has been of value to the agricultural community of the Province as shown by a continued high demand for the grazing land.

Under-utilized and idle lands have once again

become productive. Without the assistance of the L.D.C. it is unlikely that the necessary land clearing and improvements would have been completed as the costs would have been beyond the means of the average farmer. Though sound management of the Island's land resources has historically been hindered by absentee ownership, in the late 1960s the problem appeared to take on new dimensions. This challenge was met by the Provincial Government in 1972 when the Real Property Act was amended. Land purchases of greater than 4 hectares (10 acres) or 100 metres (about 330 feet) of shore frontage by non-residents, were to require approval in writing from the Lieutenant-Governor-in-Council. To monitor non-resident land ownership, an information system was established for the Province. It is maintained by the Department of Municipal Affairs.

Photo by E.W. Manning



Waterfront lots near Cardigan Bay, Kings County.

While most applications have been approved over the years, the existence of the legislation has discouraged many outsiders from purchasing. At the same time, local landowners will often avoid delays and possible refusals by choosing to sell to the L.D.C. or to other residents.

In recent years, the trend has been to decrease the number of applications as well

as actual sales to non-residents. While factors such as increased land prices and cost of fuel have no doubt affected the sale of land, political action has also had an effect. Legislation such as the amendment to the Real Property Act in 1972 and the P.E.I. Land Development Corporation Act affect the entire Province while the designation of Special Planning Areas and other zoning procedures may relate to more specific areas.





## RESEARCH METHOD

The primary objective of this study is to determine the effects on rural land use of provincial land-related legislation, especially, the Land Development Corporation Act (1969) and amendment to the Real Property Act (1972). To document their impact, present land-use and ownership patterns were identified and compared with those in existence prior to passage of the legislation. From comparative data acquired through cartographic analyses, explanations for the changes were sought. Personal interviews were conducted with numerous representatives of governments and members of the private sector including several landowners. Six case studies were carried out which provided greater detail on the relationships between use, ownership, and legislation. Owing to the level of detail required, research focused on a small study area comprising Lots 38, 39, and 40 within Kings County.

### **Selection of the Study Area**

The study area, as outlined on Map 1, was selected on the basis of (1) a relatively high degree of activity by the L.D.C., (2) the presence of a large number of non-resident holdings, and (3) the availability of detailed information gathered

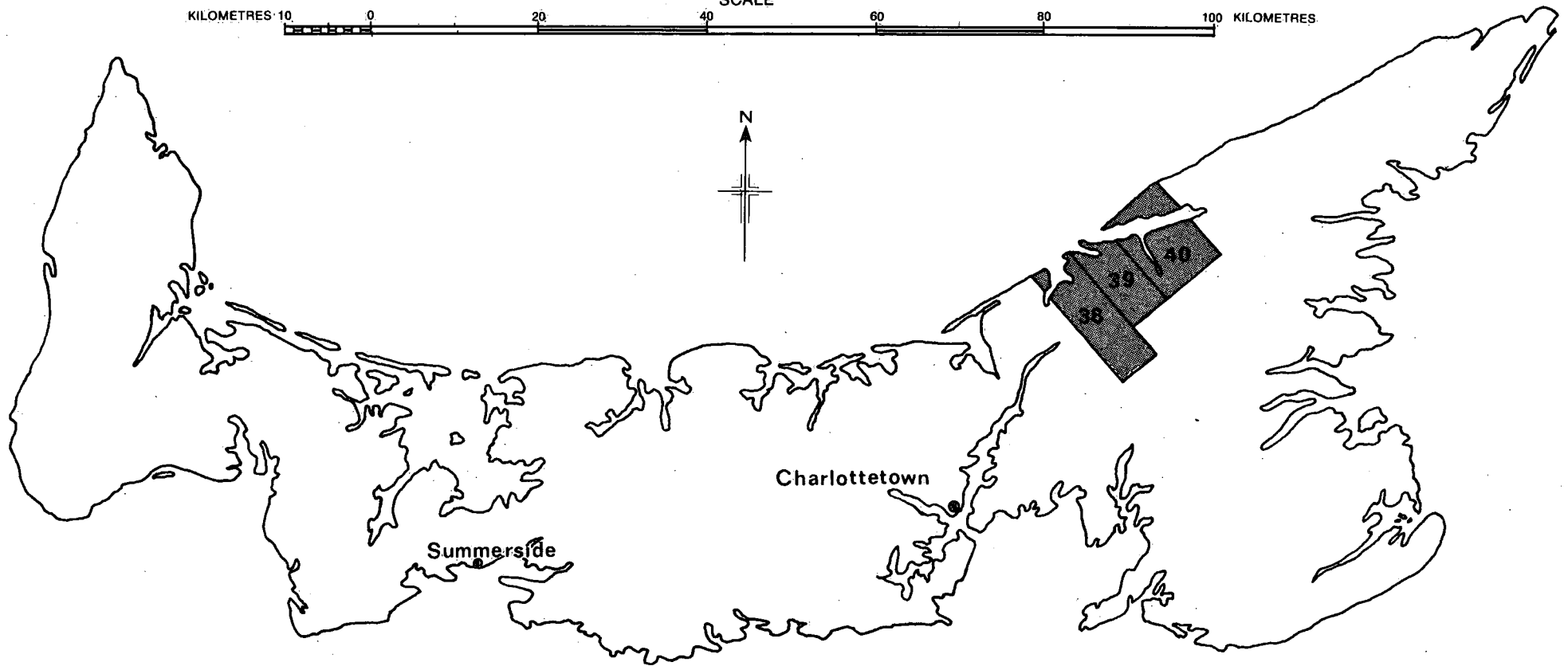
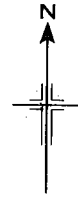
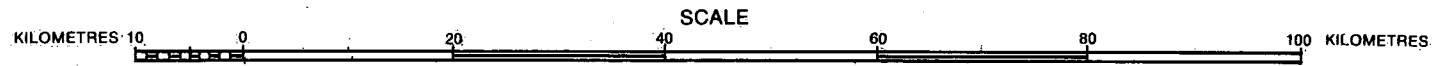
for previous studies. This particular area was chosen for detailed analysis in an earlier report completed by M.R.M.S. for Lands Directorate (1980). Lots 39, 40, and 41 were also closely examined in terms of non-resident land ownership by M.R.M.S. (Lands Directorate, 1978a).

### **Cartographic Analyses**

The first phase of research involved the preparation of a series of map overlays at a scale of 1:25,000. Land-use and ownership patterns were compared for the years 1968 and 1978 and measurements made for a number of categories of land-use change and ownership change.

Rural land use in the study area, as of 1968, was obtained through air-photo interpretation. Land-use patterns for 1978 were derived from field studies during the summer of that year. Subsequently, land-use maps were prepared at the 1:25,000 scale for both 1968 and 1978. The CLI land-use legend was employed for both maps. The land area in each type of use was measured electronically for both years.<sup>1</sup> Locations which changed use during the ten-year period were identified by overlaying the 1978 map on that for 1968.

Map 1  
**PRINCE EDWARD ISLAND**  
**LOCATION OF LOTS 38,39,40**



Property ownership, mapped by lot in 1968 by the Department of Energy, Mines and Resources, provided the names of persons owning parcels of land of greater than five acres. These maps were based on uncontrolled photo mosaics at a scale of 1:15,840. Present land owners, determined by cross-referencing assessment records with orthophotos (1:5,000) on which provincial property numbers and boundaries were shown, were then compared to 1968 owners. In this way, properties that had been sold were identified. These ownership changes were further categorized as to whether they had been purchased by the L.D.C. or by a non-resident. The data plotted at 1:5,000 was photographically reduced to 1:25,000.

Two other property maps were prepared. The first showed L.D.C. purchases by type of release. Interest by non-residents in land

purchases was illustrated by a second map indicating the location of petitioned properties by status of the petition. Both maps were compiled at 1:25,000. Data required for these maps was supplied by the L.D.C., the former Land Use Service Centre (L.U.S.C.), and the Land Registration and Information Service (L.R.I.S.) for P.E.I.

Areas were classified and measured for four categories of ownership change, as well as for L.D.C. land by type of release, and for petitioned land by status of non-resident petition. The four categories of ownership change are L.D.C. purchases, non-resident purchases, sales to P.E.I. residents, and no change. The amount and location of land that was sold by a non-resident to a resident was not determined. Similarly non-resident holdings acquired prior to 1972, and retained by the same owner until 1978, were not

Photo by E.W. Manning



An access road and an abandoned farm house in Savage Harbour, Lot 38.

considered separately.

Correlations were made between land ownership and land use by overlaying the various maps, and area measurements were made with an electronic digitizer on each of the maps for 1968 and 1978.

### **Interview Program**

After land-use and ownership patterns for 1968 and 1978 were established from mapped information, the next step was to determine what factors were instrumental in producing the identified patterns. While the physical features of a landscape introduce certain limitations to possible use, social, economic, and political factors direct the decision-maker to an even greater extent.

To gain an understanding of the relative significance of factors in the decision-making process, numerous people representing the private and public sectors were interviewed. Within the Provincial Government, representatives from the following departments were contacted: 1) Department of Agriculture and Forestry; 2) Fish and Wildlife Branch, Department of the Environment; 3) Department of Tourism, Parks and Conservation; 4) Department of Development; 5) Community Planning Branch, Department of Municipal Affairs; 6) Land Valuation and Assessment Branch, Department of Finance. The Land Development Corporation and Land Use Commission were also contacted. Property ownership patterns were obtained from the Land Registration and Information Service. Within the private sector, valuable information was received from landowners, representatives of the real-estate business,

Federation of Agriculture, and National Farmers Union.

### **Case Studies**

While talking with the landowners and government representatives, information was obtained for six case studies. Three of these deal with land leaked to the Provincial Government or to the Community Pasture Program; the other three deal with specific farm operations. To protect the confidentiality of information, the names and exact locations of the farm operators have not been mentioned.

### **Summary**

Changes in land-use and ownership patterns between 1968 and 1978 were identified and measured for a selected study area through analysis of mapped data. By employing the overlay technique it was possible to produce maps showing changes in land use relative to the nature of change in tenure.

After completing the first phase of research, a structured interview program was conducted. The major determinants of changes in land use were discussed as were the roles of the L.D.C. and non-resident land-ownership legislation in producing change. Interviews were held with people with both public and private interests. Though the style of interview was informal and open-ended, certain questions were presented to all parties.

Case studies were conducted for three farm operations, as well as the Head of Hillsborough Community Pasture, the Morell River, and the Cable Head peninsula.

*Chapter Three*



## THE STUDY AREA: LOTS 38, 39, & 40

### Location and Area

The study area, consisting of Lots 38, 39, and 40 in Kings County (map 2), covers an area of 23,436 hectares (57,911 acres). The lots front on the Gulf of St. Lawrence and run south, or inland, for a distance of approximately 16 kilometres (10 miles).

### Landscape Features

The surface of the study area may be described as undulating to gently rolling, with maximum local relief of 60 metres (about 200 feet). Four tidal rivers flowing through the area provide diversity in the landscape. There are few natural lakes, a feature that is characteristic of the Island as a whole. However, several lakes have been formed behind the coastal dune system, and Pisquid Pond, a large shallow pond, is found in the southwestern part of the study area. Small reservoirs have been created by damming a number of the tributary streams of the Morell, Marie, Midgell, and Hillsborough rivers. The shore frontage is greatly increased by coastal inlets at St. Peters Bay and Savage Harbour.

Past glaciation has had a major effect on the

surficial geology of the study area. The uplands are predominantly covered by deposits of unsorted ground moraine. Kame deposits and outwash are present in the major valleys. Between the Morell River and Byrne Road ablation moraine predominates. Post-glacial deposits of sand are found along the north shore. Small pockets of peat are scattered throughout the Cable Head peninsula lying to the north of St. Peters Bay. Except for a small outcropping of sandstone south of Morell, bedrock is not present at the surface.

Soil type is dependent upon the type of surficial deposit and the vegetation cover under which it has developed. With the exception of coastal sand deposits, podzolic soils are present across the Island. These soils, which have formed under a forest cover, are characteristically low in fertility and highly acidic.

Within the study area, the predominant soil series are the Charlottetown, Alberry, and Culloden series. The Charlottetown Series is found mainly in the eastern portion of the area, while the Alberry and Culloden series occur largely in the west. The Alberry Series is also present in the Cable Head peninsula.



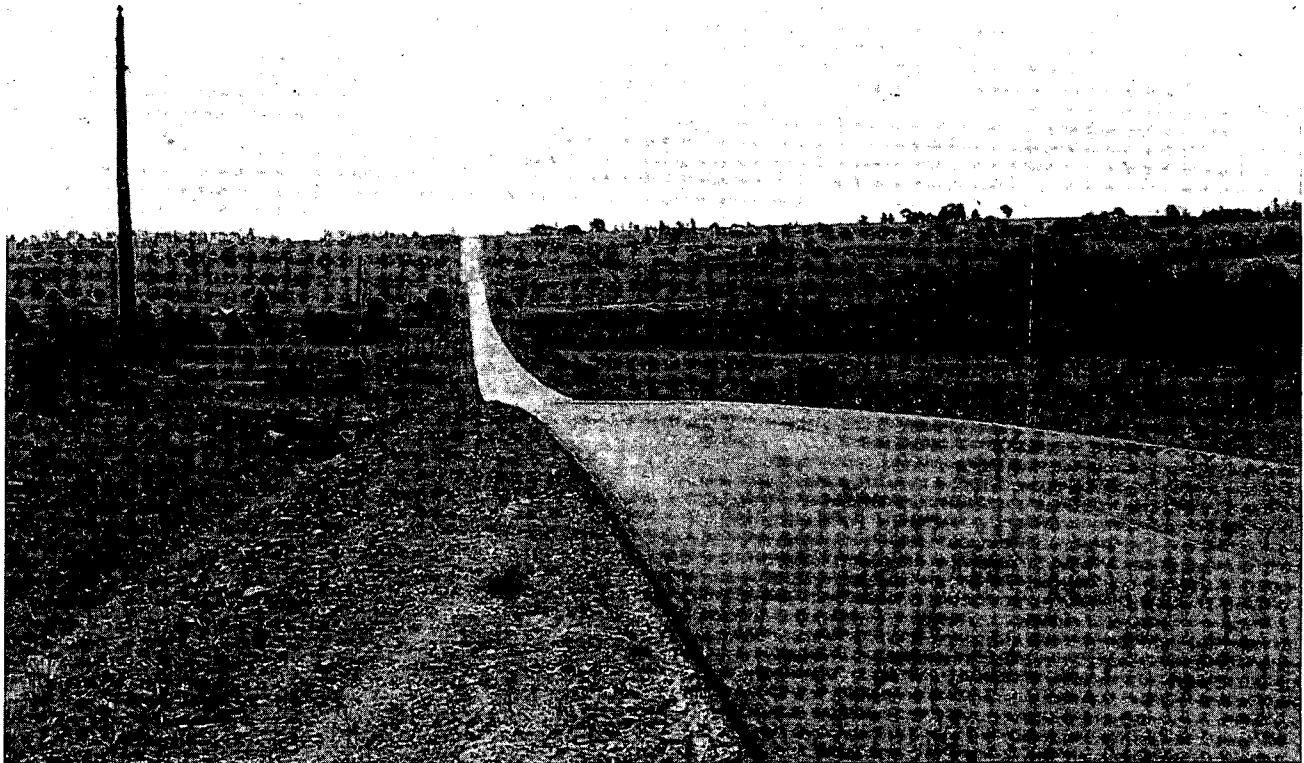


The distinguishing features of the three series are contained in Table 3.1.

Table 3.1  
Soil Characteristics in the Study Area

Characteristics	Soils		
	Alberry Series	Charlottetown Series	Culloden Series
Subgroup:	Orthic Podzol	Orthic Podzol	Orthic Podzol
Solum: (A and B horizons)	Light brown to brown fine sandy loam over light brownish red sandy loam to fine sandy loam; friable to firm. Strongly acid.	Light brown to brown fine sandy loam over light brownish red fine sandy loam; subsoil friable to firm. Strongly acid.	Grayish-brown to light brown sandy loam over light brownish red sandy loam to fine sandy loam; variable amount of gravel; subsoil friable to firm; porous. Strongly acid.
Parent material (C horizon)	Light reddish brown sandy loam derived mainly from brown and red sandstone.	Red fine sandy loam to light sandy clay loam derived mainly from red sandstone, shale, and conglomerate.	Brownish red sandy loam to fine sandy loam derived mainly from moderately coarse sandstone.
Topography	Undulating to gently rolling.	Gently undulating to rolling.	Undulating to rolling.
Natural drainage	Surface - good. Subsoil - imperfect.	Surface - good. Subsoil - imperfect.	Surface - rapid to excessive. Subsoil - rapid.
Suitability for crops	Suitable for a wide range of crops; much of land cultivated. Main crops: clover and timothy hay, oats, barley, swede turnips, and potatoes; also peas, cole crops for canning and freezing, and some tobacco.	Suitable for a wide range of crops; most of land used intensively for dairying, mixed farming, potatoes, and crops for canning and freezing. Main crops: alfalfa, clover, timothy, small grains, roots, and potatoes; also cole crops, peas, and other vegetables for processing.	Suitable for mixed farming, including dairying and potato growing; marginal to poor for grassland; well-suited to tobacco if local climate is favourable; not as suitable for cole crops as Charlottetown soil because of droughtiness; much of land under woods and blueberry barrens.
Main soil problems	Erosive	Erosive	Low moisture-holding capacity; erosive.

Source: Modified from Whiteside, G.B., 1965.



Secondary highway, Milburn, Lot 40. Road transportation in the study area is adequate for the needs of the residents.

### **Socio-Economic Characteristics**

The study area is predominantly an agricultural region with no major centres of population located within its perimeters. The Village of Morell (pop. 350) serves as a local service centre. Most goods and services must be acquired in the Town of Montague or the City of Charlottetown. Like many rural centres, those found in Lots 38, 39, and 40 have declined in size and significance with the development of better transportation systems.

Road transportation throughout the area can be described as fair to good. Highway 2, linking Charlottetown to Souris, is the only major highway passing through the study area.

Secondary paved highways, oriented primarily in a north-south direction, disperse traffic throughout. Clay roads are now found only in sparsely populated portions of the area. From the topographic maps it can readily be seen that there is a strong positive correlation among settlement, transportation, and the location of cleared land.

The agricultural community has experienced a decline in population, and the many abandoned fields and vacant farmsteads provide evidence of the force of urbanization and mechanization. The total number of farms in the study area halved between 1966 and 1976, while the area of farmland was reduced nearly one-third during the ten-year period (Table 3.2). The agricultural community of the study area, as

Table 3.2  
Selected Farm Characteristics in the Study Area, 1966-1976

Farm Characteristic	1966	1971	1976*
Number of census farms	200	145	99
Tenure:			
Owner	176	114	62
Tenant	-	2	3
Part-owner/tenant	24	29	34
Area of farmland (ha)	13,224	10,949	8,979
Farm capital: (\$000)			
Land & buildings	(N/A)	2,763	5,199
Machinery & equipment		997	1,882
Livestock & poultry		529	760
Total value		4,289	7,841

Table 3.3  
Farm Size in the Study Area, 1966-1976

Farm-Size Categories	Distribution of Farms by Size		
	1966	1971	1976*
(ha)	(%)	(%)	(%)
0.0 - 3.9	0.7	0.7	2.7
4.0 - 27.9	15.0	13.8	4.0
28.0 - 51.9	30.8	52.0	9.3
52.0 - 71.9	19.4	16.6	16.0
72.0 - 95.9	19.8	17.9	16.0
96.0 - 159.9	12.8	17.2	32.0
160.0 - 223.9	1.5	5.5	14.7
224.0 - 303.9	-	0.7	1.3
304.0 - 447.9	-	0.7	2.7
448.0 & over	-	-	1.3
Total (%)	100.0	100.0	100.0
Hectares	13,224	10,949	8,979

\*Figures based on 1971 definition of census farm.

Source: Statistics Canada, Census of Agriculture. 1966, 1971, 1976.

Table 3.4  
Use of Farmland in the Study Area, 1966-1976

Land-Use Categories	Percentage Distribution of Farmland Use		
	1966	1971	1976*
	(%)	(%)	(%)
Improved land			
Crop land	35	34	48
Pasture	15	14	8
Summer fallow	1	2	1
Other	3	2	1
Total	54	52	58
Unimproved land			
Wood land	37	37	34
Other	10	11	8
Total	47	48	42
Total Improved & Unimproved	(%) (ha) 100 13,224	100 10,949	100 8,979

\*Figures based on 1971 definition of census farm.

Source: Statistics Canada, Census of Agriculture. 1966, 1971, 1976.

well as P.E.I. as a whole, has been affected by many changes during the 1960s and 1970s. Most notable are the trends to larger farms (Table 3.3), to greater mechanization, and higher capital investment (see Table 3.2) and to proportionately greater use of the land that is used for cultivating crops (Table 3.4). Nevertheless, the increase in farm sizes and levels of production per unit area cannot fully offset the area of land once cultivated that now lies idle and abandoned.

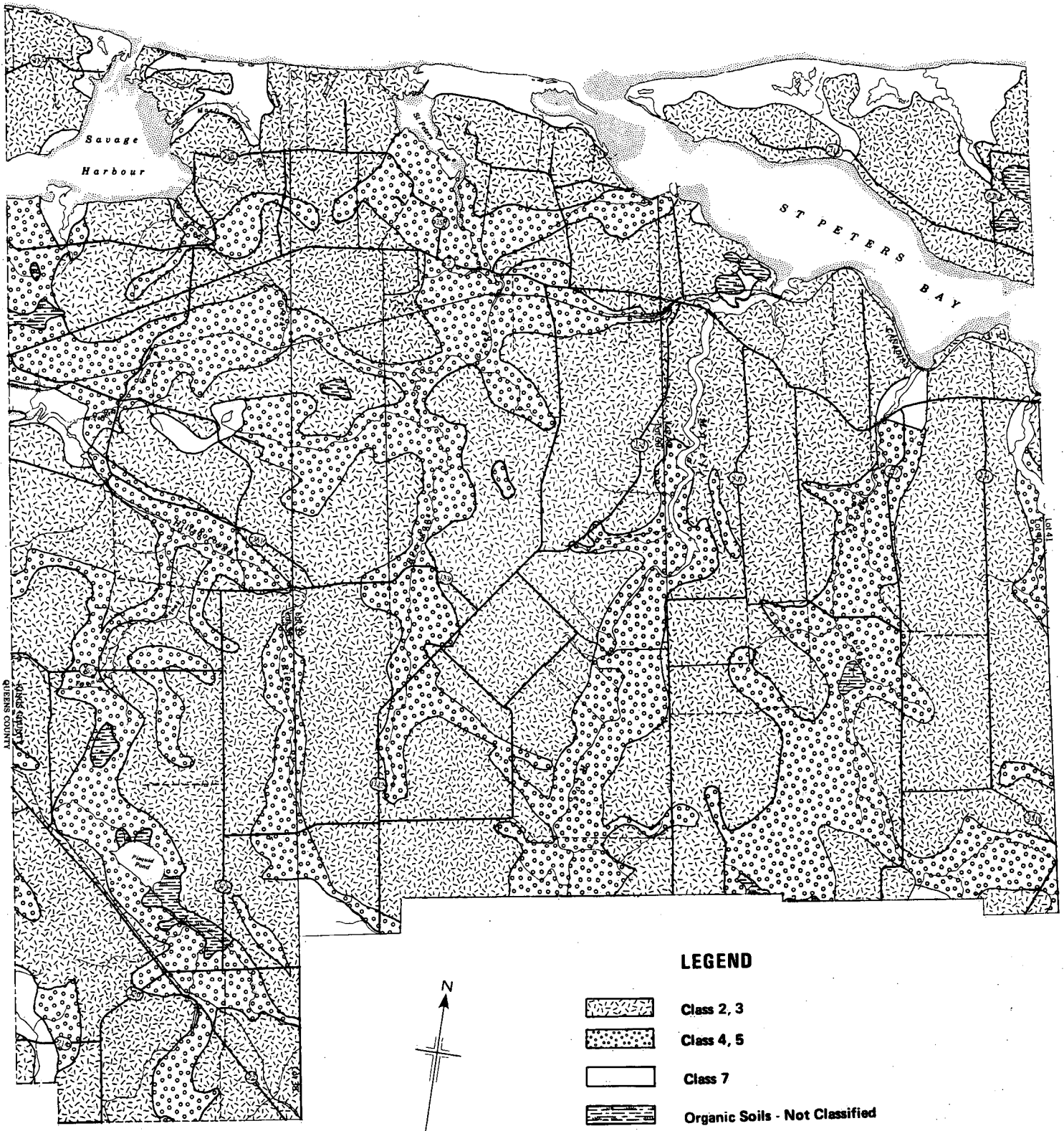
### Land Capability

To some extent, the study area is a depressed agricultural region. However, reference to the map of the Canada Land Inventory Soil

Capability for Agriculture indicates that there is greater potential for crops than is being realized at present. Map 3, derived from the Canada Land Inventory classification (Lands Directorate, 1972), shows there to be a large portion of class 2 and 3 soils within Lots 39 and 40. These soils possess good capability for agriculture. Lot 38 has lower capability generally, but still has the potential to produce a fair range of crops under special management practices.

A product of urbanization has been an increase in the level of discretionary income and greater leisure time. These factors, combined with improved transportation, have enabled more and more people to enjoy outdoor

Map 3  
**SOIL CAPABILITY FOR AGRICULTURE**



recreation. Areas once remote or only lightly used are now subject to heavy user demands. This trend has significance to the study area generally and to the coastal region in particular.

Lands possessing high capability for outdoor recreation have been identified and mapped in the Canada Land Inventory (Lands Directorate, 1969). A large portion of the north shore is rated as Class 1 recreation land, as is much of the Cable Head peninsula. Lands possessing moderate capability occur to the south of St. Peters Bay, adjacent to Savage Harbour, and along the lower reaches of the Morell, Marie, and Midgell rivers. Potential activities in the coastal areas include beach use, boating, camping, and swimming while further inland picnicking, camping, fishing, and cottaging are potential activities.

Environmental consciousness and increased demands for open space and outdoor recreation are both products of our modern society. Sand dunes are particularly susceptible to environmental deterioration, and protection from misuse is necessary to preserve their natural value. Within the study area the Canada Land Inventory has identified several small areas with value for waterfowl and wildlife: Pisquid Pond; the Hillsborough River to the head of tide; a portion of the Marie River, east of Bangor; Savage Harbour; St. Peters Lake; St. Peters Bay (Lands Directorate, 1973, 1978b). Protection by acquisition has been a policy of the Provincial Government in the last decade.

### **Changes in Land Tenure**

Property ownership is an important factor in the analysis of change in land use. Four

major categories of change in ownership, mapped for the period from 1968 to 1978, were L.D.C. purchases, non-resident purchases, sales to P.E.I. residents, and no change.

Private ownership by residents remains the most common form of ownership. As of January 1979, approximately 87 per cent of the study area was held by residents. Non-residents, primarily Canadians and Americans, held title to the remainder of the land. Of the total number of non-resident properties, about 60 per cent were less than two hectares (5 acres) in size and were not shown separately on the ownership maps. Only 7 per cent were equal to or greater than 40 hectares (about 100 acres).

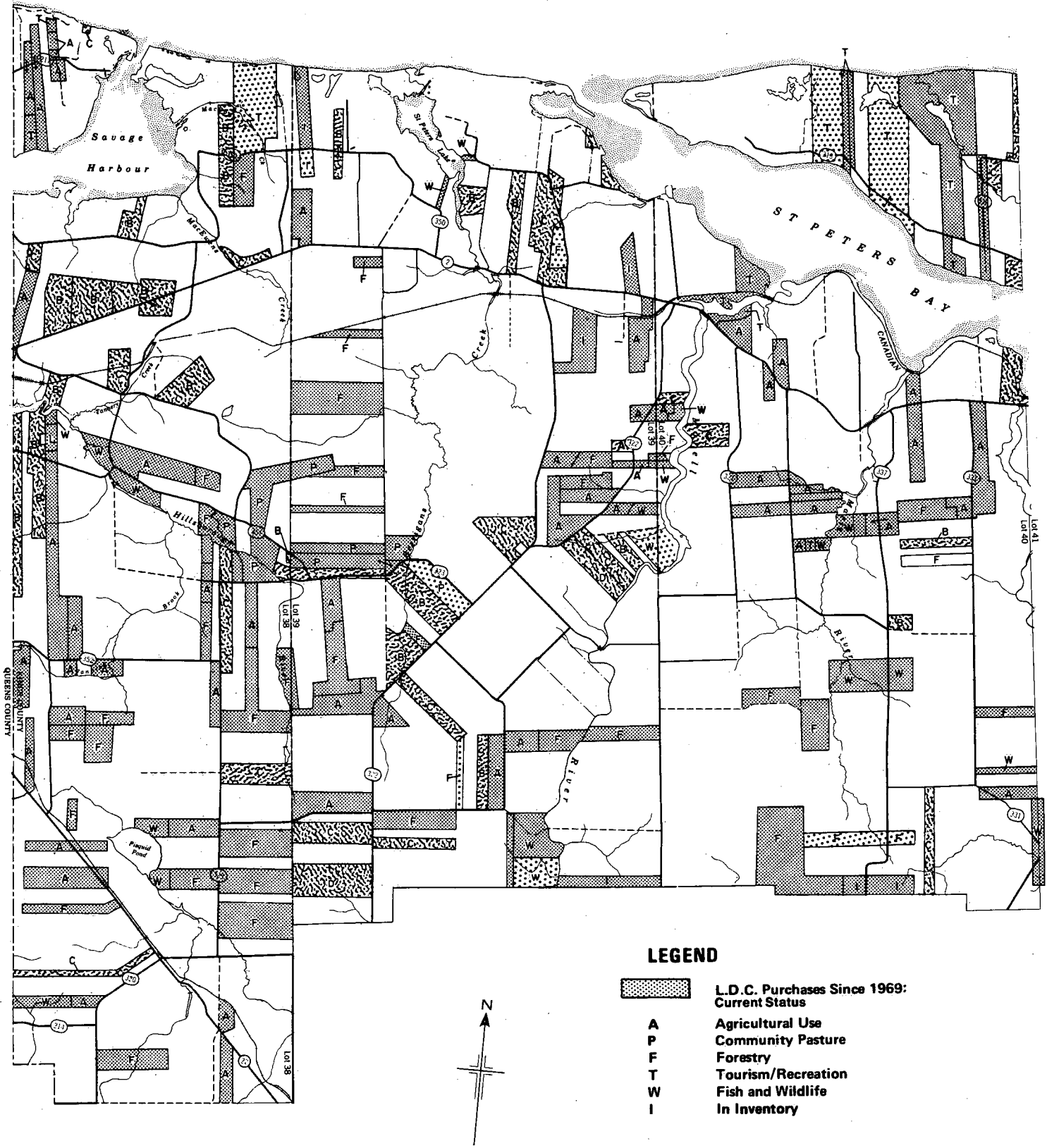
Most of the non-resident land was purchased prior to 1972. Since that year, 75 petitions have been made to purchase land within the study area, of which 14 were denied. Some of the denied properties were petitioned again at a later date and did receive approval to purchase. Map 4 shows the location of properties for which petitions were received by the Department of Municipal Affairs, as well as the location of L.D.C. purchases.

During the period from 1968 to 1978, the sale of land to residents was widespread. Of the total area, 41 per cent or 9,620 hectares (23,771 acres) was sold or otherwise transferred between residents. This figure does not include land transactions in which the L.D.C. was involved. By comparison, only 812 hectares or 3 per cent of the total land area in lots 38, 39, and 40 was sold to non-residents during the ten-year period. Table 3.5 summarizes changes in ownership between 1968 and 1978.


One of the major achievements of the


Map 4

# L.D.C. PURCHASES AND NON-RESIDENT APPLICATIONS



## LEGEND

-  L.D.C. Purchases Since 1969:  
Current Status
- A** Agricultural Use
- P** Community Pasture
- F** Forestry
- T** Tourism/Recreation
- W** Fish and Wildlife
- I** In Inventory

-  Non-Resident Applications  
for Land Purchase Since 1972
- C** Approved and Transferred
- B** Approved - Not Transferred
- D** Denied by Executive Council

-  Application Denied  
Purchased by L.D.C. Subsequently

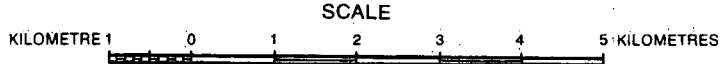


Table 3.5

Changes in Land Ownership Within the Study Area, 1968-1978

Categories of Change in Ownership	Area	Percentage of Study Area
L.D.C. purchases (since 1970)	(ha) 3,648	(%) 16
Non-resident purchases (since 1972)	812	3
Sales to P.E.I. residents	9,620	41
No change	9,356	40
Total	23,436	100

Source: Derived from P.E.I., Land Development Corporation, Inventory Record.

L.D.C. has been to acquire through special and regular purchases, a sizeable area of land for public use and enjoyment. To August 1978, the L.D.C. had purchased 3,648 hectares (9,014 acres) or 16 per cent of the area within Lots 38, 39, and 40. Of this area, 58 per cent has subsequently been leaked to various provincial departments for a broad range of uses. The L.D.C. purchases are shown on Map 4 by type of land use after release.

The leasing of land is an important aspect of land tenure that cannot be as readily documented as can change in ownership. There is evidence, however, to indicate that more farmers have chosen to increase their scale of operation through leasing or renting in recent years than was the case ten years ago. Census of Canada data showed there to be a significant decline in the total number of farmers between 1966 and 1976, but an increase in the number of part-owner part-tenant operators. Similarly, the leasing program of the L.D.C. has gained in

popularity over the years. The dramatic increase in land values, especially since 1974, has been a major factor in increasing tenancy. New or young farmers rarely have the necessary capital to purchase land but can effectively increase production through renting or leasing. It is often the case that retired farmers will allow their land to be used at no cost or for very little, just to ensure that it does not revert to bush. Non-residents may often be amenable to renting farm land as well.

#### **Patterns of Land Use**

Within the study area farming and fishing are the primary economic activities. The tourism and recreation industry is of minor, but rapidly increasing, importance. At present, the forested land is of poor-to-moderate quality, but with improved management it should increase in value.

Between the years 1968 and 1978, several significant changes in land use occurred





Idle land, south of Savage Harbour, Lot 38. From 1968 to 1978, a considerable amount of farmland reverted to bush.

Table 3.6  
Trends in Land Use Within the Study Area, 1968-1978

Land Use	1968		1978	
	(ha)	(%)	(ha)	(%)
Agriculture				
Productive	8,108	34.6	6,370	27.2
Idle*	531	2.3	1,016	4.3
Reverting**	1,323	5.6	1,763	7.5
Aggregate extraction	11	0.1	18	0.1
Outdoor recreation	18	0.1	68	0.3
Built-up	49	0.2	84	0.4
Horticulture	32	0.1	45	0.2
Forest***	13,364	57.0	14,072	60.0
Total	23,436	100.0	23,436	100.0

\* Idle farm land is defined as that which could be brought back into active production through normal cultivation methods.

\*\* Reverting farm land, generally unused for some years, would require the use of heavy equipment to remove the growth of shrubs and trees.

\*\*\* Forested area was mathematically calculated rather than electronically measured.

(Table 3.6). Most important was the continuing decline of agricultural land that was cultivated and productive. On the other hand, substantial increases in the area of farmland that was idle or had reverted to tree or shrub growth was recorded over the ten-year period. Forest land also underwent a modest decrease in area while the extractive, recreational, and built-up uses, which covered minimal land area in 1968, had expanded moderately by 1978.

The area of productive agricultural land has declined for all classes of ownership change over the ten years (Tables 3.7 and 3.8). In similar fashion, these decreases in productive land have been complemented by sizeable increases in idle and reverting

farmland for all types of change in ownership.

A considerable area of agricultural land was removed from production between 1968 and 1978 (Map 5). In comparison, very little farmland was brought back into production over the ten-year period. The effects that changes in land ownership, purchase by the L.D.C., and purchase by non-residents have exerted on changes in the level of farmland production is examined (Tables 3.9, 3.10, and 3.11 respectively).

Analysis of Table 3.9 reveals that farmland that changed ownership during the study period was more likely to have experienced a change in the level of productivity than

Table 3.7  
Changes in Land Ownership (1968-1978) Related to Land Use in 1968  
In the Study Area

Land Use in 1968	Change In Ownership (1968-1978)				Total
	L.D.C. Purchases (since 1970)	Non-Resident Purchases (since 1972)	Sales to P.E.I. Residents	No Change	
	(ha)	(ha)	(ha)	(ha)	(ha)
Agriculture					
Productive	1,326	346	3,226	3,210	8,108
Idle	83	9	244	195	531
Reverting	110	47	618	548	1,323
Aggregate extraction	-	3	6	2	11
Outdoor recreation	3	-	2	13	18
Built-up	4	-	6	39	49
Horticulture	14	-	-	18	32
Forest*	Not Measured				13,364
<b>Total**</b>	<b>3,648</b>	<b>812</b>	<b>9,620</b>	<b>9,356</b>	<b>23,436</b>

\* Data were obtained by overlaying a map showing changes in ownership onto land use maps for 1968 and 1978. Measurements were made with an electronic digitizer for all land uses but forest. The forest area is an estimate calculated as the difference between the total land area and the sum of the area for all other land uses.

\*\* The total land area for ownership changes was derived from the records of the P.E.I. Land Use Service Centre.

Table 3.8

Changes in Land Ownership (1968-1978) Related to Land Use in 1978  
In the Study Area

Land Use in 1968	Change In Ownership (1968-1978)				Total
	L.D.C. Purchases (since 1970)	Non-Resident Purchases (since 1972)	Sales to P.E.I. Residents	No Change	
	(ha)	(ha)	(ha)	(ha)	(ha)
Agriculture					
Productive	995	165	2,502	2,708	6,370
Idle	304	160	832	620	1,916
Reverting	190	664	762	745	1,763
Aggregate extraction	3	10	4	1	18
Outdoor recreation	1	-	32	35	68
Built-up	24	-	11	49	84
Horticulture	4	-	-	41	45
Forest*	Not Measured				13,172
Total**	3,648	812***	9,620	9,536	23,436

\* Data were obtained by overlaying a map showing changes in ownership onto land use maps for 1968 and 1978. Measurements were made with a electronic digitizer for all land uses but forest. The forest area is an estimate calculated as the difference between the total land area and the sum of the area for all other land uses.

\*\* The total land area for ownership changes was derived from the records of the P.E.I. Land Use Service Centre.

\*\*\* The discrepancy is due to the different sources for the data on individual land use and the total land area data.

Table 3.9

Change in the Productivity of Agricultural Land Relative to the Change  
in Land Ownership in the Study Area, 1968-1978

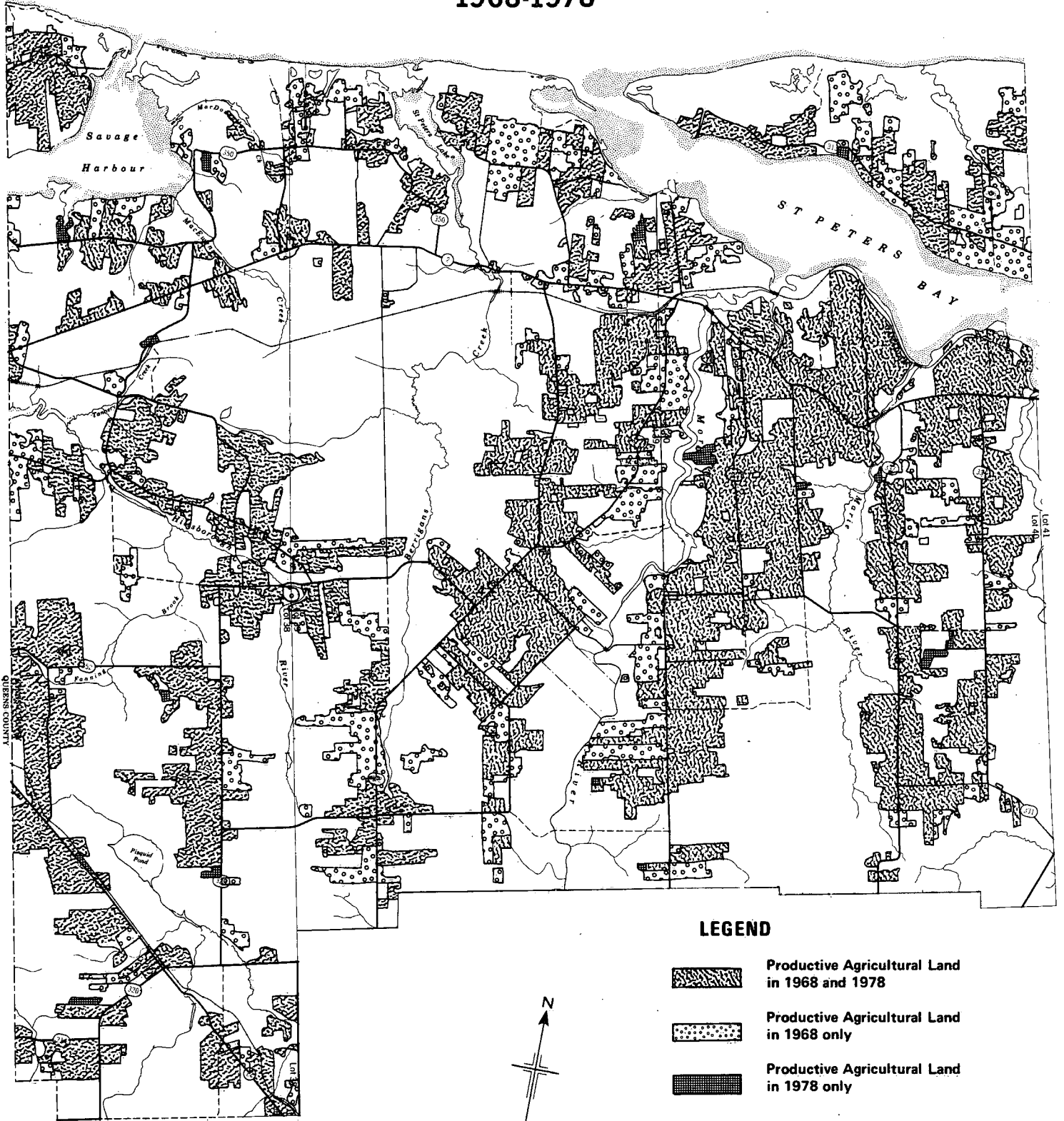
Change in Ownership 1968-1978	Agricultural Productivity				Total Farm Land
	No Change*	Decline in Production**	Increased Production***		
	(%)	(%)	(%)	(%)	(ha)
L.D.C. purchases (since 1970)	73	26	-	100	1,327
Non-resident purchases (since 1972)	59	41	-	100	287
Sales to P.E.I. residents	71	27	2	100	2,746
No change	79	20	1	100	2,731
Total	(%)	74	25	1	100
	(ha)	5,256	1,761	74	7,091

\* Productive and idle land.




\*\* Productive to idle or reverting land, or idle to reverting land.

\*\*\* Idle to productive land, or reverting to idle or productive land.

Map 5  
**PRODUCTIVE AGRICULTURE LAND  
 1968-1978**



**LEGEND**

-  Productive Agricultural Land in 1968 and 1978
-  Productive Agricultural Land in 1968 only
-  Productive Agricultural Land in 1978 only

**SCALE**

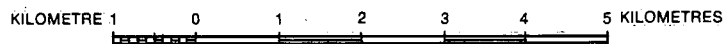


Table 3.10

Change in the Productivity of Agricultural Land According to the Type of L.D.C. Release in the Study Area, 1970-1977

Type of L.D.C. Release 1970-1977	Agricultural Productivity			Agricultural Land Involved	
	No Change*	Decline in Production**	Increased Production***	(%)	(ha)
Sold for agriculture	(%) 95	(%) 5	(%) -	100	527
Leased for agriculture	59	41	-	100	242
Leaked to Government Agency					
Forestry	56	44	-	100	110
Fish and Wildlife	77	23	-	100	53
Tourism, Parks and Conservation	35	63	2	100	204
Community pasture	100	-	-	100	134
In inventory	38	60	2	100	55
Total	(%) 73 (ha) 972	26 349	1 6	100	1,327

\* Productive and idle land.

\*\* Productive to idle or reverting land, or idle to reverting land.

\*\*\* Idle to productive land, or reverting to idle or productive land.

farmland that remained under the same owner. Also, a decline in agricultural production occurred more often if land ownership changed, regardless of the type of change, than if the farmland stayed in the same hands. However, a much higher proportion of the land purchased by the L.D.C. and non-residents underwent a decline in production than did parcels purchased by P.E.I. residents. The small amount of land that increased in agricultural production had most often been sold between P.E.I. residents.

Of the land purchased by the L.D.C., 73 per cent has shown no change in the level of

agricultural production. Virtually all of the land sold by the L.D.C. for agricultural purposes had not changed in the level of use (Table 3.10). In contrast, over one-third of the farmland leased by the L.D.C. for agriculture has declined in level of production. As might be anticipated, land released by the L.D.C. to provincial departments responsible for forestry, wildlife, or tourism has, in large measure, declined in agricultural production. Since the L.D.C. has a policy of not making improvements to land held in inventory, it is not surprising that 60 per cent of the land in inventory has decreased in agricultural productivity.

Changes in the level of agricultural production on property petitioned by non-residents is summarized according to the status of the petition in Table 3.11. In relative terms land that was approved and transferred was most stable in use. On the other hand, land for which petitions were denied showed the greatest decline in production.

cleared for agricultural purposes. The soil capability for agriculture as determined by the Canada Land Inventory indicates that, with much of the area classified as CLI Class 2 and 3 soils, potential exists for greater agricultural development.

In recent years, the importance of recreation and conservation has increased; the coastal

Table 3.11

Change in the Productivity of Agricultural Land By Petition Status for Non-Resident Ownership in the Study Area, 1972-1978

Petition Status for Non-Residents 1972-1978	Agricultural Productivity			Agricultural Land Involved	
	No Change*	Decline in Production**	Increased Production***	(%)	(ha)
Approved and transferred	(%) 59	(%) 41	(%) -	100	288
Approved but not transferred	60	40	-	100	158
Denied	45	53	2	100	197
Total	(%) 55 (ha) 353	44 286	1 4	100	643

\* Productive and idle land.

\*\* Productive to idle or reverting land, or idle to reverting land.

\*\*\* Idle to productive land, or reverting to idle or productive land.

**Summary**

The study area, comprising Lots 38, 39, and 40, is characterized by undulating to rolling uplands covered with podzolic soils and high-quality sandy beaches. Much of the area has been, or still is, forest covered.

Agriculture is the primary economic activity with approximately one-half of the land

region has particularly high value for such uses, and much of the north shore is classified as CLI Class 1 recreation land.

Patterns of land tenure have changed considerably in the study area since 1968. Of the total land area 41 per cent was sold to resident buyers, 16 per cent to the L.D.C., and 3 per cent to non-residents. In addition, the rate of tenancy has increased. Greater

than one-half of the area purchased by the L.D.C., or 10 per cent of the study area has come under the management of appropriate Provincial Departments.

Between 1968 and 1978, there was a

significant decline in the area of actively farmed land. Out-migration and consolidation of farms has continued. Changes in land use and tenure can be attributed to a combination of physical, social, economic, and administrative factors.

Photo by Esther Kienholz



Northwest of St. Peters, Lot 39. Farmland sold between P.E.I. residents has sometimes resulted in more land being cleared for agricultural production.





## REVIEW OF L.D.C. ACTIVITIES AND NON-RESIDENT PETITIONS

How much land in the study area has been petitioned by non-residents? What type of land was petitioned? How many petitions were denied and for what reasons? What has been the extent and the predominant use of the lands purchased by the Land Development Corporation? To whom was this land leaked by the L.D.C.?

These and other questions are answered by the information presented here on non-resident petitions and activities of the L.D.C. in Lots 38, 39, and 40.<sup>1</sup> The data contained in this chapter have been obtained directly from the Land Use Service Centre and the Land Development Corporation, P.E.I.<sup>2</sup>

### Non-Resident Petitions

Within Lots 38, 39, and 40, a total of 75 petitions were received by the Province between 1972 and August, 1978. Several properties were petitioned more than once. Table 4.1 provides a breakdown of petitions received by year and lot.

Sixty per cent of all applicants were primarily from other provinces: one-third of all applicants resided in Ontario. Forty per cent were from the United States. The

interest shown by non-residents was considerably higher during the period from 1972 to 1974 than in the second half of the 1970s. A reduction in the number of petitions can be attributed in part to: the higher price of land; increased transportation costs; publicity arising from an appeal to the Supreme Court by two Americans whose petition to purchase 12 hectares (30 acres) had been denied.

Within the study area, a total of 836 hectares (2,066 acres) of cleared land and 1,733 hectares (4,282 acres) of wooded land were petitioned (Table 4.2). Included were approximately 14.2 kilometres of shore frontage. These totals are broken down by year and lot in Table 4.3.

Over the years, 75 per cent of all petitions have been approved. This represented 67 per cent of the total area, or 77 per cent of cleared land and 60 per cent of wooded land. The denial rate was highest in Lot 40 where 36 per cent of the petitions did not receive approval of Executive Council. No petitions have been denied since 1976, although in several cases approval was conditional upon "identification of the property." The Land Identification Program ensures that land be

Table 4.1

Non-Resident Petitions by Year and Lot, 1972-1978

Year	Lot 38	Study Area Lot 39	Lot 40	Study Area Total	P.E.I. Total
1972	6	6	5	17	238
1973	2	11	3	16	236
1974	4	11	1	17	288
1975	0	4	0	4	140
1976	2	2	0	4	168
1977	6	1	2	9	N/A
1978	2	4	2	8	N/A
Total	22	39	14	75	N/A

Source: Land Use Service Centre, Department of Municipal Affairs, P.E.I.

Table 4.2

Area of Non-Resident Petitioned Properties Under the Land Ownership Legislation,  
By Year and Lot, 1972-1978

Year	Lot 38		Study Area Lot 39		Lot 40		Study Area Total	
	Cleared	Wooded	Cleared	Wooded	Cleared	Wooded	Cleared	Wooded
1972	(ha) 74	(ha) 134	(ha) 58	(ha) 101	(ha) 156	(ha) 195	(ha) 288	(ha) 430
1973	16	180	65	213	35	49	116	442
1974	96	133	26	310	39	61	161	504
1975	-	-	58	54	-	-	58	54
1976	72	67	23	44	-	-	95	111
1977	42	74	-	11	6	35	48	120
1978	16	8	54	30	-	34	70	72
Total	316	596	284	763	236	374	836	1,733

Source: Land Use Service Centre, Department of Municipal Affairs, P.E.I.

retained in its existing use for a period of at least ten years.

The intent of use stated most often by applicants was seasonal residence; 43 per cent of all applicants planned to reside in P.E.I. for part of the year. Other uses often stated were permanent residence and development. One-third of all applicants planned to take up permanent residence on the Island. Of this group, one-third stated that they intended to farm their land (approximately 10 per cent of all applicants). One-half of the applicants who stated development to be their intended use did not receive approval. Similarly, seasonal residence was not a favoured use and 19 per cent of all applications were denied.

The average price per hectare varied between

\$250 and \$500 prior to 1977. Between 1976 and 1977, prices increased considerably, and they continued to rise in 1978. To some extent the mean values in both 1977 and 1978 were affected by one particularly high-value sale of recreational land.

### L.D.C. Activities

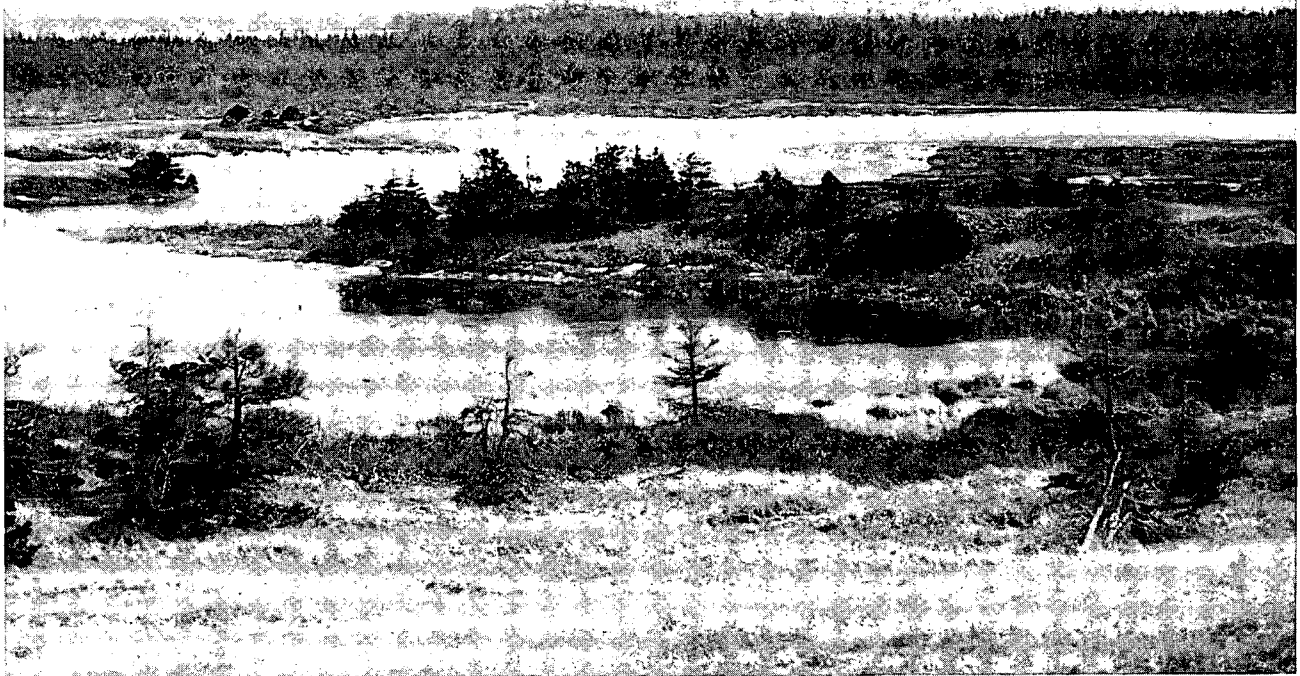
One of the features of Lots 38, 39, and 40 that was considered in the selection of the study area was the high degree of activity by the L.D.C. Between 1970 and August 1978, a total of 92 purchases were made involving approximately 3,450 hectares (about 8,525 acres). The location of L.D.C. purchases by type of release shows that more land was purchased in Lot 38 than either Lot 39 or 40 (see Map 4, page 29). Most of the land was purchased during the early 1970s. In 1975,

Table 4.3

Shore Frontage of Non-Resident Petitioned Properties Under the Land Ownership Legislation, By Year and Lot, 1972-1978

Year	Lot 38	Study Area Lot 39	Lot 40	Study Area Total
	(m)	(m)	(m)	(m)
1972	277	1,356	2,030	3,633
1973	2,283	198	691	3,172
1974	748	1,683	901	3,332
1975	-	1,055	-	1,055
1976	541	141	-	682
1977	400	-	194	594
1978	99	1,259	356	1,714
Total	4,348	5,692	4,172	14,212

Source: Land Use Service Centre, Department of Municipal Affairs, P.E.I.



Bourley Pond, Cable Head, Lot 40. The Cable Head area has been under strong pressure for recreational development.

however, secondary peaks of purchasing activity occurred in Lots 39 and 40.

In most cases, the purchase of land followed application by the owner to the L.D.C. In at least 20 transactions, more than one property was purchased from the same owner. In the early years, a small number of people chose to sell under the annuity program; however, as land prices have risen more people have chosen cash purchases. In 14 instances, the Provincial Government requested that a special purchase be made to meet the need for public land. The L.D.C. also acquired five properties that had been denied to non-residents.

The average price of land varied between lots and over time. While it might be expected that a general increase would occur from 1970

to 1978, this was not always the case. Rather, the average value was strongly affected by the purchase of land for recreational purposes. For instance, in Lot 38 the average value has shown a small but steady increase; no land was purchased for recreation at the request of the provincial government. In lot 39, and particularly Lot 40, the wide range in value can be attributed to purchase of a significant area of recreational land.

Lot 40 contains the highest percentage of both recreation land and land suitable for wildlife and waterfowl that was purchased by the L.D.C. On the other hand, Lot 39 possesses the highest percentage of forest land, and Lot 38 the highest percentage of cleared land (Table 4.4).

Of all the land acquired in the study area,

approximately one-third has been leaked to the Forestry Branch, Department of Agriculture and Forestry. An almost equal area has been released to the farm community through either five-year leases or sale. In recent years, leasing has become more advantageous owing to the higher cost of purchasing land. The use of farm land included in leakages is available to farmers through short-term leases. In addition, the farm population benefits from use of land leaked to the Community Pasture Program.

The Department of Tourism, Parks, and Conservation has received 16 per cent of the area purchased through the leakage program, while 8 per cent was leaked to the Fish and Wildlife Branch of the Department of the Environment.

Essentially all of the recreation land suitable for tourism borders on the north

shore, around Savage Harbour, St. Peters Bay or St. Peters Lake. Wildlife lands are dispersed throughout the study area but are generally adjacent to water as well.

### Summary

Since 1972 in the study area, the total number of non-resident petitions submitted on a yearly basis has varied from a high of 17 (1972 and 1974) to a low of 4 (1975 and 1976). Most petitions were made by other Canadians; one-third were made by residents of the U.S.A. Of the total area petitioned, 836 hectares (2,066 acres) or one-third of the land was cleared while 1,733 hectares (4,282 acres) or two-thirds was wooded. A total of 14,212 metres of shorefront were included in petitions. Two-thirds of this area received approval. Denials were made primarily in those cases where the property was of significant value for recreation or wildlife

Table 4.4

L.D.C. Purchases by Area of Land-Use Type Within the Study Area, 1970-1977

Land Use	Study Area						Study Area Total	
	Lot 38		Lot 39		Lot 40		(ha)	(%)
	(ha)	(%)	(ha)	(%)	(ha)	(%)	(ha)	(%)
Agriculture	488	44	367	36	287	28	1,142	37
Forest	582	53	609	60	337	33	1,528	49
Wildlife/Waterfowl	25	2	0	0	205	20	230	7
Recreation	0	0	34	3	102	10	136	4
Other	8	1	5	1	78	9	91	3
Total	1,103	100	1,015	100	1,009	100	3,127	100

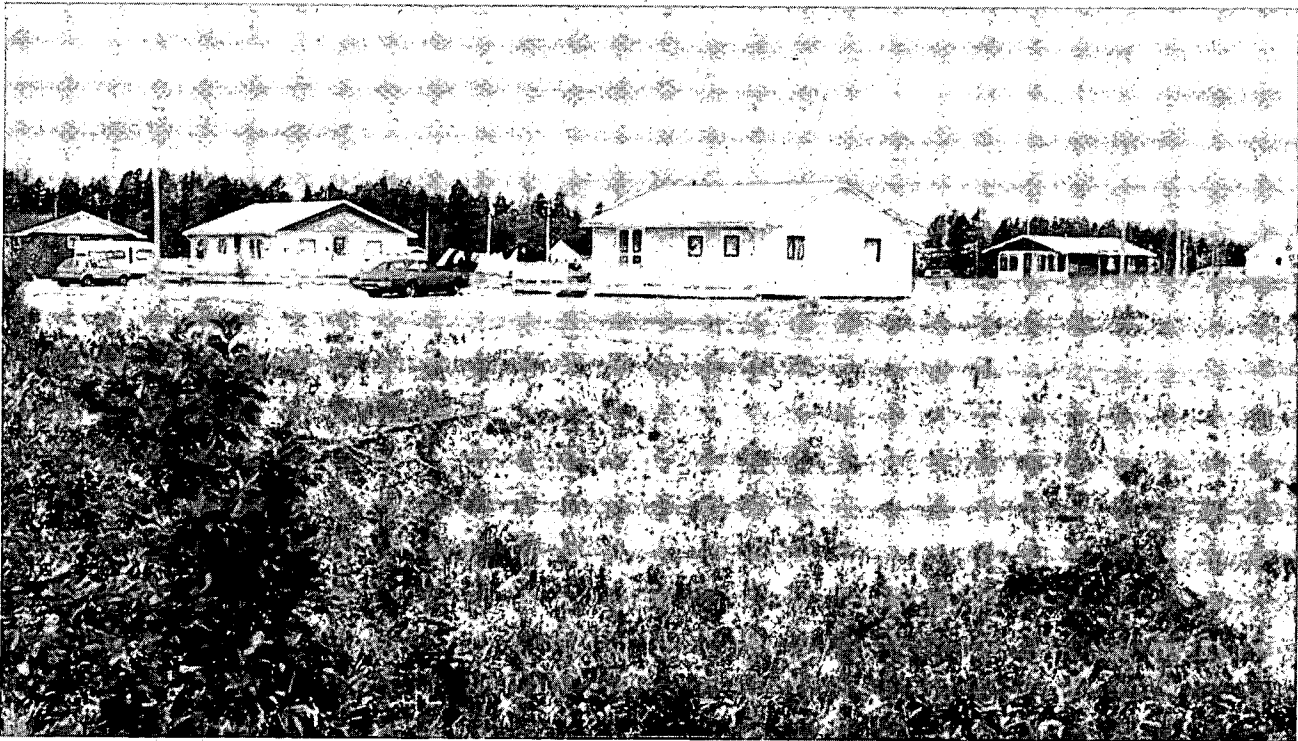
Source: P.E.I., Land Development Corporation, Inventory Record.

habitat. In terms of intended use, denials were most frequent among those whose intended use was for development or for seasonal residence only.

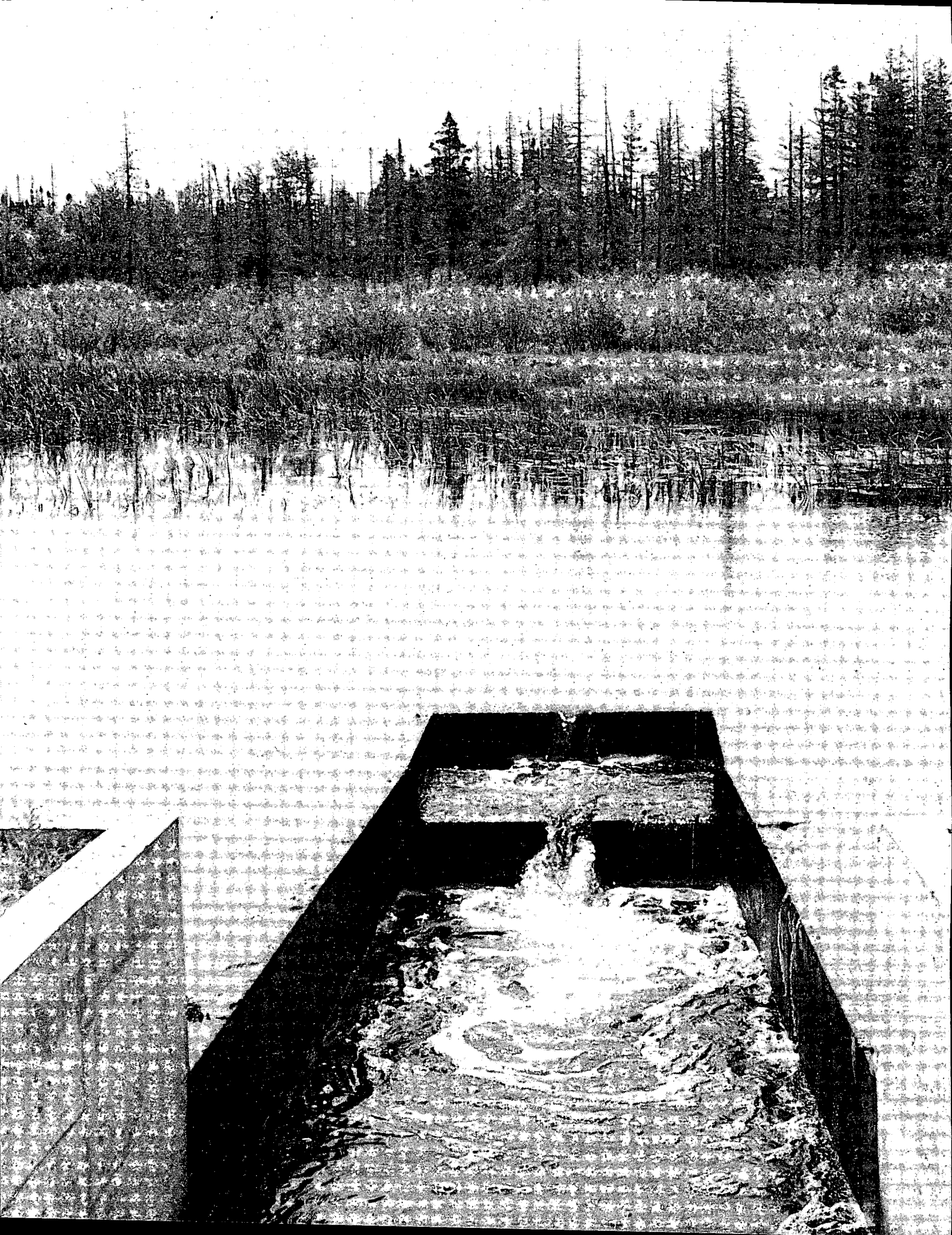
Between 1970 and 1978, the L.D.C. purchased a total of 3,450 hectares (about 8,525 acres) in the study area. In 80 per cent of the cases, the transaction was initiated by the landowner. Purchasing activity was greatest

during the early years. Of the land acquired, almost one-third was transferred to the Forestry Branch for management; an equal proportion was returned to agriculture through sale or lease. The remainder of the land that has been released was leaked to the Community Pasture Program, the Department of Tourism, Parks and Conservation, and the Fish and Wildlife Branch, Department of the Environment.

Photo by Esther Kienholz



St. Peters Lake, Lot 39. This cottage subdivision has access to a class 1 beach.



## **CASE STUDIES: EFFECTS OF THE L.D.C. AND NON-RESIDENT OWNERSHIP LEGISLATION**

### **Factors Influencing Land-Use Change**

Patterns of rural land use reflect the interaction of environmental, social, economic, and political or administrative factors. As time passes, the significance of each may vary as a balance is maintained between the needs of the individual decision maker and the world in which he lives.

Between 1968 and 1978, the greatest change in land use in Prince Edward Island was the abandonment of farm land. This trend, which began during the late 1800s, has resulted from physical constraints, urbanization, alternate employment opportunities and out-migration, farm mechanization, farm consolidation, the influence of the fishing industry, and the rising cost of inputs among other causes.

When the Island was first settled, much land unsuitable for the production of crops was cleared. Since then, most has been abandoned and production has been concentrated on the higher-capability lands. But, the fact that good-quality farm land has also reverted to brush indicates that other factors have also been at work.

Prince Edward Island has experienced the effects of urbanization and mechanization that have profoundly influenced Western society. Because of its predominantly rural character and its relative isolation from the densely populated regions of Canada and the United States, the full impact of modernization was not felt in P.E.I. until after World War II. Since that time there has been a continual out-migration from the rural areas. Opportunities for alternate employment in urban centres on and off the Island have attracted many; often it has been the young and better-educated who have been most mobile.

With the loss of a traditional pool of farm labour, those remaining on the land either stagnated or mechanized their operations. Farming became capital-intensive. To pay for larger machinery, production had to increase; large equipment also meant that a larger land base was necessary. Farms were consolidated and field size was enlarged. Thus rural depopulation, mechanization, and farm consolidation were interdependent upon each other. The degree to which these agricultural trends were present between 1961 and 1976 in Prince Edward Island is indicated in Table 5.1.

Not all farmers who remained on the land



Table 5.1

## Trends in Agriculture in Prince Edward Island, 1961-1976

Farm Characteristics	Prince Edward Island			
	1961	1966	1971	1976
<b>POPULATION</b>				
Rural Farm	(no.) 34,514 (%) 33.0	30,841 28.4	21,130 18.9	15,670 13.3
Non-Farm	(no.) 36,206 (%) 34.6	37,947 35.0	47,730 42.8	58,680 49.6
Urban	(no.) 33,909 (%) 32.4	39,747 36.6	42,780 38.3	43,880 37.1
Total	(no.) 104,629	108,535	111,640	118,229
NUMBER OF FARMS	7,335	6,357	4,543	3,677
FARMLAND TOTAL	(ha) 388,576	375,148	313,493	295,850
IMPROVED LAND	(ha) 234,547	230,598	199,975	203,790
<b>FARM SIZE</b>				
28 ha and under	(no.) 3,588	1,173	751	669
29-52 ha	(no.) 2,799	2,326	1,447	961
53-97 ha	(no.) 850	2,011	1,488	1,111
98 ha and over	(no.) 98	847	857	936
<b>FARM CAPITAL VALUE</b>				
Total	(\$000) 96,297	128,621	161,894	326,481
Land and Buildings	(\$000) 52,501	72,683	102,090	218,194
<b>FARM LABOUR</b>				
Total Weeks of Paid Labour	71,670	N/A	95,849	72,220
Farms Reporting	4,040	N/A	2,203	1,493

Sources: Statistics Canada, Census of Agriculture, 1961 Catalogue 96-532 (Vol. V).  
1966 Catalogue 96-603 (Vol. III).  
1971 Catalogue 96-703 (Vol. IV).  
1976 Microfiche.

Statistics Canada, Census of Population, 1961, 1966, 1971, 1976.

successfully made the transition. As time passed, the disparity increased between small traditional farmers and the large mechanized operators. Many farmers were forced to turn to off-farm labour for a source of income.

As their ability to work on the farm was reduced because of off-farm work, age, or health, productive fields became idle. While the land was in some cases leased to active farmers, this was not always possible.

Coastal communities in P.E.I. have traditionally been characterized by a farming and fishing economy. The reliance of fishermen upon farming was greatly reduced in 1956 with the provision of Federal unemployment insurance to fishermen during the winter months. The increasing viability of the fishing industry in recent years, combined with unemployment insurance benefits, has resulted in a dissolution of the traditional dual economy. Many of the small farms, formerly worked by fishermen and their families, have now reverted to brush land.

Since 1974, land values have doubled in most parts of P.E.I. This follows equally large increases in the cost of all inputs. Increased production costs have made it even more important that production be efficient. Short-term profits have often received a higher priority than long-term sustained yields. In some instances, this has magnified problems of soil management and erosion.

A second result of increased land values has been to foster land leasing and renting. While farmers still perceive the advantages of owning land to be greater than leasing land, the present high value of farm land has placed purchase of property beyond the financial capability of many.

Though agriculture is, and shall no doubt remain, the predominant economic activity within P.E.I., pressure from alternate uses has also increased. Higher standards of living, more leisure time, and increased levels of discretionary income have enabled urban dwellers to participate in recreational activities to a greater extent.

During the 1960s, the Island came within the

urbanized New England States and central Canada. The relatively low land values attracted numerous buyers interested in acquiring land for recreational purposes. The majority of the properties purchased were less than 2 hectares (5 acres) though some purchases of over 40 hectares (about 100 acres) were also made. Small properties tended to be concentrated along the coast while larger ones were inland. Because most of the new owners were only summer visitors, it was feared that their land would not be adequately maintained. Public opinion also held that the agricultural economy would suffer if the purchase of farm land by non-residents went unchecked.

Since 1972, the demand for land by non-residents has slackened somewhat. Greater control over purchases introduced through amendment to the Real Property Act in 1972, combined with indirect effects of the legislation have discouraged non-residents from purchasing recreational land. More recently, higher costs of transportation and greatly increased land values in P.E.I. have provided economic barriers to non-residents.

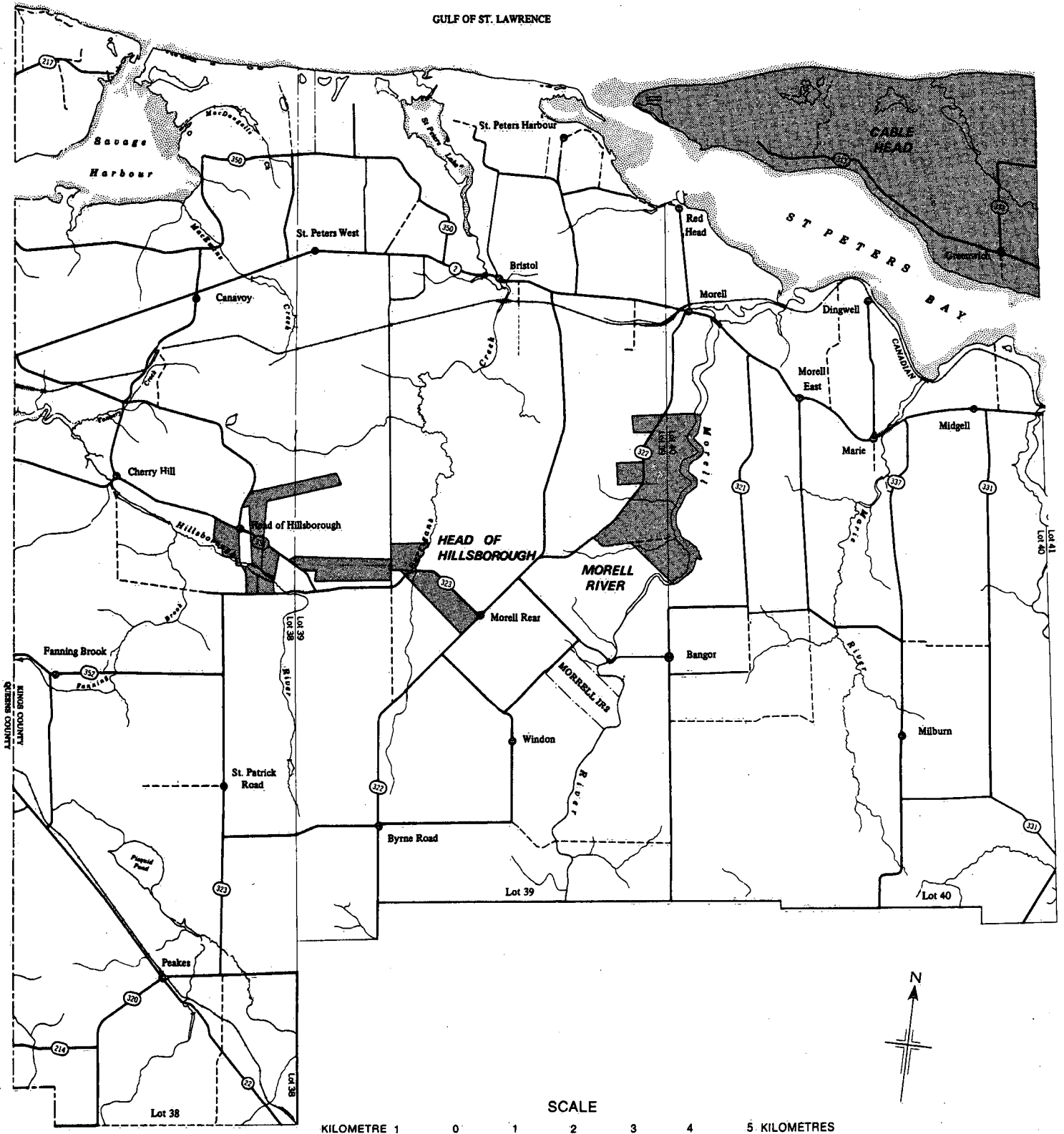
The declining interest by non-residents in purchasing land has been counteracted to a degree by the greater interest in recreational land shown by urban residents. Properties of 2 to 8 hectares (5 to 20 acres) with a woodlot are in high demand. The price of such property is greatest within a short distance (approximately 16 km) of the urban centres.

Demands for recreational land have had an impact on provincial policy as well. Since the establishment of the L.D.C. in 1969, the Provincial Government has actively pursued a land acquisition program. High-quality

# Map 6

## LOCATION OF CASE STUDIES 1, 2 AND 3

GULF OF ST. LAWRENCE



SCALE  
KILOMETRE 1 0 1 2 3 4 5 KILOMETRES

recreational land has been acquired to meet present and future needs of the public. Environmentally sensitive lands and valuable wildlife habitat have been purchased by the L.D.C. to ensure that they are managed for their best use. In addition, a considerable area of forested land has now come under the management of the Department of Agriculture and Forestry.

The six studies which follow provide a detailed look at the magnitude and variety of effects that the operations of the L.D.C. and the implementation of non-resident ownership legislation have had on patterns of land ownership, changes in land use, and the viability of the agricultural industry.

### **Case Studies on Land Acquisition, Preservation, and Improvement**

The first three case studies offer an in-depth investigation of (1) the acquisition and use of public lands for tourism and recreation or conservation, (2) the preservation of land for wildlife and extensive outdoor recreation and (3) the improvement of the farm economy through the operation of community pastures. The location of the public lands included within the first three studies is shown on Map 6. To preserve the confidentiality of information provided by the farmers, they will be referred to as Farmers "A," "B," and "C."

#### **1) Cable Head**

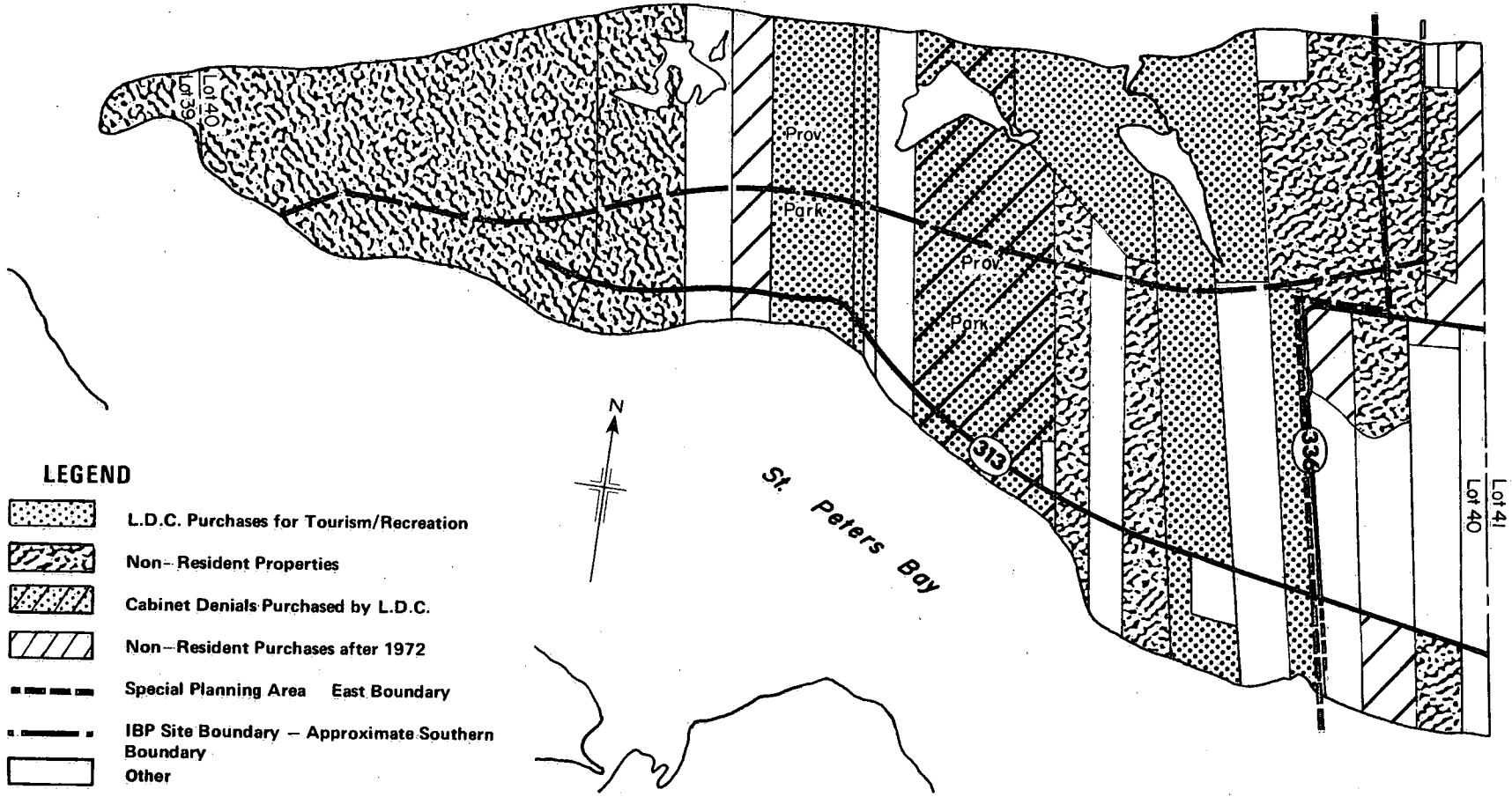
The Cable Head case study examines ownership and land use in the peninsula lying north of St. Peters Bay, and east to the boundary between Lots 40 and 41 (Map 7). It includes approximately 1,200 hectares (about 3,000

acres) of which about one-half has been cleared for agriculture. Rated by the C.L.I. as Class 2, the soil capability for agriculture along the Bay side is equal to the best in P.E.I. The western tip of the peninsula together with the gulf shore and adjoining uplands are characterized by sand dunes, where the agricultural capability is very low or non-existent.

Since 1970, this biologically unique and sensitive area has increasingly attracted the interest of competing user groups, including conservationists, recreationists, and developers. In 1971, the northern half of the area was identified as an International Biological Program (IBP) Site. The biological significance of this site results from the presence of a well-developed system of sand dunes, part of which has not yet become stabilized. With the exception of a small portion in the southeast corner of the area, the entire peninsula has been rated as Class 1 recreation land. The wide sandy beaches and scenic qualities of the dune system provide a setting with capability for beach activities, boating, camping, picnicking, scenic viewing, and nature study. In planning for the development of the recreation resource, however, due regard must be given to the protection of the dune system. Lands adjacent to the dunes possess a limited potential for cottage development. The impact which this type of use might have on the surrounding landscape has not been fully determined.

Historically an agricultural area, in recent years the relative importance of farming has declined in the face of pressure from alternate uses. A considerable acreage of cleared land has become idle or is cleared land has become idle or is under-utilized.

# Map 7 CABLE HEAD Case Study





Beach and sand dunes, Cable Head, Lot 40. This ecologically unique area is attractive to such competing users as cottage owners, tourists, conservationists, and developers.

While this may be due in part to factors generally affecting the agricultural economy across the Province, as described earlier in the chapter, it is more a direct result of provincial policies and programs.

The study of Cable Head illustrates the effects of the L.D.C. and non-resident land ownership legislation on rural land use. To understand why this area has shown such a high degree of change in land use in the past five years, it is necessary to consider:

- 1) the desirability of the landscape for recreational use by both private and public concerns;
- 2) the high cost of recreational land;
- 3) the time required to turn the bureaucratic wheels of government;

- 4) the change in public sentiment in relation to land ownership and use.

Between 1970 and 1972, Prevost Investment and Development Limited, a non-resident company, acquired approximately 300 hectares (about 750 acres) of prime recreational land at Cable Head. In 1972, following ratification of the amendment to the Real Property Act, the company's attempts to purchase additional land were met with opposition. The Lieutenant-Governor-in-Council denied their application to acquire 60 hectares (about 150 acres). The L.D.C. was then instructed to make an offer to the owner comparable to that made by Prevost Investment, and was successful in acquiring the property. It was subsequently leaked to the Department of Tourism, Parks and Conservation for management.

Between 1972 and 1974, Prevost Investment, in

the name of R.B. Evans, presented two development proposals to the Provincial Government. The first of these was for a proposed hotel/motel/condominium and recreational development. In response to opposition from provincial officials, the plan was withdrawn in favour of a 400-unit residential/recreation complex. In 1975, the plan of subdivision was refused. The active interest shown by the company in developing their Cable Head properties was instrumental in the Provincial Government acting to protect the area from undesirable and incompatible uses. In 1974, almost all of the area presently under consideration was designated as a Special Recreation and Tourist Project Area (the Planning Act Regulations [1977] changed the name of the designation to a Special Planning Area).

The purpose of this designation, as stated in the Planning Act Regulations (Prince Edward Island, 1977), was:

To preserve the fragile dune lands, ponds and vegetation of this International Biological Program Site and protect them from encroachment of undesirable and incompatible land uses.

It had the immediate effect of curtailing plans for development on land owned by Prevost Investment and Development Ltd. In 1974, to ensure further proper land use, the Provincial Government had designated privately owned land at Cable Head as a Protected Area, pursuant to the Recreation Development Act. Land owned by the Provincial Government was designated as a Provincial Park. It should be noted at this point that the Special Planning Area and Protected Area were approximately twice as large as the IBP Site, or natural area which required protection. The southern half of

the designated area was predominantly agricultural land.

Prevost Investment and Development Ltd. reacted to the Provincial Government's attempts to control land use through court action initiated in 1976. The company contended that the Planning Act Regulation was ultra vires and that the Recreation Development Act designation was invalid. In 1977, the Appeal Division of the Supreme Court of Prince Edward Island upheld the legality of the Planning Act Regulation, but declared the designation made pursuant to the Recreation Development Act null and void due to a technicality. The L.D.C. has negotiated with R.B. Evans to purchase the property in question, but an agreement on the sale price has not been reached.

At present, about 40 per cent of the case study area is owned by non-residents living in the United States or other Canadian provinces. A slightly smaller percentage has been acquired by the L.D.C. on behalf of the Department of Tourism, Parks and Conservation. Island residents hold title to the remaining 25 per cent.

Of the non-resident acreage (see Map 7), 93 per cent was acquired prior to 1972. Since then only three transactions have received the approval of Executive Council. The total area transferred was 34 hectares (84 acres). In contrast, two applications for 206 hectares (510 acres) were denied by Executive Council. In both instances the land was subsequently purchased by the L.D.C.

Properties acquired for tourism and recreation purposes by the L.D.C. are managed by the Department of Tourism, Parks and Conservation.

While it is their policy to retain cleared farm land in production through leasing to active farmers, much of the land has declined in productivity. The lack of stability characteristic of short-term leases is generally recognized to act as a deterrent in maximizing production. For the last two to three years a large-scale potato farmer from St. Peters has leased much of the farm land. In 1979, his leased acreage was reduced considerably; however, no other suitable lessee was found and the land is now fallow. Poor drainage conditions have discouraged cultivation of a few small fields which now produce only hay.

No development for recreation has occurred, and use is restricted by poor access routes. In accordance with the Planning Act Regulations (1977), an official plan must be

completed for the Special Planning Area by 1982. Upon completion of the plan the designation may be lifted. Until that time, however, any new development must receive approval in writing from the Minister responsible for the Planning Act.

The non-resident properties support limited agriculture but have also experienced a significant decline in production since 1968. Some fields are worked by nearby farmers, but in many fields the land is under-utilized or idle. Restrictions on development discourage any change in use or improvements. A planned subdivision was approved several years ago outside the Special Planning Area. Only a few lots have been sold to date and no development has occurred.

In summary, within the area of the Cable Head

Photo by Esther Kienholz



An abandoned farm, Cable Head, Lot 40. Farmland leased by the L.D.C. to the Department of Tourism has not remained in agricultural production.



case study the effects of the non-resident legislation, the L.D.C., and the policies of the Department of Tourism, Parks and Conservation have been:

- 1) to prompt acquisition of approximately two-fifths of the Cable Head area by the Provincial Government for the purpose of recreation or conservation, although the eventual use of the land that remains is somewhat unclear;
- 2) to curb further acquisition of land by non-residents;
- 3) to restrict intensive development which is considered by the Provincial Government to be undesirable and incompatible;
- 4) to contribute to the decline and removal of land from agricultural use, and to its holding for other uses.

## 2) Morell River

The Morell River case study examines the use and management of L.D.C. properties along the Morell River for fish and wildlife purposes. The location of the properties in question is outlined on Map 8.

In 1975, the Morell River and its shorelands were designated under the Planning Act as a Conservation Zone. The intent of the designation was:

to maintain the recreational value of the Morell River; to retain its unspoiled state for the use and enjoyment of present and future generations; to protect it from encroachment of undesirable and incompatible land uses.

(Prince Edward Island, 1977)

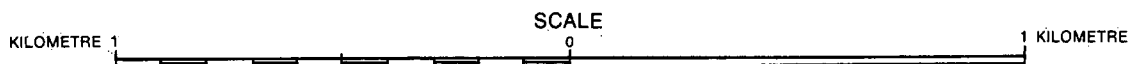
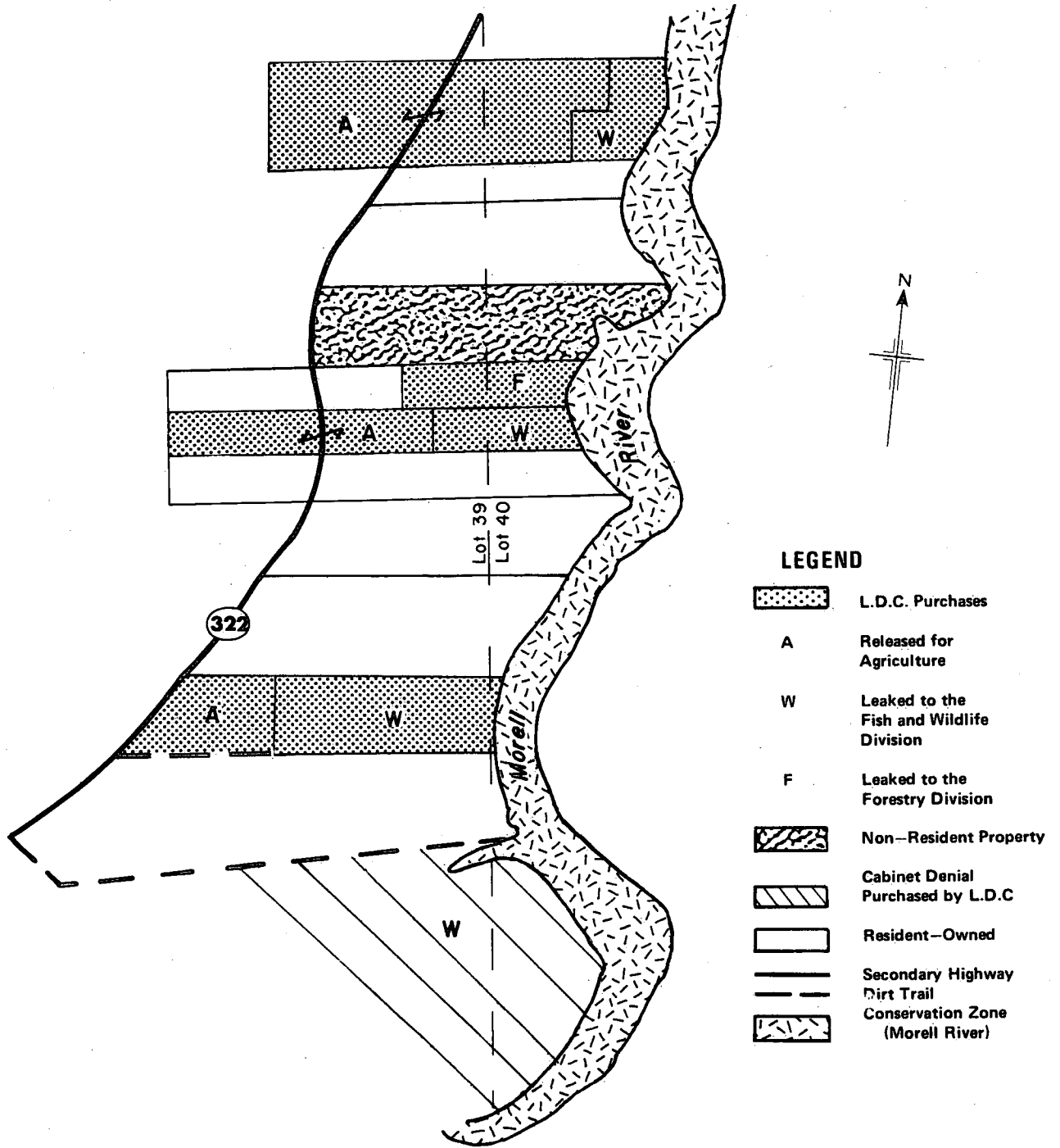
While established users would be permitted to continue, any new development would not be allowed.

The designation reinforced management policies already held by the Fish and Wildlife Branch, Department of the Environment. It had been an objective of the Fish and Wildlife Branch, prior to 1975, to preserve the natural qualities of the river and its shoreland and to promote its use for wildlife habitat and extensive outdoor recreation.

The largest property leaked to the Branch was acquired as a cabinet denial in 1974 by the L.D.C. In respect of the importance of the Morell River to wildlife and public recreation, Executive Council denied the application to purchase made by a non-resident. Based on past observations, it was feared that access to the river and hence its recreational value to the public, would be restricted by a non-resident owner. Upon request from the Fish and Wildlife Branch, the property of 47 hectares (115 acres) was purchased by the L.D.C.

The remaining three parcels leaked to the Fish and Wildlife Branch are considerably smaller in size with areas of 14, 4.8, and 6.4 hectares (35, 12, and 16 acres) respectively. These were acquired incidentally when portions of properties fronting on the river were considered to be unsuitable for agriculture. With the exception of 4.8 hectares (12 acres) which were leaked to the Forestry Division, remaining L.D.C. purchases in the immediate vicinity were released to farmers. A public access lane to the river was preserved adjacent to each parcel released for agricultural purposes.

Map 8  
**MORELL RIVER**  
 Case Study





Morell River, Lot 40. The Fish and Wildlife Branch has attempted to preserve the natural qualities of the area as well as promote its use for extensive recreation.

Achievement of management objectives has been hampered by a lack of the necessary staff and funds. When possible, habitat improvement has occurred in conjunction with cutting of mature and over-mature stands. Standards are set by the Branch to regulate the size and location of cut, stream setbacks, and clean-up procedures. The effect upon habitat and the wildlife population is a first consideration when cutting occurs on Fish and Wildlife land; this is in contrast to timber cutting on land managed by the Forestry Branch.

The Morell River and its shorelands provide opportunities for extensive outdoor recreation. While no user statistics are available, it is believed that fishermen form the largest number of users. Most gain access to the upper reaches by boat rather

than by road. However, the suitability for canoeing is reduced at times by the presence of log jams and dead trees that have fallen across the river. During autumn and winter, upland game birds and rabbits are sought by a small number of hunters. It is doubtful if many other recreationists make use of the Fish and Wildlife property, though picnickers, campers, and hikers are not opposed. A lack of facilities, remote location, and an abundance of black flies and mosquitoes deter potential users.

The L.D.C. has been instrumental in acquiring lands with high capability for fish and wildlife purposes. Since 1969, the Branch has received a substantial acreage through the leakage program. Much of this land would not have been acquired without the authority vested in the L.D.C.

The impact of the non-resident land ownership legislation was also felt in this area; alienation of property bordering the river was forestalled and the land was acquired for public use and enjoyment.

As in the Cable Head case study, political factors were instrumental in guiding land use in recent years. The non-resident and L.D.C. programs, together with designation under the Planning Act as a Conservation Zone, have served to prevent undesirable development and have fostered its use as a natural area with value for wildlife and resource-oriented outdoor recreation.

### 3) Head of Hillsborough Community Pasture

Community pastures benefit the agricultural community directly by providing additional grazing land to nearby farmers at a reasonable cost, and by maintaining in production land that might otherwise become idle or revert to brush. Indirectly, the availability of additional grazing land enables patrons to diversify production and to make better use of their own land. As will be discussed later, the ability to sell land to the L.D.C. benefited former owners who could not efficiently utilize their property.

The Head of Hillsborough Community Pasture, established in 1975, is one of nine such pastures managed by the L.D.C. It was developed in response to local demands for grazing land, and fulfils the objective of the L.D.C. to operate a pasture in each county.

At present, the pasture (Map 9) comprises eleven properties totalling 237 hectares (585

acres) two-fifths of which is forested with the remainder being agricultural land. Because of poor drainage and soil conditions, much of the land is better suited to pasture than cultivated crops. When purchased by the L.D.C., a large proportion of the cleared land was under-utilized or idle.

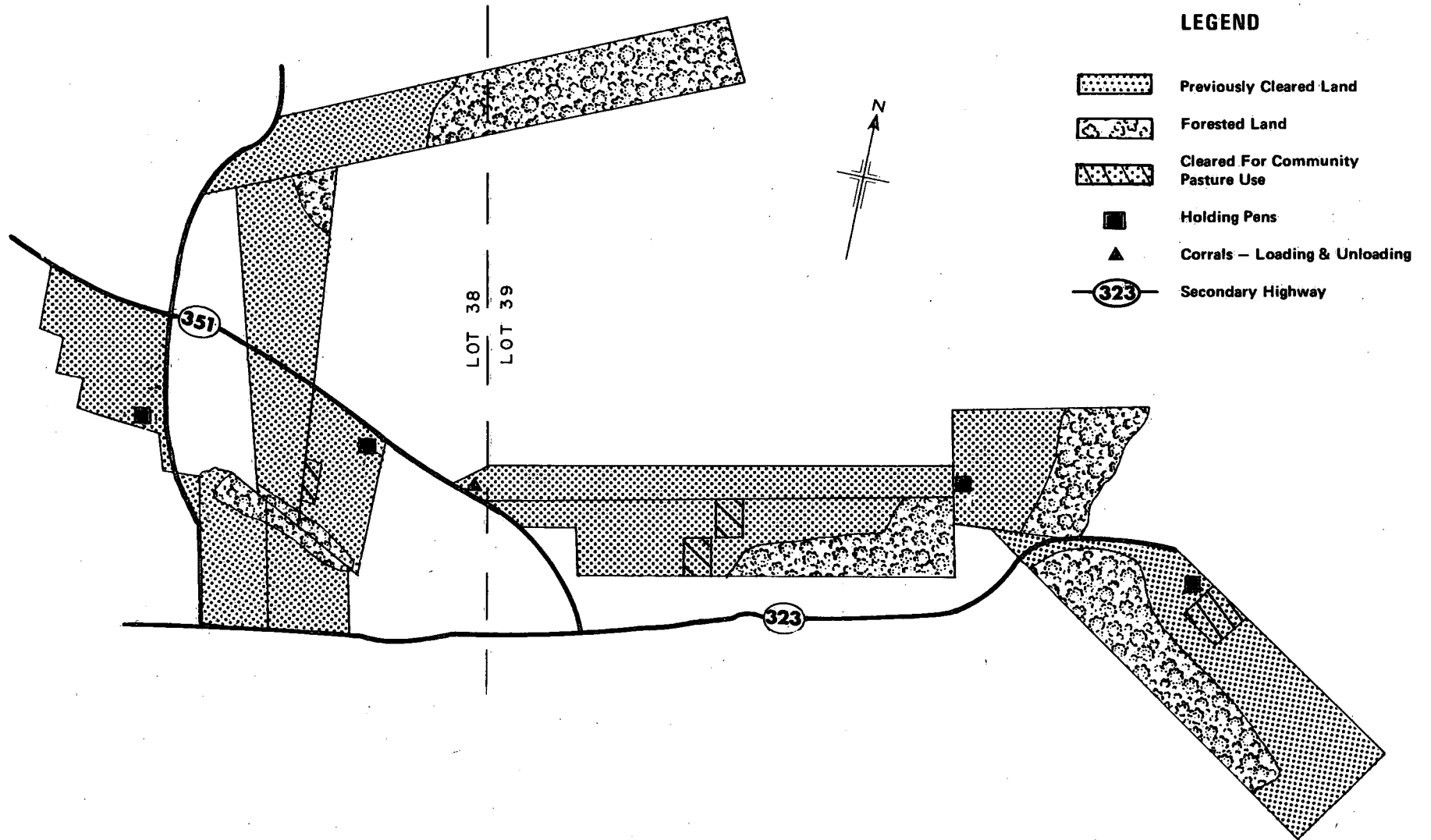
Because of poor farming practices, the fertility had seriously declined. Plowing, liming, and reseeded were required to bring the land back into production. Given the economics of agriculture in 1975, it is unlikely that individual operators would have chosen to invest the capital necessary to do this.

Factors influencing the use of land prior to its purchase and the decision to sell to the L.D.C. varied among owners. In two instances, the land did not fit into the type of farm enterprise; that is, it was not suitable for tobacco or strawberries and therefore was not fully used. Distance from the owner's home was a major factor in the decision of another farmer to sell his property. In several other cases, land had become idle following retirement, death, or change of occupation of the owner.

During the summer of 1979, twenty-seven farmers living within a radius of ten miles grazed steers or heifers within the pasture. As in other years, the demand for grazing exceeded the capacity of the pasture. Patrons generally have been mixed farmers whose operations vary in scale from small to large.

The L.D.C. now considers the Head of Hillsborough Community Pasture to be fully developed. During the summer season, the entire area is grazed over in rotation. Major

Map 9  
HEAD OF HILLSBOROUGH COMMUNITY PASTURE  
Case Study



improvements have been carried out on cleared land, and a minimal acreage has also been cleared. Because wooded areas provide shade and protection, it is advantageous to retain some woodland, and it is therefore not anticipated that further clearing will occur.

In summary, the development of the Head of Hillsborough Community Pasture enabled the former landowners to sell property that was either not compatible with their operations or was under-utilized. Following improvements, the land now helps to meet a strong demand for high quality pasture land by local farmers, without the need for further private investment in grazing land.

#### **Case Studies on Farm Operations**

Although the factors causing change in the farm economy have been described, a full appreciation of the nature of changes in rural land use and farm viability comes only through the analysis of case studies. Change in land use on a large scale is the cumulative result of many small decisions by individual farm operators and land owners. The following three case studies provide some indication of how individual farmers have coped with changing circumstances such as increased land values, the loss of farm labour, and the need to mechanize. The role of the L.D.C. and the non-resident ownership legislation in either alleviating or exacerbating the problems faced by the individual is discussed. The case studies deal with three different situations: 4) a new entrant to agriculture, 5) a family farm corporation of substantial size, and 6) a farmer with a small land holding. To preserve the confidentiality of information provided by the farmers, they will be

referred to as "A," "B," and "C."

#### **4) The New Farmer**

This case study focusses on a young man in his twenties, who was raised on a farm in the study area. He decided early in life that farming was to be his chosen career and way of life. For this discussion, he will be called Farmer A.

Farmer A has been operating his own farm for approximately five years. He acquired his first property in 1971 when he purchased 32 hectares (about 80 acres) from the P.E.I. Lending Authority. Most of this parcel was good agricultural land. In 1974, he was able to purchase an additional 16 hectares (40 acres) of farm land from the L.D.C. This property included a house and outbuildings located near a paved highway. Because the L.D.C. land was available at a lower price than would have been possible in the normal real estate market, he believes that the L.D.C. was of real assistance in acquiring the necessary land base.

At present, Farmer A also operates land owned by neighbouring landowners. The conditions under which he has acquired the use of additional land vary from one owner to another, but all require only a minimum cash outlay. For instance, an elderly farmer has permitted him free use of his land rather than seeing it lose value by reverting to alders. In exchange for services, he has received permission to cut hay on another owner's land. The third arrangement provides him with a parcel of 32 hectares (about 80 acres) in return for payment of taxes and fire insurance.

While Farmer A would like to purchase more

land, thus providing him with greater collateral and security of tenure, the high price of land makes it necessary for him to lease or acquire the use of land through other means. To compensate for increasing land values, he has maximized production on his existing land base.

In 1979, the area operated by Farmer A included 56 hectares (about 140 acres) of forage crops, 30 hectares (about 75 acres) of mixed grain, 22 hectares (about 55 acres) of pasture, and 16 hectares (40 acres) of mixed hardwoods. Land close to home is used to pasture 30 head of dairy cattle, while that further away is used to produce hay.

Originally Farmer A specialized in hog production but, while he still maintains close to 300 hogs, he has also built up a dairy herd. In the future he plans to increase the efficiency of his dairy operation and to phase out the hog operation.

Over the years he has received assistance from a number of provincial programs, including the L.D.C. He believes the Lime Subsidy Program has been of great value to the agricultural sector in general; in addition to the subsidy payments, financial assistance to construct a dairy barn was received through the Family Farm Program.

In recent years, there has been a fairly active real-estate market in his community; any good farm land is soon bought by expanding farmers. However, very few young people have started their own operations. Since 1974, price of cultivated land has increased from an average of \$250 to \$370 per hectare (\$100 to \$150 per acre) to \$740 to

\$1,000 per hectare (\$300 to \$400 per acre). Even greater has been the percentage increase for mixed hardwood stands. In 1974, one could expect perhaps \$60 to \$120 per hectare (\$25 to \$50 per acre), whereas the present value is approximately \$500 per hectare (\$200 per acre). The increased value of woodland results, in part, from a growing use of wood as a source of fuel for home-heating purposes and demand for recreation land.

Farmer A does not believe that the increase in the price of land within his community can be attributed to non-resident purchases or to the land purchasing activity of the L.D.C. There have been relatively few non-resident purchases in recent years as compared to coastal areas. Farm land offered by the L.D.C. is often priced lower than that sold through the normal real-estate market.

Non-resident ownership of land has posed few problems to agricultural land use in the community. On the other hand, there seems to be some relationship between a declining waterfowl population on a nearby pond and its use by a non-resident for the harvesting of wild rice. If increased protection is required for any land, wildlife habitat should be given first consideration.

The L.D.C. has benefited the agricultural sector in a variety of ways. Assistance to new farmers, one of the most valuable forms of assistance, has been illustrated in the case of Farmer A. While not a member of the Head of Hillsborough Community Pasture, Farmer A believes that some of his neighbours would have to reduce their herd size without the availability of such additional grazing land. Other patrons, however, could accommodate a larger number of cattle on their private

holdings through the use of better management techniques. In these instances, the availability of reasonably priced grazing land has reduced the need to maximize production on private property. A third form of assistance is provided to landowners whose land has been denied to non-residents. Without the L.D.C. to act as an alternate buyer, the landowner might experience some difficulty in finding an acceptable buyer.

In the opinion of Farmer A, existing policies and programs related to non-resident ownership are necessary and meet the needs for control satisfactorily. The greatest threat to the agricultural community is perceived to be from vertically integrated corporations in the food industry that can purchase large areas of land and dominate the economics of the local agricultural industry.

In most cases, these firms are based outside of Prince Edward Island.

### 5) The Family Farm Corporation

The trend towards larger-scale farming has, in recent decades, encouraged individual operators to join forces in either a partnership or company. A farmer, whom we shall call Farmer B, was chosen to represent this segment of the farm population.

In 1963, Farmer B established himself as a farm owner and operator within the study area. At that time he owned 80 hectares (about 200 acres) which supported a mixed dairy, beef, and potato enterprise. In 1966, the need to mechanize and expand were instrumental in his decision to specialize in potato production. In 1971, Farmer B, together with two other

Photo by E.W. Manning



A potato farm near Crapaud in central P.E.I.



members of his family decided to incorporate their holdings. In this way, they would be able to utilize capital, labour, and resources more efficiently and to compete more successfully for limited markets.

Over the years a considerable area of land was consolidated as nearby small operators with 20 to 40 hectares (50 to 100 acres) found that they could no longer afford to stay in farming. Some of the farmers retired while others moved to the cities in search of work.

In 1977, a property of 28 hectares (70 acres) was purchased from the L.D.C. after having been leased for five years.

Leasing of land has become more popular in recent years as the cost of purchasing land has more than doubled. Whereas a hectare of good farm land would have cost \$250 per hectare (\$100 per acre) ten years ago, the same land would now bring \$500 to \$1,000 per hectare (\$200 to \$400 per acre) in Farmer B's community.

The company has leased land from the beginning to increase their output. One parcel of 40 hectares (about 100 acres) has been leased from a non-resident for close to fifteen years. Other land is traded with a neighbouring farmer. Because potato land must be rotated with hay and grain to restore the organic matter and fertility, Farmer B has surplus hay at times. The neighbour has a beef operation and requires hay but not potatoes; thus land traded on an annual basis is of benefit to both. Unfortunately, most leases are short term and do not ensure the security of tenure needed to justify major expenditures for improvements and proper soil

management.

In 1978, the area operated, including property which was leased and owned, was approximately 500 hectares (about 1,240 acres). Of this, 176 hectares (about 440 acres) were in potatoes, 140 hectares (about 350 acres) were in mixed grain, and 140 hectares (about 350 acres) were in forage crops. As well, there were 40 hectares (about 100 acres) of poor-quality wooded land. While Farmer B feels that they would like to own a bit more land, he is also concerned about becoming too large a business. Like Farmer A, he is opposed to the intrusion of vertically integrated corporations into agriculture. He feels that farming is a way of life and that the family farm should be preserved.

Since acquisition, Farmer B has carried out significant improvements to the land. Production levels have doubled through the generous application of lime and fertilizer and use of proper rotations. Field size has been enlarged by removing old fences and hedgerows. Soil-management practices are carried out to prevent soil erosion. No land has been cleared of forest, however, as costs are prohibitive. The costs involved in bringing wooded land into production are almost equivalent to the purchase value of land already in production.

The transformation of the agricultural industry since World War II has resulted in many economic and social stresses being placed upon the farming community. Government programs providing financial and technical assistance have been, and still are, necessary to minimize the degree of disruption experienced by individual land owners and the industry as a whole.

In the opinion of Farmer B, the L.D.C. has assisted the company in any way they could. During the early years of expansion, they were able to lease land from the L.D.C. Since the company has become successful, assistance has been less direct. The L.D.C. has not been a competitor in land buying as they have not purchased land suitable for potatoes. In general terms, Farmer B believes that the L.D.C. has served both the land buyer and seller equally well.

Within his community, Farmer B does not perceive non-resident ownership of land to constitute a threat to agriculture. There has been little land purchased, and that land owned by non-residents is often leased by resident farmers. Because of the relative lack of non-resident purchases, there has been little effect on land values. Land use is more of an issue than ownership, though regulation of ownership could be one means of enforcing use restrictions.

## 6) The Small Holder

Farmer C began farming on the Island in 1955, and took up residence on his present farm in 1964. At that time he was able to acquire the land very cheaply since the home property had been vacant for 25 years and had almost completely reverted to alder, poplar, and spruce. A great deal of time, effort, and money was required to bring the land back into production. To help pay for improvements, Farmer C subdivided and sold two small shore-front lots in 1969. One of the lots was sold to a non-resident.

The modest land holdings of Farmer C are typical of most farm operations in P.E.I. Over the past 15 years, Farmer C has

Photo by E.W. Manning



Head of Hillsborough Community Pasture, Lots 38 and 39.

gradually expanded his land base but has remained in mixed farming. In 1979, he had 75 hectares (about 185 acres) under crop. Of this total, 18 hectares (about 45 acres) were in potatoes; 28 hectares (about 70 acres) in grain, 9.6 hectares (24 acres) in hay, 1.4 hectares (3.5 acres) were under row crops, and 8 hectares (20 acres) under pasture. Within the study area he owned 16 hectares (40 acres) of forest land, and additional forest land lay outside the study boundaries.

Like farmers A and B, Farmer C purchased land from the L.D.C., but, in contrast to both A and B, he feels strongly that the L.D.C. dealt with him unfairly. Because it is the policy of the L.D.C. to release only good farm land back to farmers, the corporation refused to sell him a portion of the property in question with high recreational capability. In this

way, he did not have the opportunity of profiting from subdivision of shore lots as he had on the home property. In addition, the land that he eventually purchased cost him more than he would have paid had he obtained it from the previous owner. Farmer C contributes his failure to "get ahead" largely to this lost opportunity.

Other factors have also played a role in forcing small holders out of business. Farmers with a limited supply of land must resort to intensive production. With the help of the family it is possible to operate a labour-intensive unit, but if help must be hired, profits disappear. Small-scale intensive farmers also find it difficult to obtain suitable machinery as it has usually been designed for larger-scale agriculture.

Within his community, traditionally one of fishing and farming, few full-time farmers remain. The availability of unemployment insurance has been a recent but effective factor in reducing the role of agriculture in the local economy. This trend towards land abandonment has been present for some time, however, as illustrated by the condition of the home property purchased in 1964. While

Farmer C believes that many of the owners would be willing to lease their land to farmers, there are few full-time farmers left.

In the opinion of Farmer C, the loss of farm land to other uses is a serious problem. Regulations should be in force that would restrict urban sprawl and strip development from good farm land. On the other hand, use of poor-quality land for alternate uses should not be curtailed.

Non-resident ownership of land is not, and never was perceived to be, a problem by Farmer C. He feels that it should be the right of the owner to decide to whom he will sell and for what price. In his community, in particular, he feels that it would be better to have land used only during the summer by a non-resident than not at all, as it is at present.

In general, both the L.D.C. and non-resident regulations have been not only unnecessary from Farmer C's point of view, but have hindered the free-enterprise system from operating effectively.



## SUMMARY AND CONCLUSIONS

The P.E.I. Land Development Corporation and non-resident land ownership programs have now been in effect for approximately a decade. During this period, the two programs have influenced the ownership and use of many properties in P.E.I. for both public and private benefit. While the impact may reflect the combined effects of both programs in some instances, each will be dealt with separately in the following statements.

### **Specific Effects of the P.E.I. Land Development Corporation**

The changes in rural life produced by the forces of urbanization and mechanization were felt somewhat later, but to no less a degree, in P.E.I. than throughout Canada. Not all of these changes were seen to be positive. As a means of guiding and regulating the changing use of the land resources, the Province passed the Land Development Corporation Act in 1969. The objectives of the Crown Corporation as stated in the act were generally to advance the development of the agricultural industry in the context of promoting the best use of the Island's land resources.

Through the programs of the L.D.C., a number

of changes in use and ownership of land have been brought about which would not otherwise have occurred. The two spheres of primary impact, each summarized in point from below, have been (1) to allow the Province to acquire public lands for recreation, conservation, and forestry purposes, and (2) to aid the farmer in the rationalization of the agricultural land base and the development of an economically viable farming industry.

### **Public Land Acquisition**

1. The Provincial Government has been able to acquire a sufficient land base to meet existing public needs adequately and to reserve land for future requirements. To the end of 1976-77, 20,914 hectares or nearly 3.7 per cent of the province's land area came under the management of provincial departments. Prior to establishment of the L.D.C., the Provincial Government owned very little land and did not have the means to acquire land for future needs.

2. Public access to traditional recreation sites has been ensured by purchase of key properties by the L.D.C. and their subsequent leakage to provincial departments, as illustrated by both the Cable Head and Morrell

River case studies. Through to the end of the 1976-77 fiscal year, 2,220 hectares had been leased to the Department of Tourism, Parks and Conservation, and 2,720 hectares were released to the Fish and Wildlife Branch, Department of the Environment. This constitutes significant protection of the land resource for recreation and conservation purposes.

3. A significant area of land has come under the management of the Forestry Branch. For example, approximately 1,150 hectares, or 1/3 of the total area purchased between 1970 and 1978 in the study area, was released to the Forestry Branch. Though there has not been sufficient time for any significant changes to occur, the future quality of the forest cover should improve under provincial management.

4. The L.D.C. has also served as a useful mechanism to allocate land to the use for which its physical capability is best suited. For example, the L.D.C. does not permit farmers to acquire from its inventory land that has high recreational capability, but that is poorly suited for farming, as was shown in the case study of Farmer C.

5. Similarly, undesirable development of prime recreational lands has been curtailed through the means of public acquisition by the L.D.C. as exemplified by the Cable Head case study.

### **The Agricultural Industry**

6. The agricultural sector generally has benefited from the L.D.C. programs. Assistance to new farmers, aid to retirees, farm consolidation, expansion through

leasing, and assistance to bring land back into production are some of the ways by which the L.D.C. has helped farmers in P.E.I.

7. Through assistance to new farmers, as illustrated in the case of Farmer A, the L.D.C. program has enabled many young people to enter into farming. The ability to lease land, to expand the farm's base through purchasing land at a low price, and to achieve scale economies through the use of a community pasture are some of the means by which the L.D.C. has helped new entrants into farming. In this way, more farmland has been kept in production, and the social structure of some rural communities has been revitalized. While few statistics are available to provide supportive evidence, in the opinion of one farmer, about 25 per cent of farmers under the age of 30 years might not have been able to establish themselves without the assistance of the L.D.C.

8. Through five-year leases with the option to purchase, many farmers have been able to expand their land base with a small initial capital outlay. Without this program, it is likely that some farmers would have found it very difficult to increase their land base and, thus, to become economically viable producers.

9. Farmers have also been able to achieve economies of production through participation in the Community Pasture Program of the L.D.C., as indicated in the Head of Hillsborough case study. Patrons are usually able to expand their herd size with the availability of more summer pasture. In addition, the Community Pasture Program has served to bring under-utilized and idle farmland back into productive use. On the



The Cable Head beach area, looking towards St. Peters Bay.

negative side, the availability of grazing land for a reasonable rental fee has, some contend, prompted the continuation of inefficient production methods on private farmland.

10. Idle farmland is also brought back into production by other means. Financial assistance has been provided to farmers who acquire from the L.D.C. land which has been idle for three or more years.

11. The L.D.C. has several additional mechanisms by which it (1) endeavours to allocate land to the use for which it is physically best suited, and (2) serves as a vehicle to rationalize farmland holdings. The Corporation has purchased non-productive parcels of land from many farmers. With the proceeds of these sales, numerous operators

have acquired the capital necessary to improve operations and production on remaining land. At the same time, the Corporation prevents farmers from purchasing land in the L.D.C. inventory which is unsuitable for agricultural use. As was shown in the case of Farmer C, not all farm operators have a positive view of this policy. Some farmers would like to acquire high-quality recreational land from the L.D.C. which they in turn could sell to cottagers at a profit.

12. As one aspect of the rationalization of agricultural holdings, the L.D.C. has assisted in the consolidation of small uneconomical farm units as was illustrated in the case study of Farmer B. Modern methods of production require large fields and larger farms. The 20 to 40 hectare farm is no longer economically viable.

13. On a negative note, it has not always been possible for the L.D.C. to ensure a high level of production on lands in transition. As shown in the Cable Head case study, farmland that has been included in the purchase of properties for recreation, has generally declined in agricultural production, even though such land may have been leased to farmers. The short-term leases offered by the L.D.C. do not provide the necessary security for farmers to justify improvements that would yield long-term benefits in production. For example, more than one-third of the land purchased by the L.D.C. within the study area which has shown a decline in agricultural production, had been leased to the Department of Tourism, Parks and Conservation.

14. Just as new farmers entering agriculture have received assistance from the L.D.C., those who wish to retire have found the Corporation to be equally helpful. The L.D.C. has functioned as a stable land-buying agency for small and retiring farmers. Retirees are able to sell their holdings to the L.D.C. at a fair market value at a time convenient for them. In the early 1970s, when land prices were low, the Annuity Program provided elderly farmers with an assured monthly income until they became 65 years of age. Now that land prices are higher, cash sales to the L.D.C. are more popular. This program assists the farmer in starting his retirement on a financially sound footing and also may make the farm industry more efficient by assisting small unsuccessful farmers to leave the business. Although there are these economic benefits to the retiree and the advantage of improved efficiency to the farm industry, the resulting rural depopulation is not

necessarily desirable from a social or a community standpoint.

15. In general, it is believed that the L.D.C. has helped to stabilize rural land prices in P.E.I. and has smoothed the operation of the rural land market through assisting in the transfer of properties between owners. However, some have contended that the land purchasing activity of the L.D.C. has forced prices up. The basis for this opinion may arise from the Annuity Program under which a landowner was guaranteed a monthly income until eligible for old-age benefits. In some cases, the total value of payments was greater than the market value of the land. Generally, the price offered by the L.D.C. is slightly lower (\$120 per hectare) than the top value which could be obtained through the normal real-estate market.

In conclusion, there is evidence to suggest that the L.D.C. program has served to (1) acquire lands for public use, (2) prevent undesirable development and allocate land to its most suitable use, (3) improve the economic viability of the farming industry, and (4) stabilize rural land prices.

#### **Specific Effects of Non-Resident Land Ownership Legislation**

Non-resident land ownership legislation has existed in various forms since 1859. It was not until 1972, however, that the means to enforce the legislation came into being and an information system was developed to monitor non-resident land sales. While economic and social factors have certainly played a role in determining non-resident ownership trends, these trends have been modified by provincial policies and programs.



The impact of the non-resident legislation upon land use has been both direct and indirect, as was the case for the L.D.C. The following points summarize the effects experienced within the study area.

1. The non-resident ownership legislation has discouraged non-residents from purchasing P.E.I. properties both indirectly and directly. The existence of the petition process has indirectly reduced sales, since many non-residents will not attempt to buy a property if they do not believe that their petition would succeed. In addition, a small but significant portion of non-residents were directly denied the right to purchase P.E.I. property during the petition process. Evidence of the success of the legislation is indicated by the declining interest exhibited in P.E.I. real estate by non-residents since

1972 when the program was implemented. The number of petitions submitted by non-residents rose slowly from 1972 to 1974, then dropped dramatically in 1975.

2. The non-resident ownership legislation has afforded the Provincial Government an opportunity to reach a decision on the most socially desirable use of its land area. Under the petition process, non-residents must receive approval from the Lieutenant-Governor-in-Council prior to acquiring title to greater than 4 hectares (10 acres) of land or 99 metres (330 feet) of shore frontage. Consequently, the Provincial Government is alerted to the possible alienation of valuable recreation or wildlife land. Through its jurisdictional ability to deny the applications of non-residents to purchase P.E.I. land, the Provincial Government can,

Photo by E.W. Manning



A small farm holding near St. Peters Bay, Lot 39.

for example, prevent undesirable development in environmentally sensitive areas and stop the purchase of land for seasonal residence only. If the land requires environmental protection or can serve a broader public use, the L.D.C. is instructed to make an offer to purchase.

3. The non-resident ownership legislation may have helped to stabilize land values, particularly in prime recreation areas. By slowing the rate of sales to non-residents, the rising value of land may have been slowed in coastal areas. However, inland areas have been less affected as non-resident purchases for recreation are relatively few in number.

4. Some Island landowners may have been penalized by the non-resident ownership legislation. By restricting purchase by non-residents, some landowners have suffered lost opportunities to profit from sale of cottage subdivisions or non-productive farm land for the highest market value. In some instances, this may have created economic hardships for the owner. However, it is a policy of the L.D.C. to make a reasonable offer of purchase to any landowner who has been unable to sell his holdings to a non-resident.

5. The landowners who were contacted in the study area did not believe that non-resident ownership detracted to any degree from the agricultural viability of their communities. If local farmers wished to lease farmland, non-resident owners were often willing to do so as the value of their land would be enhanced. Where non-resident farmland was idle it was often because no expanding farmers were in close proximity.

## Conclusions

In response to recommendations set forth in D.R.E.E.'s Development Plan for Prince Edward Island, the government of Prince Edward Island passed, in 1969 and 1972 respectively, two pieces of legislation establishing the Land Development Corporation and the non-resident ownership review process. These were intended to promote the optimum use of the Island's land resource. This objective has been at least partially fulfilled during the 1970s.

Preservation of high-quality recreation and wildlife lands through public acquisition has been a significant achievement of the L.D.C. Of equal or greater importance has been the contribution to the agricultural sector through enabling new farmers to acquire a land base, aiding retirees to leave the business, developing community pastures, and the leasing or selling of good-capability agricultural land for the purposes of rationalizing or consolidating farm holdings and improving agricultural productivity. In general, the L.D.C. has smoothed the transfer of lands between owners, tended to stabilize land prices and helped to ensure that farmers acquired the most suitable land for agriculture. Lands with low capability for agriculture which came into the possession of the L.D.C. have been switched to more appropriate uses through, for example, the release of land to the Forestry Branch.

By monitoring all land sales to non-residents, the Provincial Government has been able to check the rate at which absentee ownership was occurring. By means of the petition process and the use of the L.D.C. as an alternative purchasing agent, the

the Provincial Government has been afforded the opportunity to obtain high-capability recreation lands for public purposes, to prevent the intensive development of environmentally sensitive areas, and to reduce other less desirable uses such as seasonal residence. It is believed that the requirement for application has in itself been a deterrent to some potential non-resident buyers.

The most significant impacts upon land use in P.E.I. resulting from these two pieces of legislation have been (1) to encourage the maintenance of good farmland in production and (2) to make available to the public land better suited for other uses.

The significant achievements resulting from

the implementation of these programs by Canada's smallest province should be instructive to other provinces across the nation. Problems such as abandoned agricultural land, fragmented farm holdings, difficulties of entry into agriculture, the development of environmentally delicate areas, and other unsuitable uses of the land resource are not peculiar to P.E.I., but rather are experienced in all provinces. Thus, a further contribution of the P.E.I. legislation may be to serve as an experiment from which other provincial governments can learn. Other provinces may wish to develop similar programs, adapted to their own situation, which improve the viability of the agricultural sector and ensure that land is allocated to the most socially desirable use.

## FOOTNOTES

### CHAPTER I

- 1 See Lands Directorate (1978a), for a discussion of the history of non-resident land ownership in P.E.I. and a review of legislation, policies, and administrative procedures pursuant to the Real Property Act.
- 2 Information on non-resident petitions since 1972 is readily available through an information system developed and maintained by the Department of Municipal Affairs, Community Planning Division, P.E.I. A file is kept for each petition and contains information related to the status of the petition, shore frontage or area involved, intent of use, residence of vendor and purchaser, price per acre and total price, location, and type of land (cleared or wooded).

### CHAPTER II

- 1 Since forested land was not mapped in 1978, the area for this land type was calculated rather than being measured electronically.

### CHAPTER IV

- 1 Information collected during the course of research for two earlier studies completed by M.R.M.S. for the Lands Directorate has been updated. Information was also gathered for Lot 38 related to non-resident petitions.
- 2 The data contained within Chapter IV have been obtained directly from the Land Use Service Centre and the Land Development Corporation, P.E.I. They may vary by a small percentage from those presented in Chapter III as much of the land use and ownership data was derived through measurement with an electronic digitizer.

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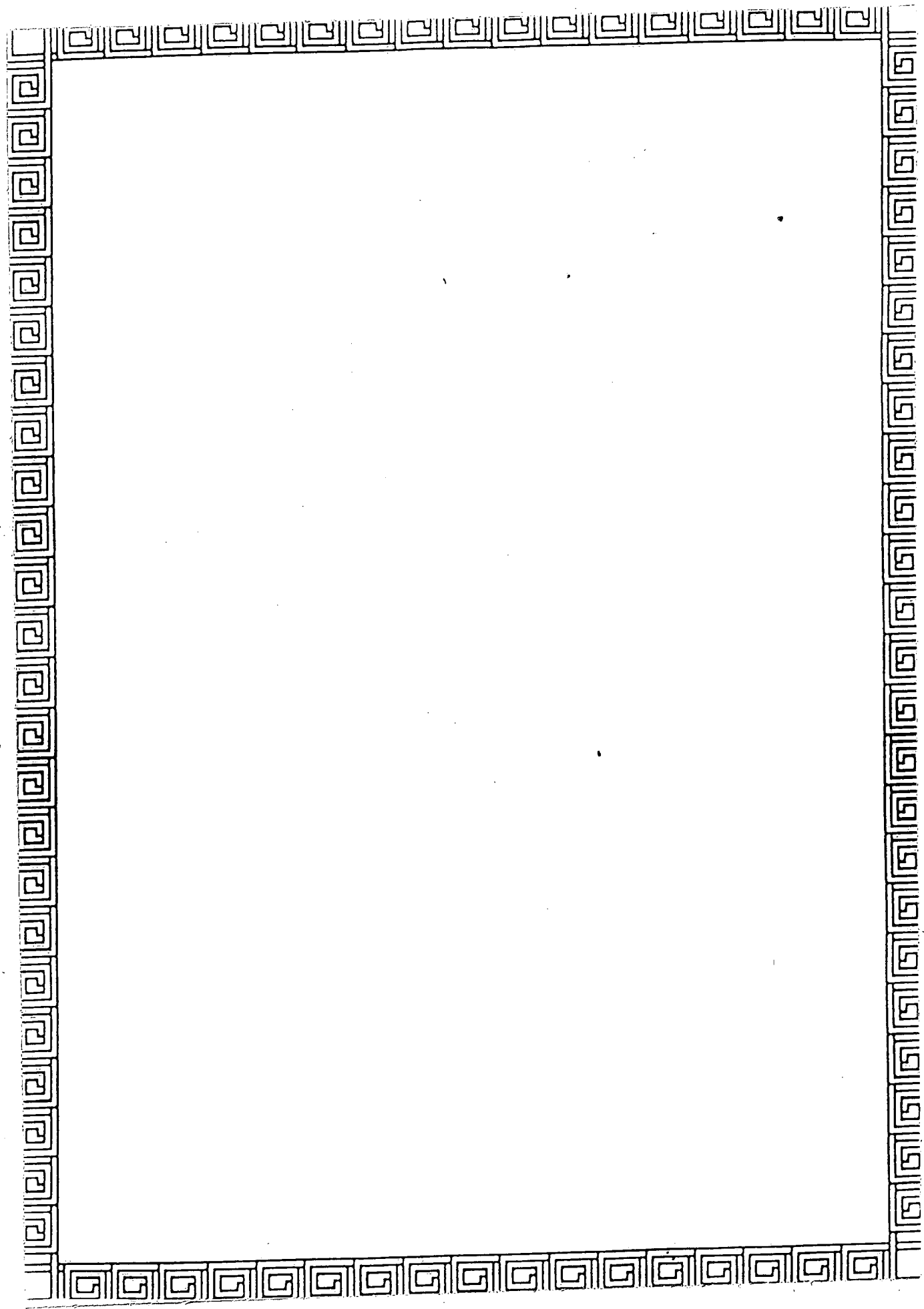
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