

FARM LIVING

Castlegar celebrates link to Prairies



Castlegar lies at the confluence of the Columbia and Kootenay rivers along Highway 3 in southern British Columbia. PHOTOS: ROBIN & ARLENE KARPAN

TALES FROM THE ROAD



ARLENE & ROBIN KARPAN

Castlegar, B.C., blends outdoor adventure, striking mountain scenery, rich culture and a key historical link to the Canadian Prairies.

With fewer than 10,000 residents, the city lies at the confluence of the Columbia and Kootenay rivers along Highway 3 in southern British Columbia.

We get our first glance at its stunning setting in the mountains as we approach from the east, where the road descends into a broad valley. The city's lower elevation in the deep valley gives Castlegar a milder climate than many communities in the region.

Surrounded by nature, the area abounds in just about every outdoor activity going from hiking and biking trails to paddling, fishing, golfing, rock climbing and wildlife viewing.

We don't even leave town to find nature trails such as the Millennium

Walkway along the Columbia River and around Zuckerberg Island.

Castlegar's history is closely tied to that of the Doukhobors.

The pacifist group was looking to escape persecution in Russia in the late 1890s, at the same time that the Canadian government was encouraging immigration to the Prairies. The Doukhobors were given land in Saskatchewan and exempted from military service.

Trouble came in 1907 when the government ordered Doukhobors to declare an oath of allegiance and register their land under the Homestead Act, which they saw as government interference and contrary to their communal way of life.

In response, some 5,000 Doukhobors left Saskatchewan in 1908 for B.C.'s Kootenay region, mostly in and around Castlegar. While conflicts with the government eventually erupted here as well, for a time they enjoyed greater freedom.

Castlegar's Doukhobor Discovery Centre brings this history to life on a 10-acre site modelled after a traditional village.

On our visit, we learned about their distinct cultural and spiritual identity that still resonates in the community. Near the entrance stands a table with bread, salt and water, representing

the staff of life and symbolizing peace and hospitality.

In the dom, or community dwelling, two floors of exhibits trace the Doukhobors' history and persecution, their communal lifestyle and pacifist ideals.

The blacksmith shop contains early tools, while the barn and implement shed reflect their agricultural roots.

Textile displays show looms, spinning wheels and weaving tools alongside beautiful tablecloths, shawls and rugs.

In the gardens, a statue commemorates Russian novelist Leo Tolstoy, who supported the Doukhobor cause in Russia and helped with their emigration to Canada.

Elsewhere in Castlegar, we can visit the historic Brilliant Suspension Bridge over the Kootenay River, built by Doukhobor settlers in 1913 and now restored for pedestrian use.

On a hillside overlooking the river valley lies the tomb of Doukhobor leader Peter V. Verigin, who died in 1924. Many of his family members are also buried here amidst the floral gardens.

A surprising spot is Zuckerberg Island, reached by a pedestrian suspension bridge near the river confluence.

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Castlegar calls itself the Sculpture Capital of Canada. These sculptures are located in front of city hall.



The Russian Orthodox Chapel House is the centerpiece of Zuckerberg Island.

» CASTLEGAR FROM PAGE 29

ence. It was named for Russian writer and pacifist Alexander Zuckerberg, who came to Canada to teach Doukhobor children and settled on the island in the 1930s.

Peaceful nature trails wind through the small island. Along the way, we pass the remains of an ancient winter pit house used by Lakes Salish people years ago.

The centrepiece is the unusual Russian Orthodox Chapel House, built by Zuckerberg and since restored. Also a sculptor, Zuckerberg's most famous piece is Stump Woman, carved from a tree stump in front of the Chapel House.

Castlegar proudly calls itself the Sculpture Capital of Canada.

The Sculpturewalk is an annual exhibit of outdoor artwork scattered through the city, with most in an easily walkable area of downtown. Sculptors from near and far bring their works for exhibition and competition.

With our sculpture map in hand, we spent an enjoyable evening looking at pieces that range from intricate to colourful to completely off the wall. One actually is a wall next to the library, where Humpty Dumpty sits reading a book.

We find sculptures of birds, animals, people and even elephants with balloons. Some designs only make sense in the minds of the artists.

You can even vote for your favourite piece by filling out a ballot. The city purchases the winning piece to become part of its permanent exhibit.

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Textiles and other exhibits are on display at the Doukhobor Discovery Centre.

Tax and estate planning toolbox needs periodic inspection

ASK A LAWYER



AARON HAIGHT

Before the growing season each year, producers spend countless hours preparing their crop plan, repairing equipment and ensuring that they have all of the inputs on hand that they need to give their crops the best shot at success.

Achieving tax efficiency and a smooth transition of a farming business, whether that means selling the farm or passing it on to the next generation, requires a similar level of care and attention.

There are three aspects that every farm operation should review on a periodic basis:

OPERATIONAL STRUCTURE

Canada's income tax system taxes profits earned by individuals and corporations at different tax rates.

Corporate tax rates on business income are generally lower than personal tax rates. However, amounts paid by a corporation to an individual in the form of wages and dividends are subject to personal tax.

If your farm business generates more income than is needed to fund your personal consumption, earning this income in a corporation to be taxed at lower corporate rates will provide you with more after-tax dollars to reinvest in your business.

However, if you have realized start-up losses and have off-farm personal income, it may make sense to delay incorporation until the business is profitable.

For larger farming operations that are already carrying on their activities through a corporation, the first \$500,000 of annual taxable income is taxed at lower rates (nine percent in Manitoba, 10 percent in Saskatchewan and 11 percent in Alberta and British Columbia in 2025) than the general corporate rate applicable to business income (27 percent in Manitoba, Saskatchewan and British Columbia and 23 percent in Alberta in 2025).

Where multiple stakeholders (family members, neighbours, employees) co-operate in carrying on farming activities, it may be possible to establish contractual relationships that permit each stakeholder to access the lower corporate tax rate in their own corporation.

Note that the capital base and passive investment income of related corporations may affect the availability of low corporate tax rates.

Various approaches are available to make farming businesses more tax efficient. A qualified tax practitioner can recommend options that will best position you to meet your goals while minimizing your income tax liability.

PREPARING FOR THE NEXT CHAPTER

Farm business owners have unique tools available to reduce tax payable when they sell their farm or transition it to the next generation:

- The lifetime capital gains exemption, which permits individuals resident in

Canada to realize capital gains of up to \$1.25 million in respect of qualifying farm property without being subject to regular income tax.

- The farm "rollover" rules that permit a transfer of qualifying farm property to a Canadian-resident child or grandchild on a tax deferred basis.

These rules may still be available even if active farming operations have ceased and farmland is leased to a third party.

While they are powerful, meeting the technical requirements requires advanced planning.

New companies may need to be established so that non-farming assets can be removed from the farming corporation.

Farmland ownership histories (including use by parents and grandparents) may be needed to determine how long a particular asset will continue to qualify for favourable tax treatment.

If you are considering a significant transition in your farming business in the next five years, talk to your professional advisers now so they can thoroughly consider the options that may be available to you in the future.

ESTATE PLANNING DOCUMENTS

If a farmer experiences an unexpected death or mental incapacity, the first legal question that will be asked is whether the individual had a valid will or power of attorney in place.

Without these documents, a court order must be obtained before any significant decisions can be made.

Where an individual dies intestate, or without a valid will, a court application is needed to appoint an administrator for the estate, and the distribution of estate

assets will be dictated by the provincial legislative scheme.

If a person becomes incapacitated without previously signing a power of attorney, an application to court will be necessary to appoint a guardian and/or co-decision maker.

If no suitable family member can be found, the Public Guardian and Trustee (a government office) may need to step in.

Many individuals have signed estate planning documents at some point in their lives. However, these documents may no longer reflect their wishes or may not sufficiently address the complexities that arise when passing business assets to an individual's heirs, some of whom may be active in the business and others who may not be.

If estate planning documents are outdated, a significant risk of estate litigation arises.

Updating your estate planning documents can be a daunting task because it requires tough decisions about who to entrust to manage your affairs and how to divide your assets among your heirs.

Working with an estate planning adviser who specializes in farm succession planning can provide comfort that the legacy you are leaving behind will be a blessing to the next generation and not a curse.

Aaron Haight is an associate with MLT Aikins LLP. This article is of a general nature only and is not exhaustive of all possible legal rights or remedies. In addition, laws may change over time and should be interpreted only in the context of particular circumstances such that these materials are not intended to be relied upon or taken as legal advice or opinion. Readers should consult a legal professional for specific advice in any particular situation. If you have a topic or question you would like us to address in future issues, please email kkriel@mltaikins.com.