

Toward Prosperity

Natural Resources Sector Consultation

July 13th, 2000

Notes:

Strategy:

- Must not overlook the work that has already been done on earlier growth strategies. Should incorporate that as well.
- Success is far more likely when are acting upon local ideas.
- Many of the solutions for these problems require more than a 4 year mandate. The issue of continuity needs to be addressed.
- Strategic Plans must transcend elections to allow for consistency.

Government Role:

- Maybe government can help by stepping out. There are very few things that government has to do to encourage economic development.
- There is too much turnover in government.
- Should look at what we were doing earlier when Nova Scotia was so successful.
- There is not enough understanding of the natural resources industry in government.
 - An individual approached the government for use of Crown lumber and was told that the project would employ too many people per unit of output and was thus too inefficient to be approved.
 - There are fewer people in the Department of Environment (DOE) and those remaining are so overworked that they will consider only those projects/proposals that do not have many issues to be worked through. In this way many valuable projects are passed over.
 - The Department of Labour is also understaffed - inspectors are given too much power and do not know the specifics of any of the businesses they are inspecting.
- The Western Valley Development Authority has been successful in forming grassroots committees on industries. Could use such organizations to get information on specific industries in communities.
- There is currently nothing to encourage Nova Scotia crown land users to add value.
- Need the support of the Department of Economic Development to bring the DOE on side. Need an “inside guy/group” to educate them about the industry.
- The system is not updated to the current economy. We have lost the people that were willing to make a decision. Must ensure that people will not lose their job for making a decision - correct or not - if it was based on the available evidence.
- The Department of Natural Resources runs on approximately \$3.5 million and the industry generates \$600 million, costing \$2 million per year. The inequities in the amount of attention received are “obscene”.
- Public servants are supposed to help us around the hurdles rather than set them up.

Infrastructure:

- There is poor infrastructure for the support of economic development.
- Need research on whether we are doing enough for sustainable development.
- We are not putting enough money into the development of the rural economy.
 - Rural economies lack skills training so the youth leave.
 - There is a lack of communication between business and education.
- The Internet presents tremendous opportunities for smaller businesses if they can provide methods of manageable shipping.
- Need the necessary infrastructure to support e-commerce for rural areas. When government cannot do anything, should be opened up to competition to provide.

Context:

- At present 20% of the population is taking care of 80% of the land.
- There is a new situation now where people will turn down jobs and remain on welfare if the job is not quite to their liking.
- There is a myth that 10 industries with 10 employees each will cost government more than 1 industry with 100 employees. The market should decide what is efficient and what is not.

Silviculture**Context:**

- Must recognize the wide range of industries that are invested in healthy forests i.e. angling, hunting, trapping etc.
- We must not ship lumber out of the province without first adding value. Our earning potential on raw lumber is already strained.
- Forestry is the largest industry but tourism gets all the focus.

Regulation/Taxation:

- Private ownership of land:
 - There is the potential for more work on this issue from the taxation side.
 - Need to properly manage the resource, if we get more revenue from the final products, then silviculture will be more affordable.
 - Need to find a way to encourage the 30-40,000 people who own the wood-lots to better manage the land.
- The present tax regime does not match the life-cycle of the industry.
 - The taxation of private wood-lot owners should allow them to control their own property.
 - Must amend the tax laws.
 - Need to amend the capital gains tax and inter-generational ownership issues.

Business Climate:

- At present it appears as if there is a conscious agenda to hand over control of the forests to multinational corporations (MNCs)

- Must keep the MNCs out - they do not give anything back to the community.
- Our situation with landowners is unique, in most other provinces, the majority of the land is crown property.
- The province needs to encourage private ownership.

Sustainable Development:

- Need timely address of issues pertaining to sustainability - be willing to invest to ensure sustainability.
- We are planting and thinning trees but do not protect the newly planted trees - we are wasting our investment.
- It is shameful that the federal government does not do more to encourage a renewable resource.
- There is an opportunity to use the by-products of the saw-mills (bark) to be used in professional grower's mix. The chief obstacle is that the mills are so small.
- The people making decisions about the sector are all in Halifax - they do not have sufficient knowledge of the nature of the businesses. Small businesses do not run unless the owner is there, cannot be constantly going to meetings.
 - 10 years ago foresters said that Point Pleasant Park was going to be infested with bugs soon if something was not done - no one listened because the city people in charge did not agree.
- It is possible to have a healthy level of harvesting in the forests. Need a management plan for the natural resources.
- Must allow some recreational activities in the forests to promote a sense of ownership among the public. That will encourage people to take care of the forests.
- Must promote conservation (wise use) as opposed to preservation (no use).
- Sustainable development requires multiple uses of resources - community diversification.

Mineral Industry:

- We no longer offer supports for people to invest up-front in exploration. We need to increase the incentives for such activity.
- Currently we have a low level of royalties. More investment up-front would yield long-term growth.
- The province needs to talk to the federal government about offering exploration grants and flow-through credits. All of the paperwork has already been done and is shelved somewhere - need to bring it out again - would at least double royalties.
- There is no other industry that produces more revenue per acreage than mining.
- It is extremely difficult to get aggregate from the quarry out of the harbour without paying the ILA twice the value of the aggregate itself.