

# HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

ECONOMIC DEVELOPMENT

**Tuesday, April 11, 2017**

**COMMITTEE ROOM**

**Louisbourg Seafoods Ltd.**

**Re: Rural Nova Scotia and Long-Term Plans for Economic Growth**

**Printed and Published by Nova Scotia Hansard Reporting Services**

## **ECONOMIC DEVELOPMENT COMMITTEE**

Mr. Joachim Stroink (Chairman)  
Ms. Suzanne Lohnes-Croft  
Mr. Derek Mombourquette  
Mr. David Wilton  
Mr. Chuck Porter  
Hon. Pat Dunn  
Mr. John Lohr  
Hon. Sterling Belliveau  
Hon. Denise Peterson-Rafuse

[Ms. Suzanne Lohnes-Croft was replaced by Mr. Ben Jessome]  
[Mr. David Wilton was replaced by Mr. Bill Horne]  
[Hon. Pat Dunn was replaced by Hon. Alfie MacLeod]  
[Mr. John Lohr was replaced by Mr. Eddie Orrell]

### **In Attendance:**

Ms. Judy Kavanagh  
Legislative Committee Clerk

Mr. Gordon Hebb  
Chief Legislative Counsel

## **WITNESSES**

### **Louisbourg Seafoods Ltd.**

Mr. Dannie Hanson - Vice-President, Sustainability and Public Affairs

Ms. Jenna Lahey - Marketing Division

Mr. Justin Mahon - Co-owner, Mahon's Mechanical Ltd.



House of Assembly  
*Nova Scotia*

**HALIFAX, TUESDAY, APRIL 11, 2017**

**STANDING COMMITTEE ON ECONOMIC DEVELOPMENT**

1.00 P.M.

CHAIRMAN

Mr. Joachim Stroink

MR. CHAIRMAN: I'd like to call this meeting to order. This is the Standing Committee on Economic Development. This committee will be receiving a presentation on the topic of rural Nova Scotia and the need for long-term plans for economic growth in our traditional and non-traditional industries.

I'll ask members to turn their phones off. You know where the exits are, and you know where the bathrooms are. I ask that the witnesses be recognized before they speak, and everyone else, so that Hansard can keep up to date with what's going on.

I will now turn this over to introductions. We'll start with the members and then I'll turn it over to Mr. Hanson.

[The committee members introduced themselves.]

MR. CHAIRMAN: Mr. Hanson, now I will turn it over to you to do introductions and you can start your presentation.

MR. DANNIE HANSON: Thank you for allowing us to come here today. I'll introduce Justin Mahon, the chairman of our community organization, which is the Gateways to Opportunity in Louisbourg. He'll speak a little more on that himself. Also, beside me is Jenna Lahey, who works for Louisbourg Seafoods, plus the community. I'll just have them do a slight introduction of themselves.

MR. JUSTIN MAHON: I'm Justin Mahon. Like he said, I'm the president of Oceans of Opportunity in Louisbourg, and also a co-owner of Mahon's Mechanical.

MS. JENNA LAHEY: I'm Jenna Lahey. I work for Louisbourg Seafoods in the marketing division, and I'm also the president of the Louisbourg Historical Society.

MR. HANSON: The purpose of today is to come and talk about rural coastal development and how we can enhance what we're doing and have it move more out into the rural areas so we can do some more growth out there and more innovation being the main collection of strategy. What we're doing as a province and what we're doing in Cape Breton is very important. Like Innovacorp and start-ups, all of that is extremely important and extremely positive and helpful, but it's not getting out to the rural coastal areas.

The employment levels in the rural coastal areas are increasing in some areas; in some areas they're not. It depends on the companies' investments in training, innovation, automation, and IT. The purpose of today is to show you, if we just refocused our approach and allowed for IT to come out into the resource industries more, in the rural areas more, to enhance them in automation and data collection and Oceans of Opportunity towards even tourism and virtual realities - then your employment will start quicker than if you just did little start-ups.

Start-ups are extremely important, very important, but they're not building enough capacity of employment because they're starting a business, it takes five years. But if you were to match up with the rural industries and the coastal industries and help us advance our causes and our needs to modernize and become tech and IT in processing, forestry, tourism, and whatever, you will get an 80 per cent increase in employment over the same time period if you just stayed with IT in the centres, and it won't cost you any more money.

That's the purpose of today. It's not to come here to look for your government to put any money on the table. It's to show you that the money that's already on the table, how we can better direct it.

You have what was announced as the federal Atlantic Growth Strategy. I'm sure you're all familiar with that. It was announced by the federal government and it was in Wolfville, Nova Scotia four or five weeks ago, where Atlantic Canada has got to work together. It's a great model. We've been working towards that model for some time in Louisbourg Seafoods. We've been selected as the company to be the fisheries company in that model for accelerated growth.

In your pamphlets, you have a thing on the accelerated growth. What it is - it brings all the departments together under the strategy of Louisbourg Seafoods. So just replace Louisbourg Seafoods with the community of Louisbourg. Under that, I go to a meeting and in a room that's under the direction of the government - BDC, EDC, ACOA, IRAP, Nova Scotia Business Inc., and any of the agencies - they look at the strategies that we produced and employment, and their job is to help us create that employment quicker as an accelerated growth company.

It's a phenomenal strategy. You have it in the light company you have up here - I forget the name of it, but LED lights, causing great employment. We took that strategy and we used it in Nova Scotia. Louisbourg is the area that we would want to use it in. We're focused on Louisbourg's strategy plan. They have developed it themselves. It's community led. We grow that over a three- to five-year period, and we focused on Louisbourg. Now all the agencies must meet with us and talk to us on how to facilitate us with what they've got, instead of us trying to chase and find out what's going on and who's got a program and who's got this. We work as a collective unit under the coastal strategy - so that's what today is about to show you.

MR. MAHON: This was our pilot project - Derek, Alfie, you guys would have heard of it. Basically, we looked at a hub school and we went from those guidelines and basically it was all - the bottom line was they were set up to fail, as everybody said, so we took those guidelines and used them as a jumping off point. We came up with the Gateways to Opportunity school, which basically we will have artisans in the community engaged in the school and the boat building on the waterfront and basically the classrooms in the community. We're in the community and the community is in the classrooms. That's where we started.

MR. HANSON: This one I'm putting up for a reason. Getting the community to come together is what Louisbourg Seafoods was asked to do by the community. They came and asked for help, and Jim Kennedy has the resources - and myself and other senior managers. He tasked us to go out and give a hand because there was such fighting going on in that community. This was last year. You had the councillor standing up in front of his community with his arms folded saying, I'm not doing something. That is what was going on in Louisbourg.

HON. ALFIE MACLEOD: Former councillor.

MR. HANSON: A former councillor, yes. I use it to make a point. These people worked very hard to get rid of that attitude, that whole confrontational part of it.

We moved ahead, but what we did was ask everybody to get back in the box. They nearly fainted when I said, get back in the box; look at what we've got, look at what the government is giving us, and see how we can best use it with private sector money - knowing that the day is over, there's not a lot of money around, which is fine.

We put the team back in the box - and there are six of them - and what we came up with was staring us right in the face for the survival of Louisbourg. We made a strategy and this is the strategy. I can't see it very well up there but you will all see it on the paper we have given you. Jenna.

MS. LAHEY: The Oceans of Opportunity strategy revolves largely around our school - which was slated for closure in July of this year, but that has hopefully since been put on hold for now - and also a building on Harbourfront Crescent, known as the Craft Centre, which does belong to Mr. Kennedy of Louisbourg Seafoods. We're looking at combining the sectors that you see here: ocean science/natural resources, business/entrepreneurship, tourism/hospitality, and heritage and history.

Basically, what we're looking at is the amazing resources that we already have in our community, and really focusing on them and capitalizing on what we have. Oceans, heritage, and tourism are obviously things that we do very well in Louisbourg. We're hoping that by putting more of a focus on those in our centre, we can create not only new business opportunities and entrepreneurship, but also a sort of hub for the community itself, and a way to draw revenue for our school project as well.

MR. HANSON: With this approach, we looked at everything in the community - again, back in the box - and where we're going in the next five to 10 years. We employ 400 people in oceans, but there's many other aspects of oceans, so what is it missing? It's missing IT. How do we do tourism and these things together? We have a fantastic Destination Cape Breton tourism organization. We have an outstanding working relationship with the Louisbourg Playhouse and the Fortress of Louisbourg and the accomplishments that can happen by bringing them all together in a loop.

You're not going to read this, but the PowerPoints will come to you - that's the director of the fortress saying, yes, I'm ready to play. I'm ready to drop the barriers in the Fortress of Louisbourg and work with you and see how the fortress can move into the community and how we can be more of an asset to the development of an overall strategy. They're moving in a big way. They're paying \$350,000 for the former town hall of Louisbourg, and they're moving their administration and 10 management staff there. Plus, they're putting one of their booths for purchasing tickets there and they're paying the wages of an individual who does artisan boat building. He will go in our building on the waterfront. There's a big move to work together.

Then you have an organization that's called New Dawn, which you're all familiar with. They're coming in to work with the community. You have an organization called Cape Breton Centre for Craft & Design. They're coming in.

This is not new, the oceans part of this. As Mr. MacLeod and Derek will know, Harvey Lewis is 91 years old. When he was mayor of Louisbourg, he wrote this document that says: It's time to have an ocean science research establishment in a small way in Louisbourg. That's 30-some years ago. I took over his desk after amalgamation. I only stayed five years, and I ran. But I found that in his desk, so we've been using it, as to how to bring our oceans more in line with the future. He predicted this 30 years ago.

MS. LAHEY: This was an event that we held back in December - the launch of our competition, Sea++ Louisbourg. As part of that, we felt it really important to recognize Mr. Lewis and his idea that, as Mr. Hanson said, has gone back for 30 years. We wanted to make sure that that acknowledgement was there for him, not only to show respect to the senior members of the community but also to ask for guidance in our movement forward.

MR. HANSON: This man was 91. He was the mayor. He was the chairman of the Cape Breton school board at that time. I spent a lot of time with him in Louisbourg. Unfortunately, Mr. Chairman, you can't see it, but those young people in this picture are from Louisbourg. They're with a 91-year-old person. They went and got him, brought him there, gave him that certificate that he wrote 30 years ago, and framed it for him.

This is the direction they're taking oceans in Louisbourg. That's the connection that we've managed to put together in Louisbourg without hiring consultants, just with the team from Louisbourg talking with the parents and their children. We didn't pay hundreds of thousands for a consultant. Louisbourg Seafoods put in how much?

MS. LAHEY: Over \$50,000 thus far.

MR. HANSON: We did that in order to do social economics for the community. But the community's reward is - I'm going to skip this one because it's too small. Here's the partnerships we put together for this venture; the Cape Breton Regional Municipality, the fortress is paying \$350,000 for the building, town hall. The Regional Municipality is giving it to the committee to make this project work, for the building - you notice I'm not saying "school" - for the building and all the other things.

Then the University of New Brunswick is coming down to do some archeology work, Parks Canada, Louisbourg, there's other companies, Justin's parents have put in a great deal of money to help formulate this, Louisbourg Seafoods and other companies, so the partnership is there.

We established what is called the sphere. Again, I apologize, Mr. Chairman, you cannot see this, but it's a ball - or maybe you can.

MR. CHAIRMAN: Yes, I can see it here.

MS. LAHEY: The sphere approach is basically just developing partnerships and trying really hard to make all of the organizations and all the different committees in Louisbourg come together and work as one. We feel that a united approach is what's necessary in order to move our community forward, and so far we've been able to establish that.

MR. HANSON: Read them all.

MS. LAHEY: We have the Classrooms in the Community project, the retail community, the libraries, Synergy Louisbourg, the Fortress of Louisbourg Association, Fortress of Louisbourg Parks Canada, volunteer organizations and area churches, the Oceans of Opportunity Centre, the CBRM, Louisbourg Fire Department, the fishing industry, Coast Guard and Harbour Authority, and accommodations and restaurants.

MR. HANSON: The letter we received the other day was just like getting, I don't know, Christmas. Okay, thank you.

MR. MAHON: Yes, we got a letter from the Minister of Education and Early Childhood Development stating that she would look at funding our pilot project for the first year, to get us up and running, and like he said, I take it to like winning the lottery. We can't say enough of how thankful we are, as a community, that they took these steps for us to hopefully get one year in and get it up and running off the ground.

MR. HANSON: This type of recognition, I guess, is happening throughout Nova Scotia. What this deputy minister and minister did is after two years of fighting in the last eight months of hard work I'll tell you, of putting all this together and seeing it, she just said that's enough, we're going to trust, we're going to try this project as a new model for the rural coastal areas because the other one didn't go.

Yes, there's still some fighting to do at the school boards and all that but that fighting is part of life. We have a letter from the government saying that we're going to fight together here.

This is phenomenal when you're doing community, social economics, okay, when your government gets behind you it's just unreal. That's why when you go to the accelerated growth fund and say what are we going to do to get people together under the accelerated growth fund; take it from a federal project down to a local coastal project is my ask today, that Louisbourg and community become that.

Now I'm not going to - I have been at these a lot and I know I'm not going to drag this down through all these papers. I'm going to find one here - this one, please, if we could, to make my point. I see I've got only two more minutes. On this one here, if you go to the pie, now Innovacorp is a wonderful organization and we have a very good manager - and Mr. Chairman doesn't have a copy - we rehearsed this today and we know that Jenna is getting the blame.



If you go to the pie, and this was done by Innovacorp, this is their document and the manager knows I'm using it, it was released, you'll see 77 per cent of Innovacorp's financial activity went to IT. You'll see that 4 per cent went to oceans; 9 per cent went to manufacturing. Most of your jobs for the next 10 years are in processing, manufacturing, marketing and sales, and international sales. They all require a fantastic investment in IT that's out there to be bought or developed or designed or made.

We have to convince Innovacorp - and that will not be a task if it comes from the government - to work under this strategy of accelerated growth. They have to come out of their bubble into the rural coastal areas, maybe with a little bit of an office and be present and work with the resource companies. They're very good people, Innovacorp. Bob Pelley is a fantastic manager, but that's too much money for one sector that's creating one job at a time - but still very important jobs. So we just have to bring their attention to - there's money that could be better moved out into the rural, maybe 40 per cent of it. I'm not saying anything bad about anything like that.

Then you have the Fisheries Loan Board that has money that they give loans out and I happen to be the new chairman of it, but I'm saying there's money there - \$200 million. It's going to go into processing if you guys in government allow that to happen. If you allow it to happen, that strategy should be put with this strategy - in the forestry strategy and the Perennia strategy. They all should be funneling their money to the cause - not in different directions.

They're not coming together as agencies to make sure that they're on the same focus page for rural economic development. If you notice, I'm not asking for new money. We do this in industry every day. Jimmy beats me over the head every day. He's got 400 employees - we started with 36. Dannie, you're wasting too much money with government. We have to do it on our own. We're saying you don't have to waste any money - you guys have already put it there. We're misusing it, but your department heads are also misdirecting it.

It's all positive. I just ask you to consider this and I'll answer any questions, but my main focus is to ask for - to look at the accelerated growth and see how it can work in Louisbourg as a model to go with the model that your fine Minister of Education gave us to start with.

MR. CHAIRMAN: Thank you for your presentation, and just on a side note, you're very lucky to have Blair Pardy as part of your team out there. He's a park warden that thinks way outside the box and inside the box and does a lot for communities.

MR. HANSON: He's absolutely fantastic.

MR. CHAIRMAN: I will turn it over to Mr. Mombourquette first.

MR. DEREK MOMBOURQUETTE: Thank you all for coming up to be with the committee today. It's great to see you. Just an observation - I want to say hi Justin. We know each other from a previous life when I was selling fasteners all over Cape Breton Island. He helped give me a shot when I first started my business. Good to see you. It has been a long time.

I want to talk specifically about entrepreneurship. The vision that governments had - in my time as an MLA and even before - was to try to expand beyond the non-traditional methods of teaching entrepreneurship and about exposing - in my experience, particularly - students in the post-secondary system to entrepreneurship.

You mentioned Sea++ in your presentation and I want to start off by saying that the key to success in any of these programs that this government or any government offers is to have the mentors in the community step forward to expose the next generation of entrepreneurs to non-traditional methods, non-traditional ways of thinking, and Sea++ really did that.

I represent Sydney-Whitney Pier, as you know, and I see a number of IT companies that have popped up. I've worked with a few of them in my capacity before being an MLA, but Louisbourg Seafoods really stepped forward in being that mentor and exposing so many people to your industry, and allowing creativity to help solve modern-day situations in your community and in the industry, so I want to start off by congratulating you on that. Your company was really one of the first to come forward to do something of that magnitude. We saw the success of it. We saw the excitement with it, so well done on behalf of the Island for doing that.

I'm going to stick with the Sea++ - I think it's important that that project is on the record, because it was a very significant project. It was really the first of its kind on the Island and it really played into what we've been trying to accomplish in bringing industry in to support entrepreneurs, to support not just the IT sector. That competition had IT students, it had arts students - a wide range of expertise and skill sets.

I wanted to just talk a little bit about Sea++, what the final result was, and what was your follow-up after the competition was over?

MS. LAHEY: As we said, Sea++ was an initiative last year by Louisbourg Seafoods. The idea behind it was to try to marry the emerging tech sector in Cape Breton with traditional industries, like the fisheries. Obviously, that's the one we're going to pick.

What we did was, we opened up and allowed people to register for the competition. The idea was that we presented five challenges to the competitors and they were able to pick one of those challenges. For example, it could have been in marketing or it could have been something very specific like mobile fishing gear. These are problems we face in our

industry every day and because we are a traditional industry, we don't always get to meet people who are in other industries, so this was a really good way to bring the two together.

Some very interesting projects came out of this competition. We're working with either two or three of the finalists now on different projects so we're quite happy with the result.

In Louisbourg, we actually launched another Sea++, this one is called Sea++ Louisbourg and it was designed basically as an idea. It's a competition about ideas so because of all this, the turmoil in Louisbourg, we wanted people to come together and come up with their own ideas about how we could make Louisbourg a better place to live and to visit.

We had almost 30 applicants to that so our finale is coming up at the end of April, so we're excited to see what they've come up with as well. It is a model that has garnered quite a bit of interest throughout the province. We're looking to formalize it and use it in different industries as well. Jim and Lori Kennedy put about \$68,000 into Sea++ last year, and at this point we're close to maybe \$5,000 this year for Sea++ Louisbourg.

MR. HANSON: Every time we see her she's looking for money. (Laughter)

MR. MOMBOURQUETTE: Thank you for that. Louisbourg Seafoods really stepped forward and to me that was the final piece of the puzzle for that ecosystem to support the next generation of entrepreneurs to not only - well, to solve community problems, but help organizations like you find solutions so congratulations, well done.

MS. LAHEY: Thank you. What we really need is champions like Louisbourg Seafoods to step forward in different industries.

MR. CHAIRMAN: Mr. MacLeod.

MR. MACLEOD: I want to thank you for your presentation and hope you enjoyed your drive up more than I did. Louisbourg Seafoods has been a leader in the community for a long time and as you mentioned, Jenna, Lori and Jim have been very supportive of a lot of ventures in the community.

The question I want to ask you and what I would like you to explain to the group, if you could, is how hard a sell was it to get Lori and Jimmy involved in this kind of an idea? For those who don't know, this company started out of the back of a half-ton truck. The truck was borrowed and so was the fish. (Laughter) That's how this company got its beginning. Jimmy and Lori have been very good at giving back.

When you went forward with the idea, Jenna, how hard was it to get them to come on board?

MS. LAHEY: Are we speaking about Sea++?

MR. MACLEOD: Yes.

MS. LAHEY: Sea++, well I didn't have to sell that one - Dannie can be pretty persuasive at time, if you've noticed. We do have another group of managers, a younger generation of managers who are also very passionate. They actually came up with the idea themselves so they pitched it to Dannie. Dannie is very good at giving people space to grow and then reigning them in, when need be. Adam and Glen, our other managers, they are the ones who really sold it.

The idea of bringing the industries together with a potential benefit in the end - it's not a hard sell. They do see the future in some ways. They're ready to take those steps when need be.

Sea++ Louisbourg was of course an even easier sell because part of the company's core focus is on community, and the idea that if your community is healthy, the communities that you're in and the community members that you work with are healthy, then your business and your bottom line are going to be healthy as well.

MR. MACLEOD: Thank you for that. One of the other things is that sometimes when we look at the traditional industries like fishing, farming, and forestry, we sometimes don't understand the involvement and how the interaction with other industries work so well to make these industries come together. Part of Sea++ was to get IT and other things to be identified as a part of growing that business and trying to keep everything local and focused.

I wonder if you could just expand a little bit on the whole idea about how important IT is today to the fishing industry versus years gone by. I know today our lobster fishermen are much more sophisticated when it comes to the infrastructure that they have on the ships now compared to what they used to have. Not just the lobster fishermen, but I see that one in particular along our coastline.

MR. HANSON: That's a great question. It's why we're here today - bringing the resource industries and IT together and why we see this is necessary. My main role with Jim and Lori is to move them forward. When I first went to work with Jimmy he said, come for a couple of months. I said, okay, and I'm there 18 to 20 years.

The first thing I said is, give this \$1 million and we'll start with that. I asked, what do you want out of it? He says, take me where I've got to go. So that's how Jim and Lori invest - where they have to go. They have to go into processing and value added, and the markets demand where we move our money.

The market is demanding now - and rightly so - that we have traceable products. Your Minister of Fisheries and Aquaculture is demanding it - very high-quality branded products. E-commerce is there for our marketing. All these things are there. So how do you make a product that's a fillet of fish a little more valuable? You have to be creative and create value.

The only value that's out there right now on a fillet of fish or a lobster is the value of the water it comes from, the environment it comes from, how it's handled, and the government regulations to protect it as a sustainable product. That's the only thing you can now do with your fish. All your plants have to come up to that. That means you need IT, innovation, automation - you need all these things that my Grade 12 education and Jimmy Kennedy's Grade 7 do not have. Jim recognizes this and has over the years, and surrounds himself with these capable people that we have - managers and marine biologists.

When I started with Jim, it was he and I in an office and he had operations already going - 30-some employees - but we hired marine biologists. Now we have four of them. We have three doctorates. We have a couple of masters. We have five people from the Stay in Nova Scotia program - Asian masters' students. I applied for five of them because that's where the world is in the market.

To your question about IT and all that - why are we spending hundreds of thousands and millions? One piece of our equipment for the shrimp plant is \$1.4 million. That's what I do for the company. Once I get it - I think I've seen it once, but we need to train those people to handle this because if not, we have to keep hauling them from Iceland and all that. There's that whole training component.

The crab operation that we put in place - we've got a crab machine, \$1.8 million - last year - all that training, all that IT, all that innovation that's there. A high-pressure machine that we hooked up the other day, \$1.3 million - not a soul knows how to turn it on. (Laughter) If it breaks, not a soul in Cape Breton knows how to fix it. That IT opportunity brings you fantastic training, fantastic advancement. As our Prime Minister says, you have to have two or three trades now. That's what IT means.

Here's another thing IT means - traceability. I can sell a product, and I can get 35 cents more a pound if I can show what area it was caught in, on what boat - with a picture of the captain having a cup of tea, mind you. That's what they want to see today. That's what the market demands through IT and e-commerce.

I can go on and on with your question because it is so important. That's why we're spending millions and millions.

MR. CHAIRMAN: Ms. Peterson-Rafuse.

HON. DENISE PETERSON-RAFUSE: First of all, I would like to congratulate you for the fabulous work that you're doing and for being such a visionary group of individuals and companies and community organizations. I come from rural Nova Scotia, from the other end of the province, the "some good, you" end of the province. I just think what you're doing is outstanding.

One of the things that I've experienced, not just in my term as an MLA but also in my other work positions, was a real difference between the urban areas of Halifax Regional Municipality, which is going very well in terms of economic stimulus and what you see that takes place, and the rural areas. But there's a big disconnect in the city areas, where decisions are being made for rural Nova Scotia. That's why I was very disappointed when the Economic and Rural Development and Tourism offices were closed, because we've had some people say that it has been a little bit hard to navigate since then. Have you guys experienced the same? Had you done work with the department, and it's a little bit more difficult? What would you suggest needs to be done now?

MR. HANSON: Yes, we've noticed that. Take Sydney, we have I think half a person for Nova Scotia Business Inc. I don't know how you have half a person, but I think we have one. Innovacorp has one person - Nova Scotia economic development.

What we have, what has replaced them, is great community groups, and then the government people are helping. It was hard for us to accept this, what was forced on us. But I find it's better. We find it's better. We're getting more community leadership. We're getting more people and companies involved, more industry leading because government is not there right away. In Cape Breton, there's a sense that we are moving forward. It's a positive sense in Cape Breton.

I believe that yes, it was hard to swallow, and I don't want it to get any worse, but the connection has got to happen by what we're doing here and what you're doing in your rural community, in Shelburne and that, or what Engage Nova Scotia, I just read yesterday, did in Annapolis Valley and that new development thing that they're doing down there.

Yes, the answer is, we did find it difficult, but we've replaced it. We have the Cape Breton Partnership. We have other things going on in Cape Breton that have stepped up. Now the government is playing a more meaningful role, like the Department of Education and Early Childhood Development just did with Louisbourg. We're finding it's working better.

MS. PETERSON-RAFUSE: In some rural areas, it's much more difficult for them to bring the different community groups together. I really want to know what your secret is, because I do know that there are other areas that are struggling because of losing Economic and Rural Development and Tourism. Whether there is another solution to that, it's great that the community organizations are stepping up to the plate.

I guess my other point, too, is the sense that lots of times the decisions that are made are very “citized” - a word I’ll make up - that they don’t fit the rural way of living. I know there’s a difference, I know that we want to be “one Nova Scotia” and that we need to promote ourselves as “one Nova Scotia” because we’re such a small province, but there’s such a uniqueness and even territorial-ness within - you’re laughing. My husband is from East Chester, I’m from Chester and he will tell everybody he is from East Chester, which is a kilometre away from Chester, where we live. There’s no way he’s going to tell anybody he’s from Chester, it’s East Chester.

Do you face the same, the similar? I don’t know, how do we go forward and change that? That kind of thinking has been around for a long time. Are there other things that we could be suggesting to government or supporting government in, trying to get those other communities kind of going? We don’t have people like you in all our communities to make it happen.

MR. HANSON: We are lucky, we are fortunate. The Cape Breton MLAs right here - they’re always at us, they’re always helping, they’re always doing something. Alfie MacLeod sometimes lives in our office . . .

MR. EDDIE ORRELL: That’s because you sell seafood. (Laughter)

MR. HANSON: Derek is at every function that we have on Sea++, so it’s hands-on. What it is, is Jimmy and Lori Kennedy. I guess I can talk to you people, put the Pope there, I don’t care - I can’t do anything and neither can these people, or the rest of our team, without industry and the private sector, so you have to seek them out.

That’s our opinion after 25 years of doing this. We beat up on government like nobody did. Those days are over, so we’ve got the private sector, Jimmy puts money in, we find a solution, and we sell it to the community. Then we come up and we get the support of these people right here and we get a pass by government. Most times we don’t have to come up because you work with the directors of the agencies and, if you do what we’re asking and do that accelerator growth in some rural areas so that it’s a focused growth - that’s our answer to it.

The other answer that we don’t have is, how do you do it if your community is not willing to step up? I apologize, I don’t have an answer to that but we don’t have that problem.

MS. PETERSON-RAFUSE: That’s just absolutely wonderful that you don’t have that problem. Maybe someday you’ll be able to write us a guidebook because it’s amazing and you should be very proud of everyone who is involved in Cape Breton Island. There’s no better place and everybody loves Cape Breton, eh?

MR. HANSON: This younger generation, they're phenomenal.

MR. CHAIRMAN: Don't tell Chester you said that.

MS. PETERSON-RAFUSE: You can say more than one place is great. I think Cape Breton is great.

MR. CHAIRMAN: Mr. Horne.

MR. BILL HORNE: I'm learning today about how a community comes together and works together. I think the seed money that is given by Louisbourg Seafoods is probably at the top there with the management of that company. I'm just wondering, what tips would you have for small business to achieve similar growth.

MR. HANSON: Thank you very much for that question. It's what Derek and Alfie and you all struggle with, with these start-ups. It is a struggle because sometimes they wake up in the morning and they come and do a start-up and they go to a competition and they run the start-up in the basement, and then Friday night they go upstairs and get the money from their father and mother to go have a beer. That's what some of the start-ups represent, some of it. Then they call themselves CEOs or CFOs when they're introducing themselves.

There's a degree of reality that must be brought to the start-up and to the businesses where we take the fantastic idea of start-ups, and we marry them with companies like Jim's. We have five start-ups going on right now. I assign a manager to every one that calls. We have one going on here with an Asian student from Waterloo. We put him in an office up here and we do start-ups. Then if they fail, that's fine, start-ups are allowed to fail.

We find that if you don't attach it to an existing historical business, then your start-up is one that depends on who buys it. If it's IT and tech savvy enough and it gets hooked on to this thing, where if you bring your ideas and hook them to an existing foundation company that's four, five, or six years old and mentor that process, that's where we believe the sustainable growth potential is - to go out under this program that I'm presenting to you now to consider. We would match industry up with start-ups, but not just to have a cup of tea and say, you're the CEO. No, no - what are you spending your money on, why did you make that decision? Work with them over a number of years under the growth strategy so that everybody's there.

We have 15 companies; sometimes five are in trouble. Right now, a couple are in trouble because of the shrimp. Tomorrow a couple are going to be in trouble because of snow crab, but in them there are four or five companies that will diversify.



If you take your start-up and you attach them to somebody - and there are all kinds of companies that will help out - then you have a better chance of success than leaving them in their basement.

MR. HORNE: Would you say in your community of Louisbourg and its surrounding areas of Cape Breton, the revenues are coming in, people are working harder, they're doing innovation as you have said? Has this been a real positive show for the rural area?

MR. HANSON: It has, but not to the degree it should be because, as I showed you in the IT investment from Innovacorp and the agency, 77 per cent of it is in the city, in the centre, and they're not getting that IT out. We're only now pulling it out into the rural areas and into the resource industries and all that. That's why this proposal is to get them to review what they're doing.

Putting all these agencies in a building does not mean it's handling the problem. I don't care where they're at, but get them in a group so that they're working together. IT is not getting to the rural areas, but hopefully we're going to start getting it there.

MR. CHAIRMAN: Mr. Orrell.

MR. ORRELL: Thank you for your presentation. The federal government just recently announced the Atlantic Fisheries Fund, with \$320-some-odd million. What is this investment going to look like for companies like yourself in rural Nova Scotia? Is there any indication of how this money might be allotted? That money could go a long way in developing the IT sector in rural Nova Scotia. Do you have any indication of what that might mean to a company like yourself and where that money is going to be allotted?

MR. HANSON: I have to take you back to Minister Fast. When they did their agreement, they were going to give Newfoundland and Labrador \$280 million. The Newfoundland and Labrador Government was going to give another \$120 million for \$400 million to modernize their fishing industry if it was affected by the Canada-European free trade agreement.

We wrote many letters against it because it wasn't going to the Maritime Provinces. It was only going to Newfoundland and Labrador. I'm sorry, but Premier McNeil - I shouldn't say I'm sorry, but I'm not here to do politics - he went to Ottawa and raised old gee whiz on it and fought. Then they came together and under the Atlantic Growth Strategy - this is why it's so important if we're going to adapt it in Nova Scotia. Under that strategy, they came together with this new one now for \$320 million, but for everybody - \$100 million is going to Newfoundland and Labrador - and 155 scientists are going to be hired.

If Mr. Colwell or his department, which is very capable, becomes part of the negotiating team, then you get to find out how much Nova Scotia is going to get. Let's say it got \$50 million. We weren't going to get 50 cents before. Let's say it got \$50 million and you put that into IT, processing, manufacturing, and data collection, what's coming in fisheries, ladies and gentlemen is, you know sea urchins and clams in the ocean? We're going to send down a vessel that big in five years that's going to pick it up, put it in the thing, and come up - you're not going to drag a net on it. That's the stuff that's coming or at Dalhousie University, so all this IT.

I hope I'm answering your question. The benefits, if it's done right, and it will be I'm sure, as they get together and put their heads together - Nova Scotia has to get at least \$70 million or \$80 million to make a mark. But remember, if you attach that to the Fisheries Loan Board and to the other agencies, you now have \$190 million or \$200 million if we're making these agencies work together. That's what this ask is. We have lots of money coming for this.

MR. CHAIRMAN: Ms. Peterson-Rafuse.

MS. PETERSON-RAFUSE: Thank you, I just wanted to (Interruption) Eddie should have a follow-up.

MR. CHAIRMAN: Sorry, Mr. Orrell, I apologize.

MR. ORRELL: You talked earlier about getting these agencies together and funnelling some of that money into the pot. That's going to make a difference in how we're able to develop the IT sector, how we're able to go forward. We know that each of the agencies wants to be protective of the funding that they have for the ideas that they might have.

What's it going to take from us, from you - what can we do to help bring that money together to where it's at so that we can move forward with this type of model that you're talking about? We all know that once funding is allowed to a certain group, they want to keep that. Agriculture doesn't want to send it over to Fisheries, doesn't want to send it over to Business, doesn't want to send it over to Innovation - how do we do that? What do you need from us, and what can we expect from you guys if that happens?

MR. HANSON: I think that we're halfway there because I don't believe there's an MLA in Nova Scotia who doesn't realize it's time to work together on economic development - you're bringing us into Atlantic Canada development.

Your question is so - if you have a project, you have to send it back to Treasury Board, or you have to send it back here, or whatever. But if you have this type of accelerated growth for Nova Scotia and you identify it, then you're identifying the pockets of money. They're being told by their government, as the federal government did, you will spend it collectively to help growth accelerate in this province - you'll spend it collectively.

Projects of a meaningful size will not go to the agriculture board and be turned down. Maybe they'll go to the agriculture board and be told, no, you don't qualify here, but you qualify over there, or maybe I'll qualify you a little bit here and amend my Act and fix this one.

The separate enterprises are the problem. I deal with bureaucrats for a living, and one thing I do know that they will do is fight the elected person who tries to move their train. But I've got to tell you, tough love is tough love. (Laughter)

MR. CHAIRMAN: Ms. Peterson-Rafuse.

MS. PETERSON-RAFUSE: I wanted to ask you about a strategy, and I know we're always talking about reviewing and strategies, and then they end up in a filing cabinet after people have worked very hard on a project.

I'm wondering about your opinion about rural Nova Scotia since we've identified the fact that rural Nova Scotia is quite different, and there are things that work for rural Nova Scotia. I think there needs to be more of an understanding not just from the political perspective but also from all those who are in all these different departments and trying to get the departments to stop working in their silos and being so territorial, and so on and so forth.

Do you think that's one route to take, to have a strategy that focuses on rural Nova Scotia and identifies the different parts of the province - the uniqueness, how government can play a role in supporting that and how businesses can play a role in supporting that? I think in some parts of the province there are very successful businesses that do not think the same way in terms of being part of the local economy and re-investing back. I'm just wondering if you have something like that, would that give you more grounds to move that forward on that rural thinking? Some of our communities are dying and we need all different levels of government to work together on that and businesses and community members.

I know One Nova Scotia is sort of trying to do that but we don't have that separate rural outlook. Is that something you would recommend?

MR. HANSON: Mr. Chairman, if I could, I'd like her to try it.

MR. CHAIRMAN: Ms. Lahey.

MS. LAHEY: As a resident of Louisbourg, it's funny, we actually came up in the car last week - it was myself and Justin and another member of our committee who is also from Louisbourg and another member of our committee who is not from Louisbourg. She was pretty shocked by the end of the day, I think - she was like, now I understand how different Louisbourg actually is.

When you speak about dying communities, that's really what we've been looking at in Louisbourg since the collapse of the cod industry in the early 1990s. I mean there have been successful businesses, such as Louisbourg Seafoods and other stand-alones, but it really came to the point where it was do or die for everyone involved. This sort of harkens back to your last question, that's how we managed to bring everyone on board. It was that we either do this now or that's it, we're going to keep seeing empty buildings, we're going to keep seeing out-migration, so that's really part of it.

I do think that, as you said, the rural areas of Nova Scotia are quite different. Even between places like Sydney and Louisbourg you can see quite a difference. As for a strategy that would look at that specifically, I'm not even sure how you would start to implement that, honestly, as a written document.

MR. HANSON: I'd add a few things to that. One is that a strategy is an investment of money that is put in drawers. You seek out ownership, community ownership, and then have a plan. Drop the word "strategy" because what it does is makes consultants very wealthy.

I would go for a plan in the rural coastal areas and you'll be very surprised how many of us are of the same mindset. We understand that you can't bring wealth to our communities, as elected officials, because you need people to buy the product, you need population base, you need all that.

What can you bring? You bring the ability to have the plan one piece at a time and just grow with the generation, not in 10, 20 years and big buildings like they did and all this stuff - achievable, small points. That's all the rural coastal areas want. You have it in agriculture, you have it in fisheries and you have it in tourism already, it's just that they're not directing it in the right way. I hope I answered your question.

MS. PETERSON-RAFUSE: I believe you answered it in fine style and I just want to - the last part is probably one of the most challenging parts is to get the different departments to actually work together and to understand. There's lots of times I see things done in tourism and I'm wondering why they're not connected with another department. You probably see that too.

I really appreciate your advice and I think we need more of this, like people coming in to tell us that this is where you can take some leadership, that it doesn't have to be about politics, it's about the people, the community, and what we can do in the roles that we're honoured to have to help along with that. That will take time to make those changes, as you know, because it's a culture. But to have you come in today and start it, I think you're going to start a legacy. I want to say thank you very much, it has been fascinating.

MR. HANSON: Our pleasure. Thank you.

MR. CHAIRMAN: Mr. Jessome.

MR. BEN JESSOME: It's my understanding that you have done a significant amount of work in harnessing the local potential of your community, and supplementary to that, creating a confidence in the collaboration between the non-traditional and traditional industries within your region.

I'm wondering what the appetite is, or what the initiative is within your organization to promote the area as a viable place for investment from outside of your community and outside of the province. Is there a task within your organization to say, someone who - with the information about what your community has to offer, how do you bring an outside investor to your community to invest in what's going on in the Louisbourg area?

MR. MAHON: Basically, what we're looking at is similar to what they did in Lunenburg with the artisans. We met with the Craft Centre and NSCC in coordination with parks to bring artisans into the community with heritage woodworking, stonemasonry, leather making, and artists. The plan is, when you're done you would get a ticket certified from NSCC. So hopefully the plan is that the artisans come in, they get to work at the fortress or they realize the potential of Louisbourg, and hopefully in the long haul they stay and open up some businesses and then we reach our full potential.

MR. HANSON: To add to that - a very good question - we spend a great deal of time and we sell, let's say for example, \$40 million in products. These people don't just buy fish - they buy tourism, education, they buy all these things. So if you connect our people that we call, that we sell to, to the fortress, to the artisans, to the education component, to the IT component, to the processing component of Louisbourg, then you're drawing from the world.

You have students coming, you have venture tourism coming - you have that whole connectivity coming. That goes to the IT question. So yes, we're spending a great deal of time and over \$90,000 just on that question.

MR. JESSOME: I guess not completely shifting gears, but it's in my opinion - and I don't think it's news to anybody that modernizing local traditional industry is critical to retaining youth. Keeping people interested and up to speed with new best practices in any industry, I think, is important to combating this phenomenon of out-migration. My colleague from Waverley commented on the emphasis to support start-up industries, and I'm wondering if you can talk maybe in a little bit of a different context.

What I'm trying to get at is, is there an appetite to sustain existing local businesses with mentorship, for example? Not necessarily create a new business, but rather to develop some type of a transition plan so that, for example, a next generation potential vice-president who is from the community who doesn't necessarily have the capital to start or buy a business - is there any discussion that you folks are having on transitioning an existing business versus mentoring new start-up companies?

MR. HANSON: Yes, we spent in the area of \$79,000 on that and we work with some companies, new ventures to not mentor them as much as start the company and direct the company and replace people in the company. You may have people who have an idea or the technical know-how of what they want to do, but not a smacking chance of knowing how to run a business.

So yes, we have three of them that we invested in. We'll let them run it, under our guidance, and it's paying off.

MS. LAHEY: To your point, what we're hoping to do with our Oceans of Opportunity centre is have a base for marine sciences and to start showing the children - really, this is part of our long-term goal with the classrooms in the community approach: to introduce children at a young age to the idea of working in traditional industries, like the fisheries, like marine sciences, and to show them that when you say oh, I'm going to get a job with Jimmy Dale, as he's known in Louisbourg, it doesn't mean you're necessarily going to be unloading a boat. It could mean you're going out and doing research as a marine biologist. It could mean you're working in an animal rescue for marine life.

The other point I wanted to make was with the artisans that we're intending to work with. Part of that is succession planning for historical sites, such as the Fortress of Louisbourg but others around Nova Scotia as well. When you look at these traditional artisan skills, they're very much dying trades, so it's in order to pass on that knowledge from the people who have it now and pass it down to future generations so that we can move forward with those in times when these other skilled labourers start to retire. That's part of the planning as well.

MR. CHAIRMAN: Mr. MacLeod.

MR. MACLEOD: I think I want to touch on something with you, Justin. As a young person who operates a business, has a young family, who has grown up in a community that's dying and some of the other people like Jenna who are involved in what is trying to be put together here in Louisbourg - what do you see this plan doing for the revitalization of the community that you've grown up in?

MR. MAHON: Hopefully bringing it back to what it was. What we're trying to do is create an entrepreneurial culture which will eventually rebuild a town and capture what we have there, our strengths. We came up with this plan, with this fair approach and everybody working together. That's pretty well how you've got to move forward: you've got to work as one unit and not everybody going for separate pots of money.

Hopefully within the next five years, we start seeing some growth and our plan comes to succession.

MR. MACLEOD: I think it's important that the committee knows that the community of Louisbourg at one time had its own mayor, its own councillors, there were a couple of service stations. You cannot buy a tank of gas in Louisbourg today. If you were to go to Louisbourg in the wintertime, you'd be hard pressed to find a cup of coffee unless you went to the general store.

What is taking place and what I've seen take place between this group and Synergy Louisbourg and the other people who are involved in the community is something that we as politicians would never be able to do. We cannot revitalize the community with cheques coming from outside, but we can stand behind the community and support the initiatives that are there, and help them get through the red tape.

I think what I've seen happen in Louisbourg - and I'm very proud of what has happened in Louisbourg because it has been done by them, it hasn't been done by anybody else but the community.

I think they've done that without any initiative from any government or any direction from any government. They saw an issue, they identified that their town and their community that they grew up in was dying, and now they have put together a solution. Now they're offering to share that solution with the rest of the province because there are so many parts of our province we represent that are in the same boat.

With that sort of background, at least from my perspective - and you may not agree with that, Dannie, and that's okay if you want to change it when we get going here - but what is it that we can do collectively as a government? It doesn't matter what colour that government is. What can a government do now to help communities like yours, like Denise's, like some of the other ones here? How can we put a framework together to move this whole project along - not just for Louisbourg, but for the other parts of our province that are dying? I think all of you would agree that when you get about 30 kilometres outside of Halifax, it's a different world.

MR. HANSON: I don't know whether to thank you for that question or not.

MR. MACLEOD: We'll talk later. (Laughter)

MR. HANSON: Your question is very valid. The first thing you have to do, and I'm going to just say it, is stop listening to CRA - that consulting group, advisory group, Don Downe, or whatever his name is - that you hear on the radio. Stop listening to him.

MR. MACLEOD: I couldn't agree with you more.

MR. HANSON: That's the first thing we've got to do. The second thing to do, as the honourable member has said, is look at a strategy in your rural areas and coastal areas that the money is already there, the strategy is already there. It's called oceans and that's where the federal government is going and has gone. I hope the chairman is not going to get in my way when I try to get some of COVE into Louisbourg, out of his area. (Laughter)

That's the whole thing, in our opinion, because we look at Cape Breton, and then you look at Nova Scotia. So again, get in the box, what is it we've got? Simply get in that box, figure it out for the rural areas and all that, and have a strategy. We have a wonderful strategy for the centre, it's absolutely wonderful, and I'm so proud of Halifax. But get a strategy for coastal rural areas that goes around the Atlantic Growth Strategy, and start sharing stuff.

I believe that's the only thing you can do, as politicians, because the rest is up to industry in the community. If you get in our way, you're stopping growth. But if you get your bureaucrats to change - tough love can get them to understand that their paycheque counts on how many jobs that have a name on them are created, not a spinoff on them. Start holding them to task, the same as my boss holds me to task, the same as your Premier holds you guys to task.

MR. CHAIRMAN: Mr. MacLeod, do you have a follow-up or are you good? Are you being careful now because you want your lobster?

MR. MACLEOD: I'm being cautious. I think the lobster are gone but I'm worried about crab now.

MR. HANSON: Just don't lose my program. (Laughter)

MR. MACLEOD: Just going back to . . .



MR. CHAIRMAN: Careful.

MR. MACLEOD: I will be careful, Mr. Chairman, thank you for that advice.

The letter that's actually being displayed right now on the board has had an impact on the community of Louisbourg. Up until last week, we all believed that the door had been shut solidly by the initiative taken by the minister, and I congratulate her for it. Still there's a lot of work to go to where we would like to see it go. Is a year-long pilot project going to be enough time to make that happen, or would it be nice to have a little longer?

MR. HANSON: Mr. Chairman, can I let them answer this? (Laughter)

MR. CHAIRMAN: I see how you're playing this game. Mr. Mahon.

MR. MAHON: A lot of the legwork is already done, so I feel that if we can't get it done and at least half running within a year, we won't have it running.

Like I said, a lot of the legwork was already done over the last two years, and such a small piece as the park taking the town hall, that puts 30 people downtown instead of driving up to the compound of the park who would just normally bring lunches. Now they're downtown. That could be a coffee shop - something as simple as 30 jobs in town. Small pieces like that, that start getting done over the next year, I believe that's enough time for us to get it up and running.

MS. LAHEY: I think exactly what you've just said, and what Dannie had said earlier - small steps are really what we need in order to achieve this. A year in reality is not that much time and yes, more time would be wonderful. That being said, I think we can make quite a lot of progress in the year that we hopefully will be given.

I think Justin is right - a lot of the legwork has been done on this piece in the last two years. There have been many, many hours that have gone into this, so when they say go, we're going to be ready.

MR. CHAIRMAN: Ms. Peterson-Rafuse.

MS. PETERSON-RAFUSE: I just wanted a little bit of overview of the project; I wasn't aware of it. I'm assuming it's like a community school, community hub. Can you give a little background on what the vision is, where you're going?

MS. LAHEY: It's a pilot project. As Justin mentioned earlier, it originally started as a hub school project. However, the hub school guidelines - we were having some issues with those, so as you'll see in the letter that's on the screen, they're actually proposing to revamp the hub school guidelines to look at using excess space in rural schools, and we have many of them.

We are planning to take over the building. The public school will still be run out of that building, but we'll also have spaces for community organizations, artisans, office space, things like that, so it is a community hub essentially. It's basically what the Department of Education and Early Childhood Development had in mind when they said hub school, so that's what we're working on now.

The idea is, as per reports done by the Department of Education and Early Childhood Development - we're really trying to have more interaction between the community and the school itself, whether that's through field trips or through after-hours programming, just really aligning.

The main goal is to show kids that you don't have to leave Cape Breton. I think that's really the starting point. From the time we're little kids in Cape Breton, you're always told, you're not going to be able to stay here, so when you're finished school you're going to have to get out. I can say that's not the case and so we really need to start doing that early and developing that entrepreneurial mindset, as Justin said earlier. With the classrooms in the community approach, I think we can achieve that.

MS. PETERSON-RAFUSE: I believe that the key is the change of guidelines because those guidelines were impossible to reach financially. I've got several schools in my constituency that have faced the same, and unfortunately some of them have been closed and never to come back, so those guidelines needed to be changed. Let's hope that stays that way and you can be successful.

MR. MAHON: The guidelines are just that: guidelines. If you have a school board that's willing to buy in and use them as a jumping-off point - I don't think the guidelines were the problem, but seeing them separated from the school review policy is actually what needed to be done.

At the end of the day, they are just guidelines - they're not legislation. They are basically a jumping-off point, and if everybody buys in and works together, you can achieve it.

MS. PETERSON-RAFUSE: The difficulty is that some school boards are different than others, and then what it does is create an inconsistency throughout the province. That's why you need it to be clarified and the word has to be given to all school boards that they were just guidelines, those are not going to be the same guidelines we had before. I wish you all the luck. It sounds like a great project.

MR. MAHON: I'm going to use Dannie's line: you've got to give your bureaucrats tough love on that one.

MS. PETERSON-RAFUSE: I used to be a minister. I know exactly what you're saying.

MR. CHAIRMAN: Mr. Horne.

MR. HORNE: This is a wonderful conversation we're having here. It's very important for a lot of communities to hear this, and hopefully they will. I'm wondering, has CBU been involved in this? You haven't talked too much about education. Here in Halifax, we have such a large number of universities, and they are working for this oceans - what's it called?

MR. CHAIRMAN: COVE.

MR. HORNE: There is a lot money being put into that, provincial money and federal money. Obviously, there's some competition between the two, but do you see a way of getting the university involved? Education - whether it's through elementary school, junior high, high school, or university - is very important to a community, as you have been talking about. I'm just wondering how you relate to CBU as being a very important part of this conversation.

MR. HANSON: Yesterday, I met with seven professors at CBU. For the last 15 years, the company has worked very closely with CBU, with the marine biology centre department and what have you. The ocean centre brought here, COVE, we're very proud of it in Nova Scotia, and as the chairman is going to allow me to take a couple million from it to Louisbourg . . .

MR. CHAIRMAN: I won't comment. (Laughter)

MR. HANSON: No, to your question, it's like everything else, sir. Our universities are great institutions, but they must change. They must become sustainable. They must have IT. They must become more active with the communities and less "this is the way it's got to be because it's authentic, historical" - whatever. All that is very, very important. But they have to become more engaged. Their survival depends on their activity. That's the conversation we're having now.

They are so welcoming and open to coming to Louisbourg to prepare classes. That's what we're talking with them about now, preparing actual classes in the ocean to be taught in the biology department attached to Dalhousie. There's no desire to take anything from Dalhousie. Right now, I'm saying to the universities, work together. Whether the professor's in Dalhousie or in Gabarus, it doesn't matter. Teach them. Give them a certificate. And don't duplicate everything. Our university is going through some grey areas right now, and we'll sort all that out.

We spend a great deal of time with them. They want to do it, and they want to work downtown. They want to be part of the teaching, part of the degrees, part of the master program, part of all that. But they understand that we have no desire to separate this from Dalhousie or COVE. It's a partnership, and they're onside. Mind you, there's going to be some scars from yesterday.

MR. CHAIRMAN: Did you have anything to follow up, or are you okay?

MR. HORNE: Just a quick thing, I guess. I've been involved in emceeding out at the airport gateway, about the branding for Nova Scotia, 45° North, 63° West. I'm just wondering what your thoughts are on that. I think it's a wonderful gesture, trying to get this done for international trade and so on. What's your opinion?

MR. HANSON: I attended that. You introduced me, and I was very honoured to attend that because we worked hard as a group. The minister has a group of people, and there were 300 or 400 at it. He has a lot of people who feed into him, so they came up with this proposal. Some in the industry didn't want it. The lobster industry didn't want it and all that stuff. But he stuck to his guns. Now we have it. It's a recognized thing.

I used it three weeks ago. You people brought the owner of JD.com in from China. It sells \$40 billion a year, the second largest in China. He wanted our fish. I have to tell you this to make my point. Branding is so important. What they're doing with this symbol is so important. I told him, respectfully of course, that he couldn't have it. He sells \$40 billion a year. He asked, are you crazy? I have 200 million clients. Yes, but they don't have our fish. Our fish is high quality, branded. You take our fish to China, and then you process it for your e-commerce. That doesn't create a job. I want the jobs in Cape Breton - processed in Cape Breton, value-added in Cape Breton, and certified in Cape Breton. Then we'll put it on a truck, you pay us, and then you put it in your slot machine and sell it.

After a full day of debate with this company, they have agreed to enter - and I caution, enter - into negotiations with us on that theory. It's done by branding. Nova Scotia is branded. It's known everywhere - Canada's brand, Nova Scotia's. These companies want our product. If you can spend money on branding, and the minister did on that, I'm telling you, we got a lot of mileage out of this branding of Nova Scotia and the quality and traceability.

MR. CHAIRMAN: Thank you very much. Mr. Orrell.

MR. ORRELL: Mr. Hanson, not everybody, not every community has a Jimmy and Lori Kennedy, a Dannie Hanson, a Jenna Lahey, or a Justin. How do we get a pattern for this to work in other rural areas in the province? You guys are championing it. You guys went out and got all kinds of great partners. It started with you guys. How do we - not a cookie-cutter but something that we can have as a pattern to lay on the table and say okay, here's what we've got. If we take this and adapt it and play with it and massage it and move it around a little bit, we can have this happen in a lot of the rural communities. How can

we do that? How can we get that to happen? I think it's important that we do that because you've got a whole community in your back pocket, working together to get to where we've got to get to for your community.

I live in North Sydney. We've had two fish plants. We've got a shrimp boat that comes in there every month with millions of dollars of catch on it. We now have one fish plant, which you guys own. How can we do that in every community to make sure that those jobs stay where they're at and that we develop and keep those communities from dying off?

MS. LAHEY: Maybe not everyone has a Jimmy and Lori and a Dannie, but I think every community has someone in their community who loves it more than anything else in this whole world. To your question earlier, no, I don't want to keep Louisbourg to myself. I think it's the most wonderful place in the world, and I want to share it with everyone. I feel like there's someone in North Sydney who feels the exact same way about North Sydney. It's just a matter of identifying those people and really selling the idea that we can't wait for people to do for us. We need to do for ourselves. The way that we do that is exactly that, taking those steps and saying, I'm not going to sit back and wait for someone to do this. I'm going to go do it. That's exactly what we saw in the community with Justin and Brett taking over the hub school. I think there are many of those people in every community. It's just a matter of identifying them and pushing them to move.

MR. HANSON: I would like to add specifically to your question about how we make this model or how we review the possibility of it working throughout other areas. I offer this committee, the questions today. Not many people know that you ask people these types of questions. Not many people know that you really care. They know you work very hard, but you have to care about so many things.

Come on out and see us. We'll host you, and we'll have these community people together and put a presentation on for you. We'll have lunch, and we'll draw up a draft plan. But leave your bureaucrats home - use the ones we have down home. Let's make a plan that brings in the accelerated growth. That's what the federal government did. Somebody got in a room, and it was done because those MPs in Atlantic Canada said, we had better do something because the people want something of us now that there's 95 of us.

We have a great group - banks. Everybody is in our group. Come down and let's see how we put this together. Are there going to be wrinkles? Yes, but it's these guys' jobs to make sure I don't see them. I'll tell you the truth - they better settle any fights in the community because if it goes in the media, this whole thing is around settling disputes and working together. We would be honoured to host you and let's talk about this, or we'll come here, but there are too many of us.

MR. ORRELL: That's what I want to hear, because so many communities are fractured. One group wants something, another group wants something else - they want to see that happen, they wanted it over there. We tried to build a rink in North Sydney. One group wanted it here and another group wanted it there - and you're not getting the money to put it there, but you'll get it if you put it here. It's crazy.

MR. HANSON: It cannot be done, in our opinion, with consultants or these forever-going-on development agencies. It's got to be in the community with you people.

MR. CHAIRMAN: Ms. Peterson-Rafuse.

MS. PETERSON-RAFUSE: I'm fine. It's just been great.

MR. CHAIRMAN: Excellent. Coming from you, that's awesome. (Laughter) Mr. Mombourquette.

MR. MOMBOURQUETTE: I just want to talk a bit about - and ask a question in regard to moving the Parks Canada office into town. Last year we had a great year for tourism. We saw an increase in the teens and all indicators are that the province overall, but in particular Cape Breton, is expected to potentially have another record year.

You talked about the 30 employees that are coming to town, so everybody who comes to visit the fortress - and I'm not sure what the numbers were for visitation last year, but it's really exciting to think about having all of those people and their first point of contact will now be in the middle of town in front of the small business - do you have any indication of - and you can use the visitation numbers from last year as an example. What's the expectation now of the traffic that's going to be downtown along with the employees that are going to be down there? Maybe in the thousands, you would think?

MR. MAHON: I believe it was 100,000, so 100,000 people driving through town. We capitalized on 5 per cent of them. That's ridiculous. But if we can get 50 per cent of the people staying a day in Louisbourg that would be unbelievable for the economy. Then with our boatbuilding on the waterfront, promoting our Lighthouse Trail, and starting to get people to stay one to two nights as it being a drive-through town. The 30 jobs in town, well that's going to help through the winter months when, of course, we're seasonal. We're trying to change that.

MR. MOMBOURQUETTE: The thought of - we all grew up around Louisbourg. My wife is from Louisbourg - the family - so we have some close ties to the community, but to think that many people would just drive through town to go to the fortress and you would only capture 5 per cent, and now you're going to have everybody's first stop in town, that's incredible. It's a game-changer. That's wild.

MR. CHAIRMAN: On that point, if I may, that's what Blair did in Fundy National Park where he turned that whole town around.

MR. MAHON: He's an excellent man. Blair is a fantastic man. He has been really helpful with the school because he knows when - he said when they took the school out of Fundy, it just seemed that the town got deflated. He has been backing us the whole time. Any way he can help, he has been fantastic.

MR. CHAIRMAN: Mr. MacLeod, for final questions.

MR. MACLEOD: Again, I want to thank you for the enlightenment you've given to this committee today. One of the things I want to ask - and this is particular to you, Dannie - one of the reasons that this concept has had success is because of Louisbourg Seafoods getting behind it and helping supply the capital to make it happen. But at the end of the day, your main focus is the fishing industry. How that performs enables you and others to invest in the community and do the types of things that we're talking about here today.

I'm just wondering if there's anything that you see that could be a help from the Province of Nova Scotia in regard to the fishing industry - not so much the concept of the plan today. I mean, it's the biggest industry we have in Nova Scotia. Actually, Jenna, you may have some thoughts on this, too, being the marketer for some of this stuff. I'm just wondering, is there anything the province can do to help make the fishery more successful? When the fishery is successful, communities are successful, and plans like this will be able to move ahead. I'm just curious if you have any thoughts on that. If you don't want to share them today, if you wanted to send them in to us, we would accept that as well.

MR. HANSON: I have no problem sharing them.

MR. MACLEOD: I kind of figured that.

MR. HANSON: I've been with Jimmy for 20 years, and he has never said no in 20 years to any investment. Do you know that? You know that. Derek knows the company very well as well. It all comes down to organizing. Take when you put the rules on the snow crab going to Newfoundland, stopping it. It created great employment in Nova Scotia.

We have a minister and a department that has, I'm going to tell you, some of the best staff you'll find in Atlantic Canada. They're young. They're educated and innovative. We're always meeting with these staff. The industry is always meeting with them. I'm up here two days a week with these people.

We have in Nova Scotia one of the best forward plans for quality, marketing, processing, and innovation in fisheries with Perennia, the Fisheries and Aquaculture Loan Board, and the department. All we have to do is get them working in the same zone. The minister gave that order last week, from my understanding.

With that being done and continuous contact with what's going on in the world market in the Atlantic Growth Strategy - I tell you the truth - Nova Scotia has never been better situated to move forward with value-added innovation. But we must rationalize the plants. You cannot start opening up a ton of plants with foreign investment. I have to leave it at that.

We're in a great spot. We just have to keep fighting with each other to not be so parochial.

MR. MACLEOD: Is there a concern within the Nova Scotia industry about the foreign investments being made in the different markets and plants in Nova Scotia and how that will affect us as Nova Scotians? I think you already gave an example of that, about the guy who wanted to buy the fish and process it over there, rather than here.

MR. HANSON: We have a very big concern about it, but we're in a spot. The industry is in a spot. Your job is to move this province forward. If we're part of a free trade agreement with Europe, and we're part of a free trade agreement with the United States and 38 other countries - last week they announced the Canada Free Trade Agreement. To answer your question, we can't go to Newfoundland and buy their product and bring it here, but they can come here and buy ours and take it there and keep their plants going.

Those barriers have got to come down so that - you heard me say it all day today - industry must run this thing, so we buy from whomever we buy from. But right now, we can't drop them tomorrow because it's going to have effects. There has to be a strategy of how to drop these barriers. Foreign investment coming in cannot just come in and buy a shack that has a processing licence attached to it to get the processing licence. They just open up, and they go fight onshore, and they take their product and put it in a container and send it away. You're losing your jobs. But how do you ask a government to stop free trade and free entrepreneurship? Those are questions I can't help you with. It's tough love. You've got to make some hard decisions, but at least you will adapt to whatever they are, but don't make them too quickly.

MR. CHAIRMAN: I'm going to turn it over to you for some closing comments. You have about 10 minutes. I'll start with Ms. Lahey.

MS. LAHEY: We as a team really appreciate all of your time and allowing us to come in and speak. It may not be exactly what you're expecting from a seafood company, but I'm hoping that you feel free to ask us any questions and follow-ups, and like Dannie said, we'd be more than willing to meet with you to discuss further movement on this as well.



MR. MAHON: I want to thank you for meeting with us today as well and letting us go through our plan in moving Louisbourg forward. I don't think it's going to benefit just Louisbourg - I think it's going to benefit all of rural Nova Scotia. I want to thank you for taking the time to meet with us.

MR. HANSON: I can't thank you enough. The questions today were quite off the wall. I thought they were fantastic. They were so tuned into what's going on around here, and so real. Your question, ma'am is very - how do you have a strategy for rural areas and everything. Please understand, I'm the senior chair of this group. Yes, we bat them around and all that stuff, but they're the ones that are out there in the community. I do not meet with communities. I don't meet with most agencies. These people do that because if they see us - we're from the old school. Not only that, I was that community's councillor and they didn't have a going-away party for me. (Laughter) If you're going to do community economic development or do strategies, we're in the same boat as you people are.

Please take a look at my request, which is a growth fund for Louisbourg - not fund, growth strategy. Not looking for a cent. There's a lot out of there. Don't think Innovacorp going into a building in Sydney, which is a fantastic thing they're doing down there, the New Dawn building but they need direction - not just coming together in a building. They need to have a rural context to it. So please consider our request and, Mr. Orrell, please consider a request to bring your committee to us and we'll work with you.

As far as Jimmy spending money on this - this is what he believes in, and my job is to spend his money. (Laughter)

MR. CHAIRMAN: We'll call a five-minute recess so that presenters can clear, and then we have a little bit of committee business and then we'll go from there.

[2:43 p.m. The committee recessed.]

[2:48 p.m. The committee reconvened.]

MR. CHAIRMAN: We'll call this meeting back to order so we can do committee business, and then we can adjourn this meeting.

Quickly, the House is sitting at the end of April, as you all know. There is a meeting scheduled for May 9<sup>th</sup> for red tape reduction. I'm asking that we postpone that meeting to a later date, possibly June. If we can all agree to that, that would be great.

Everybody agrees - perfect. With that, I adjourn this meeting.

[The committee adjourned at 2:48 p.m.]