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Mill gets millions in N.S. cash

BY BRETT BUNDALE BUSINESS REPORTER

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Provincial aid helps pave way for restart



The former NewPage Port Hawkesbury mill, which Pacific West Commercial wants to buy. (TED PRITCHARD / Staff / File)

UPDATED 6:45 p.m. Monday

The Nova Scotia government has tossed a \$124.5-million lifeline to a beleaguered Cape Breton paper mill.

Premier Darrell Dexter unveiled a lucrative financial package Monday to help Pacific West Commercial Corp. of Vancouver restart the former NewPage Port Hawkesbury mill in Point Tupper this fall.

The province has already spent \$31.4 million maintaining forestry activities in the area and keeping the mill in a hot idle state since the former owner closed it last September, bringing total provincial support to a whopping \$155.9 million.

The blockbuster financing deal, along with preliminary details of a fibre agreement and the provincial regulator's approval of a discounted power rate, leaves just one uncertainty standing in the way of the mill restarting.

"We are still waiting for the one piece of the puzzle that has yet to come, which is a positive (tax) ruling from Canada Revenue Agency," Dexter told a news conference in Port Hawkesbury.

Despite this final hurdle, Dexter said the province's support has helped reposition the mill and the forestry sector to be successful.

"We have indeed done everything we can to keep this sector of our economy healthy, functioning and oriented toward the future," the premier said.

"We are confident that Pacific West is well-positioned to be the most competitive and best supercalendered paper mill in the world. The mill has the most modern machine in North America and we're helping position it to take advantage of this and become a leader."

Under the deal, Pacific West would receive a \$40 million repayable loan for working capital to help the mill lower its costs and become more competitive.

The government has earmarked \$26.5 million in forgivable loans to support improved productivity and efficiency at the mill, train <http://thechronicleherald.ca/novascotia/128302-mill-gets-millions-in-ns-cash>

23/08/2017

C1540-001

Mill gets millions in N.S. cash | The Chronicle Herald
workers and implement a marketing plan for Nova Scotia's forestry sector.

The province also plans to purchase a little over 20,000 hectares of land for \$20 million, a sum that would go to the mill's creditors.

The funding package also sets aside \$3.8 million a year for 10 years to support sustainable harvesting and forest land management.

Pacific West spokesman Marc Dube said the funding will help get the mill restarted.

"It allows the mill to get all the supplies and materials it needs to build up an inventory to hit the ground running," he said in a telephone interview from Port Hawkesbury.

"We're preparing the mill so that within seven to 10 days of receiving a tax ruling from the Canada Revenue Agency, we'll be making paper."

Pacific West, which has offered to buy the paper mill for \$33 million, is hopeful the ruling will be made by mid-September. Dube said the mill plans to start bringing back workers on a staggered schedule near that date.

The company, an affiliate of Stern Partners Inc. of Vancouver, has also been in touch with customers so it will be ready to take orders for its high-grade supercalendered paper.

Dube said the mill will use just under 600,000 green metric tonnes of wood fibre a year and that most of the glossy paper will be shipped to customers within North America.

Opposition politicians had a mixed reaction to the funding announcement.

Liberal Leader Stephen McNeil said the NDP government is taking a risk with taxpayers' dollars.

"It's a lot of public money we're putting on the table, and there are still a lot of unanswered questions," he said.

"We seem to be shouldering all the risk. The government has bent over for every demand and now we're the ones with everything to lose."

While McNeil said he wants the mill to reopen, he wondered what the financial impact would have been if the province had instead invested the money in diversifying the economy in the Strait of Canso region.

Progressive Conservative Leader Jamie Baillie said he's happy for the Strait area.

"But in the days ahead, we intend to examine the deal in great detail."

Baillie said Nova Scotians need to know if the government secured any protections for the money put on the table.

"Do we have a long-term guarantee of jobs? Do we have a self-sufficient mill at the end of the day?"

Dexter suggested that allowing the paper mill to remain closed would have had a devastating effect on Nova Scotia's economy.

He noted that the mill will represent 2.5 per cent of the province's gross domestic product, support 1,400 jobs in the rural area and bolster provincial coffers through tax revenues of \$11 million to \$13 million a year.

The province will also receive roughly \$3 million a year in stumpage fees, and a one-time \$10-million stumpage value on the land being bought.

Pacific West also said it intends to spend more than \$165 million a year on payroll, maintenance, equipment and operating costs.

With Paul McLeod, staff reporter

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pmcleod@herald.ca (<mailto:pmcleod@herald.ca>)

BY THE NUMBERS

A breakdown of the province's support for the former NewPage Port Hawkesbury paper mill, prospective new owner Pacific West Commercial Corp. and the forestry industry, totalling \$155.9 million:

- \$12.3 million to keep the mill in a hot idle state.
- \$19.1 million invested through the provincial Forestry Infrastructure Fund to support the forestry sector, including new silviculture work, harvesting, road maintenance on Crown land and forestry-related training.
- \$24 million in a forgivable loan to support improved productivity and efficiency at the mill.
- \$40 million in a repayable loan for working capital to help the mill become lower-cost and more competitive.
- \$1.5 million in a forgivable loan to train workers to operate the most efficient paper-producing machine.
- \$1 million in a forgivable loan to implement a marketing plan for the Nova Scotia forestry sector.
- \$20 million to buy a little over 20,000 hectares of land to help meet the province's commitment to increase Crown land.
- \$38 million (\$3.8 million a year for 10 years) to support sustainable harvesting and forest land management.

OTHER KEY NUMBERS:

- \$33 million: The amount Pacific West has offered to pay for the plant.
- 1,400: The number of jobs the mill is expected to support directly and indirectly.
- \$11 million to \$13 million: The estimated annual provincial income and sales tax revenues.
- \$3 million: The estimated annual income from stumpage fees.
- \$10 million: A one-time stumpage value on the land being bought.
- \$165 million: The amount Pacific West intends to spend each year on payroll, maintenance, equipment and operating costs.

[Pacific West power rate decision \(http://www.scribd.com/doc/103334619/Pacific-West-power-rate-decision\)](http://www.scribd.com/doc/103334619/Pacific-West-power-rate-decision)

DECISION

2012 NSUARB 126
M04862**NOVA SCOTIA UTILITY AND REVIEW BOARD**

RA
IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION by PACIFIC WEST COMMERCIAL CORPORATION and NOVA SCOTIA POWER INCORPORATED for approval of a Load Retention Rate mechanism for the Point Tupper paper mill and related approvals

BEFORE: Peter W. Gurnham, Q.C., Chair
Murray E. Doehler, C.A., P.Eng., Member
Roberta J. Clarke, Q.C., Member

APPLICANTS: **PACIFIC WEST COMMERCIAL CORPORATION**
David S. MacDougall, LL.B.
James MacDuff, LL.B.
Jessie Irving, LL.B.

NOVA SCOTIA POWER INCORPORATED
René Gallant, LL.B.
Colin Clarke, LL.B.

PARTICIPANTS: **AVON GROUP**
Nancy G. Rubin, LL.B.
Maggie A. Stewart, LL.B.

CONSUMER ADVOCATE
William L. Mahody, LL.B.


PROVINCE OF NOVA SCOTIA
Mark V. Rieksts, LL.B.
John Traves, Q.C.

SMALL BUSINESS ADVOCATE

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The Pens Bench Him

The Pens have made their decision to bench him since this came to light.

Flash Bootcamps

About the Author»

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Comments(123)

by **Walter PPK** | August 20, 2012 - 10:41am

Reality?!

NSPI, the NDP Government and its Utilities Review Board take a giant step backwards.

Such parochial thinking cost untold millions and locks us into an unsustainable economic plan without out even discussing it with Nova Scotians.

by **Fiscal_Conservative** | August 20, 2012 - 1:05pm

Taxes

Any time a government makes an investment, they look at the tax revenue they will collect, and whether there are other options for the community. Here, the employee income tax revenue, the sales tax government will earn from employee and company purchases, and the corporate income tax earned, will mean the government will eventually see a return on its investment, and will SAVE the town of Port Hawkesbury.

by **rob123** | August 20, 2012 - 2:57pm

what about MY investment?.

what about MY investment?. so sorry but i am tired of having to subsidize failing industries through higher power rates. i dont care if its only a few percent.

GOOD BYE DEXTER!!!!!!!!!!!!!!!!!!!!!!
can't say its been nice knowing you.

by **Bobby33** | August 20, 2012 - 3:46pm

Lonely?

Getting lonely as a Dipper isn't it? Read the comments. You and one other poor blind soul still supporting this experiment gone bad in government. First of all if Dexter says there will be 1500 jobs the number will be closer to 250. Secondly, I doubt that Stern will stick around for the length of this agreement. As soon as reality sets in and he realizes what a huge waste of time a paper mill is, he will either get up and leave with the money Dexter gave him or tell the government he needs more money or is closing. Coporate Welfare leads to Corporate Blackmail. Enjoy your last few months in government Dippers.

by **Dartmouthbreather** | August 20, 2012 - 8:29pm

You are against 1,400 jobs?

So just to summarize Bobby33, you are opposed to the following?

\$33 million: The amount Pacific West has offered to pay for the plant.

1,400: The number of jobs the mill is expected to support directly and indirectly.

\$11 million to \$13 million: The estimated annual provincial income and

sales tax revenues.

\$3 million: The estimated annual income from stumpage fees.

\$10 million: A one-time stumpage value on the land being bought.

\$165 million: The amount Pacific West intends to spend each year on payroll, maintenance, equipment and operating costs.

A short yes or no will suffice. Since you've been willing to provide your opinion all over this story, I'm sure you won't mind answering this simple question?

by **confuzed** | August 21, 2012 - 7:43am

abstract

Offered...expected...estimated...intends.

by **city mouse** | August 21, 2012 - 12:59pm

How much for the pensioners?

PacWest wants one billion dollars of losses (from the previous operator) to offset taxes on their income (reported by CBC last night; missing in "By the Numbers" above). I don't know what their tax rate is, but to not pay taxes on a billion of income gotta be worth more than the \$33 million they'll pay. So PacWest gets the mill for free, the town is saved, creditors get paid, NSPI gets tax free dividends, and the pensioner gets nada. Got suckered again.

by **Walter PPK** | August 20, 2012 - 3:55pm

Projections and wishful thinking

The state cannot save our economy and small town communities! The act of dumping our money into foreign owned entities is infuriating. If you're going to blow \$104,000,000 (I exclude the price for getting our forest back) at least spend it on local businesses so that more of our wealth isn't sucked out of the province. We are the future -- entrepreneurs and small biz. Unlike NewPage, we're agile. Think of what modern, sustainable industry could be created in that town for \$124m. Even if they gave out 1000 small business loans it works out to be \$124k per entrepreneur. Our government must end the corporate handouts into dying industries and start creating a local business friendly environment.

by **boogalu** | August 21, 2012 - 8:07am

This is ALOT of money, but

This is ALOT of money, but this company is also the backbone of the Strait area and much of Cape Breton. If the government had done NOTHING people would be on here screaming about how awful they are, abandoning rural nova scotia. The government actually does SOMETHING and people are on here (probably people from Halifax) screaming about it.

Seems to me like an ok deal. The government gets land in exchange for money and future money is tied to jobs and tax revenue. I don't think Dexter and company can do much more to protect the province AND help this area.

by **Walter PPK** | August 21, 2012 - 12:56pm

Corporate Welfare

Pacific West Commercial Corp., part of a corporate empire with investments in both paper and publishing, sounds like it has what it takes to revive the plant and send tree harvesters back to the woods for more clear-cutting – mostly on our dime. There is an unholy expectation in this province by corporate business and industrial segments that the present government of any political stripe is an easy mark to come to the rescue; with a \$14 billion dollar debt it should be the other way around. These narrow-minded politicians and their egotistical staff at the Premier's Office are totally in over their heads. The funds poured into these sure to fail enterprises is never recovered, it is just added to the horrendous numbers that made up our provincial debt. Remember Sydney Steele?! That is some legacy of failure and still the subsidy fired race to the bottom goes on. Tough decisions require tough, sometime unpopular, leadership – exactly what we should expect from genuine leaders.

by **Billy Bob** | August 21, 2012 - 12:11pm

Please answer truly

Do you have shares in Pacific Western? Do you plan to purchase any in the near future? If not why not, please be brief, no political mumbo jumbo is required.

by **lingan** | August 20, 2012 - 10:30am

What A Surprise

Another landmark ruling people can point to that proves the NSURB is nothing more than a glorified agent of the governing party of Nova Scotia. Can't wait to read their argument about how they try to tell us they upheld their charter on this one, since they can't with any factual legitimacy, or if they even bothered. Collect your gov't issued checks on the way out.

by **honker** | August 20, 2012 - 12:59pm

EURB to close?

Yes, it seems that the NSEURB may be closer to the governing party than what is good for the citizens and the province. If this is the case we have to wonder about the impartiality of the EURB when it comes to the upcoming hearing on the Muskrat Falls boondoggle. Perhaps the decision has already been made and the hearings etc are simply a charade.

by **infidel** | August 20, 2012 - 3:10pm

Read the decision

If you took the time to read the UARB decision you would see that they addressed that very issue.

Go read, then, if you have anything other than hate to say, come back and we'll discuss like adults.

by **thinkofthis** | August 21, 2012 - 2:19pm

NSURB

Mill gets millions in N.S. cash | The Chronicle Herald

It is apparent that the "utility" of the Utility and Review Board has expired, it no longer meets its mission statements including "developing a collective body of knowledge and expertise and "producing consistent and well reasoned decisions". What reasoned decision was it the collective conscience of the board made on this. Supposedly it would cost ratepayers more if the plant were to close. However, had they truly developed a collective body of knowledge and analysed the full cost accounting of the entire "social welfare" package including impact to taxpayers, rate payers, forests, operation of a free market in the forestry industry, inefficiencies of the boiler, the social and economic viability of the biomass project, the pittance the province receives in stumpage rates for the crown resource, the manipulation of a clear-cut definition to accomodate the Corporate Fibre baskets of NewPage and NSPI, the outcome would be entirely different. At what point do the people get up and say enough is enough, good-bye Dexter Premier of NSPI.

by CMI | August 20, 2012 - 10:35am

Unbelievable...truly unbelievable

I am at a loss for words.

by Dean | August 20, 2012 - 10:56am

Yay for newpage...

Of course they got a cut. Now the question is how much my power rate is going to rise to cover this useless companys bill. Thanks alot dex

by SickOThis | August 20, 2012 - 10:43am

only one solution....

There is but one solution to this problem. We are going to have to start building solar and other forms of alternative energy into our mortgages.

That is the ONLY WAY we're going to be able to put an end to Nova Scotia Power and this wild-west "money on a loop" nonsense that we have here before us.

There is absolutely no way you could convince me that I should pay more so that NewPage can pay less. It's outrageous.

Time to take action.

by shawnino | August 20, 2012 - 10:59am

What a scam.

Who will be next to threaten to quite the province just to get an electricity rebate--that is, to shovel off their bills onto the rest of us suckers?

by Fred51 | August 20, 2012 - 1:35pm

Have we heard from Michelin

Have we heard from Michelin lately?

by Here | August 20, 2012 - 11:23am

PapCo? PageCo? PacDevCo?

Told ya. Something bad this way comes. Look for press releases around November warning, then Feb forecasting it, then April with the unfortunate budget.

by Tank | August 20, 2012 - 11:43am

Bend over..... again.....

Mark my words, a few years from now (if it takes that long) the money will have been spent, the trees will be cut down and workers will be out of work again. Nova Scotia will have given a significant amount of money it can't afford to give to yet another floundering business teetering on the edge of uselessness. Tax payers will have to give more of what we are told often enough, we don't have to give but we have plenty to give to big business who consistently make us drop our drawers, bend over and smile.

by Fiscal_Conservative | August 21, 2012 - 7:25am

Newsprint vs Paper

We're using a lot less newsprint worldwide, and a little less paper. There will always be a need for efficient paper plants, and this one Nova Scotia is saving is one of the best.

The paper mill jobs will create spin-off jobs and feeder jobs (like woodlot owners working their woods), and will keep rural NS alive.

Forestry is one of our 3 most important exports. We need to sustain this industry for the sake on rural NS.

by Tank | August 21, 2012 - 1:41pm

Great points

You make great points, but are the paper plants elsewhere in the world going to drop their efficiencies, profitability and competitiveness just because we are pouring millions upon millions of dollars into our "best" failing Nova Scotia pulp and paper plant? I think not. Yes, the millions upon millions we are offering up will indeed maintain those jobs you speak of, but for how long? A year, two years, three? It will keep that part of rural Nova Scotia alive for a bit but what about Liverpool, Yarmouth or Kentville as prime examples, don't all of them deserve millions? Yes, forestry IS an important export, so what does that mean? Do we give it up to any business that comes along or do we use it wisely? Do we give clear cutting and resource depletion and destruction the green light now that we have to prop up another failing business with tax dollars? Just exactly when does the Nova Scotian tax payer put his foot down, where does corporate welfare end?

by paul.crawford99 | August 20, 2012 - 11:31am

Like the previous owners ,

Like the previous owners , the new owners will laugh all the way to the bank, the government could have given everyone who worked there a decent pension all their lives and never spend what they will give these corporate welfare bums!

by bill2lls | August 20, 2012 - 11:55am

Well, @ approximately \$ 100 million when all is calculated + the decination of a large quantity of Nova Scotia's already flattened forest , I am astounded at this announcement.

As much as jobs are very important to all of Nova Scotia, putting this amount into a sale that will result in a closure and equipment removal in 2-3 years, just doesn't add up.

I cannot believe the income tax element.

Sterne must be laughing at we rubes in Nova Scotia.

by Suther42 | August 20, 2012 - 12:05pm

Correction, Mr. Dexter:

Correction, Mr. Dexter: "These are smart, strategic investments that will help **SOME** Nova Scotia families." Don't get me wrong: I know that people living in the Port Hawkesbury/Canso area are in desperate need, and getting the plant back up and running will go a long way to reviving the local economy. And yes, there are far-reaching benefits as well. Congratulations to all who will finally be back at work, whether employed directly at the plant or in supporting operations, retail, etc.

What bothers me is that, once again, our government is forking out millions of dollars of OUR money to a single company, with no protection for us taxpayers if the company decides to walk once the subsidies are gone. Bowater, anyone? What documented reassurances do we have that, if this venture proves unsuccessful, the province will be the first to recover its investment? I want to know that if this company bails on us, we [the people of the province of Nova Scotia] will get our money back, we will get our land back, and we will own the asset of the plant itself rather than allowing the company to sell it off for its own benefit. Because, if past experience is any indication, this company will be gone once the government money is gone.

And by the way, where did this mountain of money come from? Education needs cash. Health care needs cash. Infrastructure needs cash. We're seeing cuts all over the place in government services, but one company can usurp our reserves? Pacific West is buying the plant for \$33 million, but we're pumping over \$65 million into this? That's a problem for me.

I'm also concerned about Nova Scotia Power/Emera, who now will apply for a rate increase because of the subsidy for the Point Tupper plant, instead of basing its application on the closure of the plant. Either way we lose.

We need a government who will stand up for all Nova Scotians. Dexter and the NDP are letting us get steamrollered yet again.

by more equal than you | August 20, 2012 - 11:54am

What a province and DD ain't done yet

I'd get the hell out of this province but with no trains(govt approved abandonements),no buses(govt approved discontinuance)and no ferries(yup,no money or govt support for those bas---ds either)and the roads in such a condition that my car has been wrecked.....I'm up the (polluted) ((environment dept approved)))creek without a paddle(cause there's no wood left to make a paddle)((the pulp company took it all))
Which way to the welfare office?

by nssucks | August 20, 2012 - 12:10pm

what a shocker

hahaha...what a shocker. This government is bankrupt of ideas and we will soon be bankrupt as a province. As for NS Power ...if Newpage is shut down our power rates go up because we have lost their biggest customer...if Newpage continues as usual power rates go up because the biggest customer puts a strain on the system so we must develop new means of power production and pay for it...if Newpage gets a break on its power rates then the rates must go up for everyone else to pay for their rate reduction. No matter what happens you can be assured that the rates will go up. Like taxes and death, an annual increase in NS power rates is certain!! If you want to feel a little ill and envious of other provinces and what they pay for power check out this site http://www.hydro.mb.ca/regulatory_affairs/energy_rates/electricity/utilli...

by Billy Bob | August 20, 2012 - 12:21pm

But Darrel buddy

Where is the moola to come from for all of this pre election vote buying? If these was a solid business case, which no one has produced or anyone outside of the circle of giveaways has seen why would there be a need for all of this intensive care to use hospital lingo. Furthermore you and your brain trusts are skirting the NAFTA rules when it comes to production subsidies, but not to bother, they and the CRA are federal government issues, if they blow up it will be in their faces, not your, yours will contain the usual smirk. It was a tip off when you decided to go to Port Hawkesbury instead of your minister, bad tidings the minister, good tidings the premier, I guess that it had been the former rather than the latter you would have scheduled a trip somewhere like in the past. Just remember this is YOUR deal not mine, I do not want to see one penny extra on my power bill, my income tax bill, or what I pay in PST as result, are you listening? Not one penny.

by neldar00 | August 20, 2012 - 12:07pm

Port Hawkesbury mill

It is said that those who refuse to learn from history are doomed to repeat the same mistakes.
It is no wonder that NS is in such desperate financial condition when we see decisions like this being repeated over and over.
Have none of our elected representatives ever heard of Sydney Steel or Devco??

by lingan | August 20, 2012 - 12:09pm

Too Big To Fail Now!

Wow - talk about going "all in"; whatever financial difficulty arises now, New Page just has to put its hand out - too big to fail now!

by neldar00 | August 20, 2012 - 12:10pm

Port Hawkesbury mill

It is said that those who refuse to learn from history are doomed to repeat the same mistake.
My feeling of doom increases with every decision our current government makes.
Have they never heard of Sydney Steel or DEVCO?

by nssucks | August 20, 2012 - 12:25pm

Just a thought

I have an idea ... why doesn't the NS government, instead of year after year giving out handouts to businesses it picks and chooses, take that same amount of money and lower the business tax rate for all NS business to provide an environment more conducive to starting and growing businesses that can compete with other provinces. Why does NS have a history of believing that politicians can predict successful business better than the free market? Once you artificially prop up business with handouts you unintentionally harm all businesses trying to compete without external financial support...a very basic tenant of economics 101. I believe that no NS government has any idea how an economy works...which is why we are in the state we are. They should have to read some Ayn Rand or Adam Smith before being allowed to control the purse strings of this province.

by powerman | August 20, 2012 - 12:19pm

Say What

How can we boot these fools out of office ? Stupid is as stupid does. I will not pay one cent on my power bill to pay for this. I will deduct that % off my bill and pay the rest..Cut my power off !!!!!

by JollyJack | August 20, 2012 - 12:23pm

Lets look at the math....

Lets look at the math.... We, the NS Taxpayers, are giving the mill \$65 million consisting of a present of \$20 million and a "repayable loan" of \$45 million. (and if you think that will ever be repaid, I have some waterfront property in the Sahara I can let you have for a reasonable price) On top of that, there's:

"The province is also providing \$1.5 million to train workers and \$1 million for marketing the Nova Scotia forestry industry.

The province also announced it is spending \$20 million to buy 51,500 acres of land, and \$3.8 million annually for the next 10 years from the forestry restructuring fund for land management and sustainability"

So that's $65 + 1.5 + 1 + 20 + 38$ for a total of \$125.5 million over 7.5 years, the life of the deal. This will put 300 people back to work.

If we divide \$125.5 million by 7.5 years, it's \$16.733 million a year. Divide that between the 300 people back to work, they get \$55,777.77 annually. Not bad for sitting on yer arse doing nothing, is it?

Leave it shut down, the industry is dead anyway, Nova Scotia can't afford any more corporate welfare bums.

by powerman | August 20, 2012 - 12:38pm

If it looks like crap.Smells like crap.Then it must be crap.

""These are smart, strategic investments that will help Nova Scotia families". Please ,someone explain to me ,how is this going to help me here in Yarmouth except increasing my Power bill.....

by Halifaxguy | August 20, 2012 - 12:42pm

Inter-company dividends?

So the reduced revenue is not going to be taxable while the expenses are tax deductible. Lovely. The revenues are not included in the rate base while the expenses are in the rate base and eligible for a 9%+ return on equity? Isn't that special. Other taxpayers get to make the tax shortfall and residential consumers will get a rate hike to cover the expenses and a rate hike to replace the revenues (that NSPC are getting tax free). I wonder if cabinet have the finance wherewithal to understand that they just got triple hosed by the Power Corp?

by flickr | August 20, 2012 - 1:00pm

Train Workers?????....Another Joke

And Dexter is stupid enough to let us know that WE are giving them 1.5 million dollars to train workers. They cut the workforce from 600, to what, 300 or so? So they are telling us that the ones they are keeping on (many of who probably have 20+ years working there)..HAVE TO BE TRAINED....with our money?? I've had hangovers that never came close to turning my stomach the way Dexter and his NDP government is doing supporting these big corporations. Absolutely sickening to say the least

by more equal than you | August 20, 2012 - 12:59pm

As I've said

As I've said before.....we can't afford groceries,we can't make the mortgage payment,we're 6 months late on paying the power bill,we're overdo on the cable bill,.....but hey....let's buy a new Cadillac....now that should solve our problems.

This guy(DD)and his methods are insanity....and all for the sake of buying a few votes.Try explaining this latest extravaganza to the Yarmouth folks,Darrell and tell them again why we can't afford to keep the ferry running.

by kknite | August 20, 2012 - 1:31pm

Way to go Dex

your so far up the asses of the corporate gremlins only your feet are hanging out... You wouldnt know good business sence if it slapped you in the face... You have so got to go

by gmbowen | August 20, 2012 - 1:37pm

Article incomplete....

The problem with articles like this is that they don't describe the DENOMINATOR.

So, according to news sources there's 1000 direct jobs and 500 indirect jobs because of the mill re-starting.

We'll assume if that mill wasn't restarted (which would seem to be the case) that those jobs would evaporate....that people would be either unemployed or would move to a different province (not an unreasonable expectation).

So, 1500 jobs.....and they'd have to pay provincial taxes, which would be, say, \$5000/year minimum. So, those jobs will contribute \$7.5 million PER YEAR to provincial coffers.

Mill gets millions in N.S. cash | The Chronicle Herald

So, ignoring the loan (which would have to be paid back in any real world) and the land purchase (they'll OWN it, so can re-sell etc) that's \$24 million + \$1.5 million to train workers + \$1 million for marketing the Nova Scotia forestry industry.....so \$26 million.

The province is spending \$3.8 million a year "for land management and sustainability" for ten years. So that's $\$7.5 - \$3.8 = \$3.7$ million a year in taxes AFTER paying for land management. \$26 million divided by \$3.7 million is 7 years.

So after 7 years the jobs being present, at a mill the province is providing money for "the most efficient paper producer in the world", will pay for the infrastructure costs accrued by the province.

My POINT is that it looks like a lot of money being spent until you start looking at the money that will flow TO the provincial coffers because of spending that money.

Irresponsible of the media to not point this out I suggest.

by rob123 | August 20, 2012 - 3:18pm

for that level of taxes to be

for that level of taxes to be the case. EVERY SINGLE ONE of those jobs would have to be paying better than \$70,000 a year.

try using realistic numbers next time.

and since you are on about it, when are the customers of nsp going to see something for their money?

sorry, but i resent the fact that i have to subsidize your job.

GOOD BYE DEXTER!!!!!!!!!!!!!!!!!!!!!!!!!!!!

by nssucks | August 20, 2012 - 5:46pm

Please explain to me how 300

Please explain to me how 300 direct jobs creates a trickle down effect of more than 1000 indirect jobs. If I make 50 k per year and spend every cent how do I create three indirect jobs from my one salary? Granted I do create some economic stimulus but in no way does this multiply by a factor of three. That is silly made up economics to justify bad decision making. Read some Adam Smith or take an introductory course in Basic Keynesian economics and get back to me. Please don't ever run for office on your flawed economic theory because in this province you will probably be elected..ha

by glenn | August 21, 2012 - 11:44am

I assume direct means mill

I assume direct means mill workers and indirect refers to:
Wood Harvesters, truckers, contractors, silviculture crews, road builders, etc...

by ScottHfx | August 20, 2012 - 1:55pm

Not Again!

<http://thechronicleherald.ca/novascotia/128302-mill-gets-millions-in-ns-cash>

23/08/2017
C1540-014

Mill gets millions in N.S. cash | The Chronicle Herald

Wow, 65 million dollars could have kept the ferry going in Yarmouth for 20 years! This is unbelievable, just unbelievable! Why are Nova Scotians so gullable, and take this lying down, time after time, after time? Can we get 65 million to re-establish train service to Yarmouth at least? Ah.....nope! I can blame no one who wants to leave this loser province and move to the prosperous west for a brighter future than can ever be expected here. Wow, this is depressing.

by kknite | August 20, 2012 - 1:49pm

take a hike

if we all threatned to leave Nova Scotia unless we got a discount too... OI Dexter and NS power wouldnt even blink... immigration doors are open and theres another sucker entering NS every day...

by daveburris | August 20, 2012 - 1:49pm

Questions? Questions?

But did the URB just approve the rates as they were presented or did they make modifications? What does the taxpayer or the ratepayer pick up, if any, to subsidize the power going into the mill?

Is the \$24 million repayable, what do we have for collateral? Do we have collateral for the \$40 million? Or is it all just pure bad news for the taxpayer, as our debt and deficits head for the moon?

This has to go through Canada Revenue, I can't see them signing off on the tax chicanery. They will probably work out a compromise, and the NS taxpayer could still be out big time.

Why in heaven's name, would the province buy 51,500 acres of land? Forested land, I assume. The province already owns about 4 million acres of forested land. We are land poor. Unbelievable.

Time for a reality check.

by Halifaxguy | August 20, 2012 - 3:06pm

Canada Revenue

There is no way on earth that CRA is going to allow inter-company dividends from Newpage/owner to NSPC to flow tax-free. That would set a precedent and expose many billions of tax revenues to tax avoidance. It isn't going to happen. We should thank heaven that the Feds have some financial acumen and common sense because it is sorely missing at the provincial level.

by jc72 | August 21, 2012 - 2:09pm

Dividends

Actually dividends do flow tax-free between "taxable Canadian Corporations" pursuant to Section 112 the Income Tax Act. Earnings are taxed once in the original corporation earning income and are not taxed again until they are paid out to an individual shareholder/taxpayer. There is no tax avoidance by paying dividends from one corporation to another, it's Federally legislated that these dividends are tax-free.

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