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NORTHERN REALITIES

Notes for an Address

by the

Honourable Nellie Cournoyea

Premier of the Northwest Territories

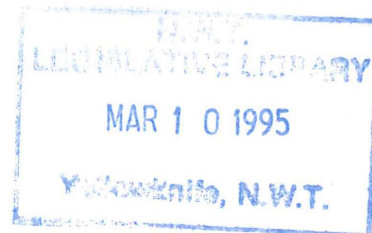
to the

Prospectors and Developers Association of Canada

Conference

Toronto

March 6, 1995



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Thank you for your warm words of welcome. And my thanks to the Prospectors and Developers Association of Canada for your hospitality. You have made those of us from the North feel very much at home.

It is a pleasure to be here with you, to celebrate another year of enterprise and innovation. To award individuals making a difference to your industry and to our country. It is not a coincidence that some of the most progressive operators in your business are doing business in the North.

People like Johnny Baker, who made the discovery that started the gold rush in Yellowknife in the 1930s. That was over 60 years ago and the mines that sit on either side of Yellowknife today are still contributing to the economy of Canada and the Northwest Territories.

The qualities we honour during these award ceremonies are not unlike the values upheld by the Government of the Northwest Territories. The objectives of this annual conference closely mirror many of my goals as Premier.

Like you, I want Canadians to appreciate the tremendous contribution the mining sector has -- and continues to -- make to the Canadian economy. Resource development is part of our national heritage and, to a great extent, the reason for this country's enormous wealth. Nowhere are the sector's impacts greater than in the North.

Mining generates more value per capita in the Northwest Territories than in any other province or territory. And that is why I am here tonight. We want to encourage even more exploration and investment in the Northern mining industry.

I am also committed to ensuring Canadians recognize the immense, and still largely untapped, potential of the resource sector in our region.

Recognition, however, is not enough. My government, in partnership with Aboriginal organizations and private sector partners like you, is working to develop that potential in a responsible, environmentally sound and culturally sensitive way that will benefit all Canadians. Not just today, but for future generations.

This means we must find ways to develop meaningful partnerships among industry and Aboriginal and Northern people that ensure the benefits of these developments are fairly distributed. It means you must work with Northerners to explain the benefits of development. You must also be willing to provide Northerners with jobs. It also means our government must work more effectively with you to ensure we achieve these objectives.

Our motivation is remarkably similar. You want to profit from your investments in the North. We want Northerners to profit from your investments -- through the creation of long-term jobs, business and equity opportunities and resource revenues.

As any of you operating in our region knows, the Northwest Territories offers extraordinarily high mineral potential with the most competitive tax and royalty regime in the country. What you may not know is that we face some of the greatest challenges in the nation, with unacceptably high unemployment and all the social problems it spawns.

We are determined to turn that situation around. And we are looking to you to help us do it. We want to work with you to develop a more vibrant economy that will provide the necessary revenues to support education, health care, housing and social programs for our rapidly-growing population.

We are dedicated to improving the lives and livelihoods of Northerners. We want to ensure that all citizens North of 60, and especially Aboriginal people have access to a fair share of the North's rich resources. There is more than enough wealth to go around.

Our social and economic challenges are not a reason for despair. They are, instead, a call for action. We must start doing things differently if we want to move forward, instead of falling further behind.

Anyone doubting the necessity -- and inevitability -- of change need only be reminded of February 27th. That's the day many Canadians got a wake-up call, when the federal Finance Minister outlined a spending agenda for this country that will force us all to work smarter and within our means.

The federal budget represents a turning point in this country. Clearly, the way things were is not the way things will be.

We, more than most Canadians, will feel the direct effects of reduced federal spending. Our economy relies heavily on federal transfers and we will suffer from any financial shortfall. We recognize, however, this country's fiscal problems must be dealt with and we believe we are part of the solution.

In fact, rather than viewing change as a threat, we see it as an opportunity. Change gives us a chance to toss out the status quo, to be innovative and approach old problems in new ways.

And that is what I want to talk to you about tonight. I know your industry is not happy with the way governments operate in this country. Frankly, neither are we. There are a lot of things we would like changed too. So let's work together to make things work better.

Let me tell you about some of the things we are doing that will make it easier for you to do business in the Northwest Territories.

First, we are working in a cooperative and productive way with our federal colleagues and with Aboriginal organizations in the North. Specifically, we are talking with them about the devolution -- or transfer of responsibility -- for mineral and oil and gas from the federal to territorial jurisdiction.

At the moment, we do not enjoy the same status as the provinces. This means we do not receive tax revenues or a share of royalties. We want the transfer of responsibilities accelerated, through a Mining Accord, so we can begin to benefit from the development of these resources. Only in this way can we hope to reduce our dependence on federal transfer payments and work toward greater self-sufficiency.

We are convinced this change will work to your benefit as well. We believe we can reduce the current jurisdictional confusion and bureaucratic red tape that many of you are forced to cope with.

We recognize and appreciate your concerns about the bewildering regulatory framework related to your industry. That's the reason why we want a Mining Accord. We want to create a stable investment climate by clarifying the roles, simplifying the rules and giving your industry greater certainty. The regulatory process should not be a guessing game. We must let you get on with your business.

We are convinced we in the North are the best people to do this job. Because we are closest to the problem, we are best equipped to find appropriate and timely solutions.

Northern and Aboriginal people know the land and how to manage it. Using this knowledge, we can put the land to work for the benefit of everyone. We can support traditional economies while, at the same time, encouraging the kind of development that creates long-term economic benefits in a responsible manner.

We recognize, too, that the current political/constitutional situation in the Northwest Territories creates uncertainty for your sector. It is at an evolutionary stage and will take a little time to sort out. Again, we are the best people to deal with these issues.

We know you don't need another level of bureaucracy. You need access to land, certainty of process and broad support for what you do. Like you, we want to avoid costly overlap and duplication that would deter economic development. None of us can afford it in today's fiscal climate.

At the same time, however, some essential investments must be made. We recognize the need to support the development of transportation infrastructure, as it is critical to economic development.

Improved access to resources will provide spin-off benefits in the form of better access and communications among our communities, in the long run reducing costs and creating opportunities for secondary business development and more job-creation in remote locations.

These are some of the issues on the table with our federal counterparts. The bottom line is, we are asking for more control and certainty so we can all directly benefit from our mineral potential.

But governments cannot do it alone. We need to collaborate with you to build a stronger Northern economy, one which will create new jobs and business opportunities that benefit the North, industry and all of Canada.

I want to make it clear that we are looking for change, not charity. We want to strengthen our own capacity to respond to the growing demands in our communities. That necessarily means increasing internal efficiencies and operating our own government more cost effectively. And we are doing this.

It also means being more responsive to the needs of potential investors such as your industry. We have launched an ambitious program to advance the employability of our people, focusing our efforts on education and the training of territorial residents, to meet your needs for a more skilled workforce.

We have cooperated with many resource companies to develop mining and training education programs relevant to your sector. In return, we expect the people in these programs will have opportunities for employment in your industry. If the mining industry can employ the local population in other countries, surely you can do it the North. Because that's our bottom line.

Northerners want to be self sufficient. We want the respect and dignity that come from being full and equal partners, contributing to the growth of Canada.

With our wealth of natural resources and our human resources potential, we have the necessary ingredients to reduce our traditional dependence on federal transfers payments. Self-reliance is obviously the only viable, long-term alternative to the status quo.

Not only will resource development benefit the North. Increased economic activity in the North enriches all of Canada, since most of the goods and services consumed in the North are produced in other parts of the country. Growth North of 60 stimulates manufacturing, construction and retailing in Southern provinces.

Every dollar of GDP in the Northwest Territories this year will generate approximately 81 cents of additional GDP elsewhere in Canada. Every person year of employment in the North will support approximately 1.8 person years of additional employment somewhere else in the country.

Resource development requires steel for new mines and pipelines from Ontario and Saskatchewan. Engineering and project management services are sourced from centres in British Columbia, Alberta and Quebec.

We all stand to gain from the development of our mineral, oil and gas capacity. And, ultimately, that is everyone's bottom line.

But of most importance to me, Northerners, especially Aboriginal people, will be winners when the North begins to benefit from its growth potential.

Let there be no doubt, however, that while we recognize these benefits, we are not advocating growth at any price. Development must occur in a way that is culturally-sensitive, environmentally sound and socially responsible.

We must be absolutely sure that the land and its resources are managed in a way that respects the environment, allows our people to pursue traditional lifestyles and maximizes our ability to become more self-reliant.

I have every confidence that our productive working relations will ensure we achieve these goals. We have had our differences and difficulties over the years. But we are finding ways to work them out.

Clearly, the industry of the 1970s is not the industry of the 90s. You have the technology to be very responsive to our environmental concerns. You have the capacity.

Your track record in other parts of the world has shown that, if there is a profit to be made, you will take the necessary measures. Given our enormous mineral wealth, we believe you have the incentive to meet our environmental concerns.

I believe the Prospectors and Developers of Canada and the Government of the Northwest Territories have an inter-related agenda. That is why we must, and will, work productively and cooperatively with you. We want you to continue to contribute to our development because it is to our mutual benefit.

The mining industry is the foundation for our future growth. That is why we should work closely with other governments, Aboriginal groups and all Northern people to ensure responsible development proceeds and its benefits are fairly distributed.

I urge you to shift your focus Northward, not further South, if you want to see where your best opportunities lie. Let's keep mining in Canada.

Critical challenges still confront us. Yet our capacity to overcome them has never been better. We have the motivation. This awards ceremony clearly demonstrates we have the necessary talents. And, as this conference makes clear, we have the momentum. Now, let's get on with doing the job. Thank you.