

ECONOMIC STATEMENT

**Premier Floyd Roland
Yellowknife, NT
May 13, 2008**

Check Against Delivery

Good afternoon.

In just over a week, my government will be introducing the new budget for the Northwest Territories for the upcoming 2008-09 fiscal year.

In speaking with Northerners, I'm well aware that there are concerns out there.

About what we're doing. About where we're going. About what approach we'll be taking in the coming months and years.

We're at an exciting and important time in the Northwest Territories.

Times are relatively good, and we want to make sure the good times we're enjoying today are secured for the future.

That means getting our budget under control while we have financial flexibility.

Bringing our spending growth into alignment with our revenue growth, so that we're on a solid fiscal foundation for the long term.

And so that we can invest in key priorities in the Northwest Territories. In our people, in our communities, and in our economy.

Investments that will move our Territory forward and make it stronger and more prosperous in the future.

Today I want to talk about what that future looks like. About the vision I have.

About where I want to see us take the Northwest Territories and what I want to see accomplished during my time as Premier.

And about how we get there together.

Now, any picture of our future can not possibly be complete without referring to the Mackenzie Gas Pipeline.

It really is the next step in our Territory's economic development.

Most of us are well aware of how much natural gas we have in the Northwest Territories. And we're aware of the Mackenzie Gas Project and how large and complex it will be.

- Reserves of natural gas in our Territory are estimated at almost 11 trillion cubic feet, with an ultimate potential of at least 75 trillion cubic feet.
- A Project that will tap into three major natural gas fields – the single largest investment in the NWT's history.
- A processing plant in the Inuvik area.
- A liquids pipelines from Inuvik to Norman Wells.
- A major gas pipeline from Inuvik to the northwest corner of Alberta.
- An incredible 1,220 kilometers of pipe along the Mackenzie Valley, carrying 1.2 billion cubic feet of gas per day.
- Nearly \$100 billion of direct output for the Northwest Territories.
- Over 31,000 person-years of employment for our residents.
- Labour income for our residents of almost \$5 billion.
- And an estimated \$67 billion to our economy.

The Mackenzie Gas Project has the potential to launch a whole new era in the Northwest Territories.

The Project will trigger additional resource exploration and development, which can open our resource basins to the world.

This stands to generate even more economic activity than the construction of the gas pipeline itself.

And like our diamond industry has done, the Mackenzie Gas Pipeline will result in economic spin offs in other sectors.

This is an important cornerstone of our future.

It stands to offer continued prosperity for present and future generations. And new opportunities for our residents – as business owners, trades people and professionals.

Opportunities for joint ventures between Aboriginal governments, businesses and development corporations.

Opportunities for our people to take a larger role in our economy. And to lead in areas like oil field servicing, transportation and northern construction.

More opportunities like the Aboriginal Pipeline Group, which owns a one third interest in the Mackenzie Valley natural gas pipeline.

And opportunities for our residents to have their voices heard. Through meaningful consultations about their resources and their land.

Opportunities. Not disappointments.

The Mackenzie Gas Pipeline will be a project of national collaboration, national pride and global significance. The Mackenzie Gas Pipeline will help bolster Canada's reputation as a world energy superpower. And it will make the Northwest Territories a source of new North American gas production.

But first, it needs to be approved and built.

This project offers enormous potential for the entire country, but there have been a lot of difficulties in moving it forward.

We've now heard that the Joint Review Panel reviewing the project will be delaying their final report until 2009, and with no indication of when in 2009 they'll finish.

This is causing real frustration for the parties involved – for investors, for Canadians, and for residents of the Northwest Territories.

And believe me, as Premier I share that frustration.

It's frustrating to know we've got an incredible opportunity right in front of us but can't seem to grasp it.

We're at a pivotal point in Canadian history.

Energy prices are strong, worldwide demand for energy is strong, and we're sitting on trillions of cubic feet of natural gas that everybody wants.

And yet we continue to face delays around processes and ownership questions. So many, in fact, that some people have begun to ask whether the Project will ever proceed.

We appreciate that this is a large undertaking, but constant delays have a negative impact on the project and the entire investment climate in the Northwest Territories.

If we as a country truly believe the Mackenzie Gas Pipeline is of national value and offers national opportunity – if we truly are committed to strengthening our sovereign interests in the north – then we need to find a way to overcome the hurdles, resolve the issues, and start moving forward.

I urge the Joint Review Panel to be as speedy as possible with its report.

Ownership questions around the project must be resolved quickly.

So I call upon the federal government, the Joint Review Panel, and all key players, to push through the last mile of issues.

Let's make decisions – once and for all – and get this pipeline built.

I can't imagine a more clear assertion of our country's northern sovereignty than a few thousand workers building a world class project like this in the NWT.

My government is ready and waiting.

We as a people are ready and waiting.

Canadians are ready and waiting.

We can't wait forever.

In the meantime, beyond the Mackenzie Project, we need to focus on fostering greater economic development in the Northwest Territories.

Focus on positioning ourselves for long-term success, and maximizing the opportunities that stand in front of us.

We've enjoyed economic success in recent years, particularly in the mining industry.

There are now 3 major world-class diamond mines in the Northwest Territories, with the most recent just completed at the end of 2007. And they have quickly established themselves internationally.

Thanks to the Northwest Territories diamond mines, Canada produced 11% of the world's diamonds by value in 2006.

Canada is now third in the league of the world's producer nations.

Now, in full operation, our diamond mines will supply 15% of the world's diamonds. For a territory of only 40,000 people that is an incredible achievement.

The mines have also spurred a secondary diamond industry in our territory. We've moved from being just a diamond producer and into the secondary industry of cutting and polishing.

This was a strategic decision. We knew we wanted to benefit from value added activity, and we put the plans in place to move in this direction.

And importantly, the billions of dollars invested in the diamond mines have created employment, boosted our retail and manufacturing sectors, and have resulted in increases in average incomes.

The future is sparkling with even greater possibility.

Opportunities for new mines.

Opportunities for more economic activity.

And importantly, opportunities for new investment.

But we can't coast on our current success. We can't become complacent. We must take the necessary steps to build on our achievements.

To foster greater prosperity for our people and to sustain our future.

The first step is to invest in better transportation and infrastructure.

It's time to modernize our transportation corridors.

To improve the connection between our communities.

To improve the connection between north and south.

To improve the connection between the Northwest Territories and the world.

It's time to get serious about the Mackenzie Valley Highway.

And about modern infrastructure generally.

We are too reliant on ice roads. They take a long time to create. They cost a small fortune to maintain. And they're only good for a short period of the year.

Some even call it our Arctic Paving Program. Good for only 3 months of the year.

And to top it off, climate change is causing warmer winters in the north. It might not have felt like it this year, but over the long term we're seeing the effects of climate change first-hand – warmer winters, melting ice and melting permafrost. And that short ice road season is getting even shorter.

Building modern all weather transportation is essential for our future prosperity. Roads and bridges that can be used year round by our citizens, by tourists, and by business and industry. Which can bring down the costs of living in the north.

Our own roads to resources.

This will take partnerships between the Government of Northwest Territories, the federal government, and the private sector.

It can be done.

The Deh Cho Bridge project is an example of this.

While it has had its critics, the bridge is the biggest piece of infrastructure that any NWT government has ever supported.

The project is being undertaken by the Deh Cho Bridge Corporation in a financial partnership of investors and the Northwest Territories. This \$165 million bridge will have significant and lasting benefits.

Economically the project will benefit residents by providing reliable and uninterrupted access to goods and services. It will stabilize transportation costs, which will further help stabilize the cost of living for residents and businesses.

And there will be considerable employment and business opportunities for Fort Providence and the Deh Cho.

Modernizing this river crossing will also provide environmental benefits. Fewer risks of marine fuel spills. A reduction in greenhouse emissions that once came from ferry operations. And far less vehicle idling.

This one river crossing project – this one bridge – will make our territory more accessible, help stabilize the cost of living, and improve our Territory economically and environmentally.

Just imagine what more strategic projects like this can do.

Canada has a history of investing in great public works projects that have opened up this country and helped it grow. Like the national railroad and the Trans-Canada Highway.

Even today the federal government is investing billions of dollars in strategic infrastructure to develop the Asia Pacific Gateway and Canada's gateway border crossings. All in the name of facilitating trade and developing our great nation.

The Mackenzie Valley Highway is a vital gateway too. It's the gateway to new opportunities in the north.

Long ago, the federal government of Prime Minister Diefenbaker called its northern vision "Roads to Resources".

Now that was true vision that put words into real action.

We've got the resources. Now we need the roads.

As Premier, I expect us to move forward on the Mackenzie Valley Highway.

It will make transportation more reliable and less expensive.

It will lower the costs of living in our communities. And most of all, it will open up the Northwest Territories to new investment, new business and new economic opportunities that we want.

We will be searching for private and public partners, including resource companies and the federal government. And we'll be exploring various financing models that could help get it built.

The Mackenzie Valley Highway is a project that we will now actively work towards building.

We will no longer continue to simply admire its merits.

I see a day when a Mackenzie Valley Highway runs all the way from Great Slave Lake to Tuktoyaktuk. Carrying goods, people and a new wave of trade and prosperity.

The other kind of infrastructure I want to focus on pursuing is hydro generation.

We have incredible hydroelectric potential. Our rivers and lakes have the potential to generate an additional 11,500 megawatts of hydro power.

To put that in perspective, Quebec's massive James Bay Project generates just over 16,000 megawatts. So we've got amazing potential.

I want to look at creative ways of unlocking this potential. Because if we can develop more hydroelectric generation, then we can enable more residents and businesses to use hydro as their power source.

This is extremely important. As the world's hunger for oil and natural gas soars... energy prices are going higher. It's already costly for us to live in the north. Higher oil and gas prices create an even heavier financial burden.

If we can unlock more generation and enable greater use of hydro power – instead of oil, gas and diesel – then we can better insulate ourselves from energy prices and help reduce the costs of living and doing business in the north.

Hydro power is also cleaner power, which helps protect our environment.

So that's the first step towards greater economic development: modern infrastructure.

The second step is attracting new investment.

We've got an incredible amount to offer Canada and the world.

We have diamonds and other minerals, with more to be found.

We have rivers and lakes that offer incredible hydro potential.

We have arts and crafts and a unique rich culture.

And we have oil and natural gas, which the world increasingly needs.

But we don't have the financial resources to develop all of this ourselves. And that's not unusual – most provinces and territories don't.

They all work hard to attract investment – much of it outside investment – to help them bring their products to market.

We need to do the same.

We're certainly no strangers to private investment. Total capital investment in the Northwest Territories in 2007 was estimated to approach \$1.7 billion, and 71% of that was private investment. So we know more is possible.

But we can't just wait for them to come to us. It's a global economy now, and there are opportunities all over the world. We're only one jurisdiction out of countless others.

We're also a long way up north. And as the saying goes, "Out of sight, out of mind."

So it's time to get ourselves in front of people again.

In the sight of investors. In the sight of business people. In the sight of tourists. In the sight of other governments. And in the sight of our fellow Canadians.

We have to actively go to them.

It's time to take our story to the world.

It's time to explain the valuable role we can play and want to play.

It's time to trumpet the amazing economic opportunities we offer.

It's time to describe how a strong Northwest Territories helps legitimize Canada's northern sovereignty.

It's time to show them that we're more than just tundra, and permafrost, and polar bears.

I will be taking the story of our land... The story of our aspirations... The story of our people and our potential... To those who want to hear it and those who need to hear it.

There will be trade visits around the world to meet with international investors.

There will be political visits nationally and internationally.

And there will be domestic visits across this country to meet with business people, opinion makers, and our fellow Canadians.

This will start right away. In a few weeks I'll be meeting with my fellow Western Premiers.

British Columbia, Alberta, and Saskatchewan are already booming. They are a powerful economic bloc.

They all have resources to offer. They are all seizing opportunities. And they are reshaping Canada's economy.

There is a New Canada emerging out west. And I want the Northwest Territories to be a part of it.

The Northwest Territories has many things in common with western Canada, especially our tremendous amount of natural resources. And many of us have friends and family in BC, Alberta, and Saskatchewan.

We can be a part of that success. And that will help us grow and prosper. It will help us attract investment. And it will help us reach our goals.

So I'm looking forward to having a good conversation with the Western Premiers when I meet with them at the end of this month.

And after that, we will continue a campaign to actively promote the Northwest Territories and attract investment.

We will get the message out that the Northwest Territories is now mature and ready to take its rightful place in a modern Canada.

The third step in promoting economic development is proper planning. Making sure that we're ready for it, and making sure we do it in a way that protects our environment.

Our Territory has tremendous natural beauty: forests, mountains, lakes and rivers, incredible wildlife.

We want to foster economic development to sustain our future, and want to do this in ways that are environmentally sound.

My government will continue to work with other provinces and territories on the issue of climate change adaptation... We will continue to pursue our strategy of protecting sensitive areas. And we will be working with the federal government and our Aboriginal partners on a framework for land use.

We know that land use in our territory has to be approached with a coordinated and coherent vision in mind.

A vision that incorporates a number of related issues...
Economic development...Land, resources and self government negotiations with
Aboriginal organizations... The creation and expansion of National parks...Protected
areas.

This is a matter that falls under Ottawa's authority right now, so it's important that Canada's vision about land in the Northwest Territories reconciles with our vision.

It's also important to recognize that here in the NWT we have our own tools that we can use to address land use.

We have the ability to make northern decisions about northern lands.

Decisions that will balance development with protection... and help us make appropriate choices as we grow.

I want to emphasize this point about choice.

We are keenly aware of the magnitude in potential resource development that we offer... from diamonds to oil and natural gas.

We are also keenly aware of the scope of impact that such large developments have on the surrounding environment.

We have the benefit of lessons learned from other governments who have tread the path of major resource development.

We should have a choice in how our resources are developed – where, how much, how fast. We've got lots of resources and there's plenty of worldwide demand for them.

But we want to develop our resources in managed, responsible, sustainable ways. It's the right decision for our people, for our land, and for our long term prosperity.

Ladies and Gentlemen, development in the Northwest Territories will be exciting.

But it will not be development at any price.

So with these three key steps...

Investing in modern infrastructure...

Attracting investment...

And balancing development with environmental protection.

We will foster greater economic development.

Finally, my vision for our future involves us taking some bold steps in the way we relate to the rest of Canada – as a people, and as a Territory.

Gradually, over time, the federal government has given the Government of the Northwest Territories greater responsibility over our lands and our affairs.

But today, even though we often work in successful partnership with the federal government, there are still too many ways in which our Territory lacks direct control over its future. Too many ways in which residents of our Territory are affected by the decisions and rules made by others in a far away government.

It is time to take the next steps in our evolution as a people and as a jurisdiction.

It is time for us to assume greater responsibility over the way the Northwest Territories is run. Greater responsibility over the way our resources are developed. And greater responsibility for the way we use our land.

As Premier, I intend to take the Northwest Territories further down the road of self-sufficiency. Further than we've ever been in the last twenty years.

It will not be easy. And there are big challenges in front us.

But if we work hard... if we persevere... if we resolve differences and get behind some bold, focused goals... We can create a Northwest Territories that is respectful of its traditions, confident of its future, and home to residents who are healthy, educated, and fully participating in a thriving economy.

A land that is run by Northerners... for Northerners.

One key part of this journey is to finalize a devolution and resource revenue sharing agreement.

I've begun a formal process of sitting down regularly with regional Aboriginal leaders. We all need to work together on a solution that is best for the Northwest Territories.

An agreement that gives the Northwest Territories authority over the development of its resources, an equitable share in the financial benefits from those resources, and authority over land use.

We've been negotiating for some time, and you often hear people say, "We're close."

It's time to close the gap between close and we're there.

It is time to sort out the final issues and get an agreement in place.

So that we, as the Northwest Territories, can make decisions that are best for ourselves. The decisions we know will move our society forward. Decisions that will provide clarity and certainty to individual citizens and investors.

No agreement will be perfect. And perfection can't and shouldn't be the standard. But the agreement needs to be fair, and it needs to address the objectives that underpin it.

I call upon all parties, including the federal government, to resolve the final hurdles. To compromise. To find middle ground. To do whatever it takes to push through the last number of issues and make this agreement a reality.

Another key part of this journey is getting our own financial affairs in order. If we're going to have greater control over our destiny we need to govern responsibly and take a long term view in our budgeting.

I don't want to saddle my children and grandchildren with debt.

I want to hand them a legacy of prosperity.

I want to leave them a Northwest Territories that is stronger than it's ever been.

So in the next budget we'll be taking steps to make sure we head down that road.

We'll be targeting our spending and programs to maximize their impact. To focus government on our priorities. To improve the lives of Northerners. To manage our land and reduce the costs of living.

To prepare us for the great future we will build together.

I see a Northwest Territories that is evolving, changing, and positioning itself to be an important economic engine of tomorrow.

A Northwest Territories that has authority over its own land, resources and affairs.

One with a serious and responsible government that has fiscal discipline and aims towards key priorities.

A Territory that is recognized around the world for its resource industries - its diamonds and natural gas.

One with a modern transportation system – serving our residents, opening up the north, and acting as the foundation of a growing economy.

A Territory with abundant hydroelectric power, helping to reduce the costs of living for our citizens.

A Territory that enjoys prosperity throughout all its regions.

A Territory that is equal in strength and stature to any province in Canada.

We've demonstrated to the nation that we can govern ourselves responsibly. That we can make good use of our resources. That we have goals and aspirations for our Territory and for our country... as full and equal partners.

I want our land to be a thriving, self sufficient place where our residents are healthy, educated, and able to participate fully in our economy.

I want strong, sustainable communities that will help legitimize Canada's claims to northern and arctic sovereignty.

I want us to capitalize on the raw, untapped power of our natural resources without damaging the environment that our people are so strongly connected to.

And I want the Northwest Territories to lie at the heart of a new north that is innovative and enterprising.

It is my intention as Premier to strongly push forward on these issues.

I will be working with all Northerners, the federal government, my Cabinet, and MLAs to turn these goals into realities.

I did not accept the job of Premier to give false hope or to echo bland pleasantries.

I accepted the job of Premier because I want to get things done to improve the lives of Northerners.

I know that a man is not judged by what he says, but on what he does.

It's time to stop talking, stop arguing, stop waffling... And start doing.

It's time to roll up our sleeves and get things done.

Together.

Thank you.