



With devolution, explains NWT Premier Bob McLeod, “we have province-like powers while having the benefits of being a territory.”
 Policy photo: Katherine Robinson

Q&A: A Conversation with Bob McLeod

Northwest Territories Premier Bob McLeod sat down with Policy Editor L. Ian MacDonald for a wide-ranging conversation on devolution, consensus government and relations of the northern territories with the federal government, notably the prime minister. Premier McLeod also discussed sustainable development of the North’s abundant natural resources, in partnership with Aboriginal Peoples. The interview was conducted in Winnipeg on May 13 during the Aboriginal Affairs Working Group (AAWG) meeting. The NWT takes over as the national Chair of AAWG in July of this year.

Policy: Premier McLeod, thank you for doing this. First of all, on devolution, why was April 1 such a historic day for the Northwest Territories and the North?

Premier Bob McLeod: I think it was very historic for the Northwest Territories. This is something I believe we’ve aspired to since we became a territory. All three territories have aspired to this, Yukon was the first to have devolution, 10 years later we saw the benefit of it, and now that we’ve obtained devolution we expect to have similar success. I think Nunavut sees that they’ll be next and that the federal government is serious about devolution as part of their Northern Strategy. That’s a very important plank of the Northern Strategy and the people of the NWT have wanted devolution for a long time and certainly past politicians have been waiting for over 40 years to see devolution happen.

And it was finally achieved on April 1, 2014.

Policy: So how do you see it—as a follow up to that—in both substantive and symbolic terms?

Bob McLeod: Well in symbolic terms, it's that we have province-like powers while having the benefits of being a territory, and that's most significant dollar-wise, in terms of the funding arrangements with the federal government. Substantively, it means that the people most affected by decisions that used to be made in Ottawa, will be making those decisions in the Northwest Territories so we can control the breadth and pace of development, we can make sure that we have balanced development. The people of the NWT have always had close links to the land and the environment so we will make decisions that will provide for balanced development.

Policy: So there's both power and money?

Bob McLeod: That's right.

Policy: Consensus government is something that we're not very familiar with, South of 60. If you had to sum up how it works, what would you say about it?

Bob McLeod: I think consensus government has worked well for the territories, there's only two jurisdictions in Canada that have consensus government, the Northwest Territories and Nunavut. It's taken the best of the Westminster system of government, combined with an aboriginal approach to government. In the NWT, with 33 communities, it's allowed the smaller communities to be able to participate and have influence on the government of the day. It probably wouldn't have the same influence if we moved to a political party system of government.

Policy: So it's different from the Westminster model with the cabinet being in charge and the caucus going along with the cabinet.

Bob McLeod: Yes, in theory, that's

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the way it's supposed to work. Consensus government is like a perpetual minority government, that's probably the best way to explain it, where if we want to get things done, probably you need at least three friends on the other side to help you get a bill through or pass a motion.

Policy: How are the territories performing in education, and particularly the education of aboriginal people, and is this where your education reform initiative comes in, in terms of setting your prosperity agenda?

Bob McLeod: We're such a large territory, 1.2 million square kilometres of land and we're only 43,000 people in 33 communities, probably about 25 of them are under 1,000 people. Of those 25, there's probably a dozen that are less than 500, so the approach that the last few governments have taken is to move away from the residential school system and have grades up to grade 12 in the communities. I think that for the larger centres the education system works quite well.

For the other communities, outside the regional centres, it's much more difficult to have a strong education system. We have issues with enrolment and absenteeism and that's where we're working on a number of initiatives; primarily, aboriginal student initiatives. We are also doing a review of the education system and we have an education reform initiative. A lot of the parents are complaining that it's hard to keep/get kids to stay in school and also the fact that we had social passing for many years. Parents don't like that very much, because they feel that when a student graduates, a lot of them don't have the skills that allow them to move on. It's become generally accepted in the smaller com-

munities, that if students want to get into the post-secondary system, they have to go for upgrading. Parents feel that if you're going to school you should be getting a quality education. In our small communities, where we have very high unemployment—40, 50, 60 per cent unemployment, it's very important for the youth to have a good education.

Policy: What's the high school matriculation rate now in the NWT?

Bob McLeod: Well, obviously there's a big difference between aboriginal and non-aboriginal. We're getting more and more aboriginal graduates all the time, our numbers are increasing but aboriginal people probably have about 20 per cent lower graduation rate.

Policy: But for post-secondary education both for aboriginal and non-aboriginal, they have to go south, right?

Bob McLeod: Yes, although we do have a community college.

Policy: Community college, but no university?

Bob McLeod: Yes, to go to university, you have to go south. For some of the students, they can take two years at Aurora College (which has three campuses in the NWT and around 650 students), and then go south for the final two years.

Policy: But you definitely see education as the key to prosperity?

Bob McLeod: For sure.

Policy: And for competitiveness?

Bob McLeod: That's the conundrum that we're having to deal with. We have a lot of jobs that aren't filled and then we have a very high unem-

ployment rate in the smaller communities. We haven't found a way to match up the skill set to the jobs.

Policy: How do you see the role of the three territories in the Council of the Federation? Which is an organization that's relatively young, founded only in 2003.

Bob McLeod: In my experience, and the other two territorial premiers--that we play a very important role. I think we're accepted by all the premiers as equals. We don't call it the Council of the Federation anymore, we call it Canada's Premiers. We benefit quite a bit from being part of that, we gain a lot by getting the support of all of the premiers of Canada in our initiatives that are important to us, and it's been very helpful.

Policy: What's your sense of how much progress the provinces and territories are making on developing what Alison Redford called, when she was in office, and others have called, the Canadian Energy Strategy?

Bob McLeod: We already had an energy strategy that was led by Danny Williams in Newfoundland but I think we're making very good progress on working on a new revised, updated energy strategy. And at one time B.C. was not involved, and Quebec. B.C. has since become more active. We're waiting to see with the new government in Quebec, what positions they will take. Obviously for a territory like ourselves, we see it as very important, because we have a lot of resources, they're all stranded and we can't find a way to go through southern provinces or southern territories.

Policy: You've got to get resources to tidewater.

Bob McLeod: That's right.

Policy: Former prime minister Mulroney made a speech in Ottawa in April on sustainable development of Canada's natural resources. And he said that First Nations and aboriginal support, approval by the provinces, and participation of responsible en-

vironmental advocates, were pre-requisites to transporting these resources to tidewater and world markets. And you've talked about the need for balanced development, looking at the North, and the equation. And the balancing of the equation is between the resource development and sustainable development. How do you see that?

Bob McLeod: Well, I agree fully with the statements that former prime minister Mulroney made in his speech. That's the approach we've been fostering and we think it's working. When you look at the proposed Mackenzie Valley Pipeline, governments and First Nations would have owned 33 per cent of the pipeline if it went forward. If you look at the diamond mines, and you look at the businesses that are in our territory, the largest businesses in almost every sector are aboriginal-owned companies, so it's worked quite well in our territory.

I don't think we would have accomplished as much as we have done, as the 17th Legislative Assembly, without having a good strong interpersonal relationship with Prime Minister Harper. I think that the fact that we don't have a Conservative MP, despite that, we've been able to work well together. He's been very interested in the North. And I meet with him on a regular basis.

Policy: How do you see the importance of the interpersonal relationship between yourself as a territorial premier and the prime minister, Mr. Harper?

Bob McLeod: Well I think it's been very important, as I don't think we would have accomplished as much as we have done, as the 17th Legislative Assembly, without having a good strong interpersonal relationship with Prime Minister Harper. I think

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Policy: He's not the first prime minister to have been fascinated with by the North; it goes back all the way to Diefenbaker and Roads to Resources. He says his annual August trip is the one he most looks forward to all year. One of the tests for any prime minister though, in the North, is Arctic sovereignty and I was wondering how you think Canada is doing there and whether you're worried about the acquisitive tendencies of the Russians, showing up in the high Arctic?

Bob McLeod: I think that Canada is doing quite well. Whenever he comes up North now, like when he came up to sign the devolution final agreement, he was very surprised when he looked up at the gallery of our Legislative Assembly and afterward he remarked that he's been coming North so often that he knew just about everybody who was in the gallery.

We've been promoting that the best way to have Arctic sovereignty for Canada is to have strong, sustainable communities and we've been pushing Mr. Harper on that. We were very pleased when Canada took up the chairmanship of the Arctic Council. With regard to the Russians and the high Arctic—I think that with the United Nations Law of the Sea, probably that Canada will be able to maintain a large part of the resources.

Policy: Speaking of the Arctic Council, how do you see its role in advancing circumpolar issues?

Bob McLeod: I think it plays a very important role. It's a very good forum for us. It brings the circumpolar world to our door. And we have to take advantage of the opportunity, as much as we can to educate them about the North and also work with

the other circumpolar countries so that we can work together to protect the Arctic.

Policy: Climate change in the North. Is this a big issue for you? And is the melting of the sea ice evidence of that?

Bob McLeod: Climate change is a very big issue to us. For a number of reasons, the melting of the sea ice is evidence of that for sure. But it also manifests itself in many, many ways. When you look at the North, the treeline is moving north, the permafrost is melting, we're starting to see it affect wildlife.

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Policy: Most famously, it affects the polar bears.

Bob McLeod: That's right, we have cross-breeding between polar bears and grizzly bears, what they call the "grolars". And we're seeing species, animals that have never been in the North before. Like cougars and white-tailed deer. We're seeing waters warming up, so certain species of fish, you can't catch them where they used to be.

Policy: So this affects indigenous ways of life?

Bob McLeod: Yes, for sure. And water levels also; you know, we depend a lot on ice roads, and climate change affects ice roads. And then the last few summers, there have been very few mosquitoes. I don't know if they attribute that to climate change or not, but that's the reality.

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Policy: What are the implications of all that for open navigation of the North, of the Arctic Ocean and the oil and gas resources up there?

Bob McLeod: Well, I think that you know we were starting to see a lot more people coming up. I think there have been some people who have tried to go through the Northwest Passage on Sea-Doos, there's some who try to paddle a boat through there. We're hearing now that there's a group of women who plan to scuba dive through the Northwest Passage. A couple of years ago, 75 cruise ships went through the Northwest Passage. So I think that it remains to be seen but there was a Chinese ship that went through the Northwest Passage recently. Although the Americans are saying that they don't see it as a viable shipping route. But as far as the development of oil and gas, I think that it will facilitate that, so it's very important for us to have a port in the Beaufort Sea, as far as I'm concerned.

Policy: What are the infrastructure needs of the North, in particular in the NWT, in terms of roads, pipelines, and ports to get products to global markets?

Bob McLeod: We need all of those., We're building a highway from Inuvik to Tuktoyaktuk that's been under construction for a little over a year now. We'll be driving over it in probably three years from now. The cost of living is very high in the North, so infrastructure is the best way to reduce the cost of living. I talked about our stranded resources, we need pipelines and ports, to get it out, get it to market.

Policy: In a sustainable way.

Bob McLeod: That's right.

Policy: Fracking has been in the news recently, with the report of the Canadian Council of Academies which acknowledges possible risks to groundwater and of CO² emissions, but concludes there's no definitive evidence of it. What's your sense of that?

Bob McLeod: It's something that we're working on. And near Norman

Wells in the Mackenzie Valley in the central part of the Northwest Territories, there's a world-class tight oil, tight gas plate. It's still in the exploration stage, where the companies are wanting to prove out the size of the fields. The local, regional aboriginal governments have been supportive and they want the exploration to prove out how much oil and gas is in there. The expectation is that before it goes into development it will probably have to go through environmental assessment. We're getting a lot of pressure from environmental groups from the South, which are totally opposed to any sort of fracking. So, again, it's part of the balance that we talked about.

Policy: How about the potential of the oil and gas industries in the North? The numbers are pretty striking—proven reserves of 12 billion barrels of oil and 150 trillion cubic feet of gas.

Bob McLeod: Yes, there's very significant potential. And the Mackenzie Valley Pipeline has been approved. They're just waiting for the price of natural gas to go up. When they first applied to build the Mackenzie Valley Pipeline, the understanding was that if natural gas was approximately \$6 to \$8 per thousand cubic feet, that the pipeline would be feasible. The last time I checked the price of Natural Gas is pretty close to \$5—so, it's getting pretty close to that range. Even if the United States becomes self-sufficient, I talked to British Columbia Premier Christy Clark, and she's developing LNG and she's saying our natural gas could go through there once we get a pipeline through.

Policy: What's the appropriate partnership role for aboriginal people in mining and extractive resources?

Bob McLeod: Our experience to date has been aboriginal people have been negotiating impact benefit agreements with mining companies, they've been negotiating jobs, business opportunities, and I think that's worked well. As all the land claims are settled and self-government comes into effect, they'll be the own-

ers of their resources. So they'll be partners and owners in development at some point.

Policy: The mining industry is NWT's largest private sector employer. How do you see that relationship between industry and government going forward? Is it "Diamonds Are Forever"?

Bob McLeod: Well I wouldn't say "Diamonds Are Forever" because diamond mines have finite lives. But I think the diamond mines will be there for quite a long time. We have three diamond mines now and the fourth one has received regulatory approval and construction will begin very soon. And there's also work being done to extend the life of at least one of the existing diamond mines. And I expect that by 2020, we'll double our GDP, and we'll have at least seven new mines in operation.

Policy: Your government's engagement process with Aboriginal stakeholders, titled, "Respect, Recognition and Responsibility" was the context for the Mackenzie Valley Highway project, that came second overall, in the IPAC (Institute of Public Administration of Canada) awards for innovative management. Is this a template for engagement?

Bob McLeod: I certainly think so and by taking that approach we got the devolution deal. I think it proved very helpful because when we got elected as the 17th Assembly our whole caucus agreed to have a meeting with the aboriginal governments, the seven aboriginal governments in the Northwest Territories, before we'd even selected a premier or cabinet. When I was elected premier and along with my cabinet, we made it a priority to develop a strategy for aboriginal government engagement. I was keeping track of how many meetings I was having with aboriginal governments and I think after the first year and a half, I was up to about 60 meetings with aboriginal governments. So we took an approach that, if you're going to work together, you've got to build trust and the best way to build trust is to get to know

each other, to meet on a regular basis, and that's how we were able to move forward and get aboriginal governments to support devolution.

Policy: NWT has, as you know, the highest per capita personal income in the country—\$67,000 a year. Which compares to the national average of \$46,500. And even Alberta, oil rich Alberta, is second to you, at \$56,000. Obviously, your costs are higher in some ways, in terms of bringing in goods and services. What are the challenges in managing this kind of prosperity in the North and in particular NWT?

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Bob McLeod: Well, the biggest challenge is that we've got a very leaky ship. All the money that comes into the North, probably 70 per cent of it leaves to the South right away. We have some issues that we've been struggling with as a government. First and foremost, the cost of living is very high, and so people move to places that are cheaper. We believe if you work in the North, you should live in the North but we have, we estimate, about 3000 "fly in, fly out" workers. Some of them have been working there 10 years, some of them have never set foot in the communities. So that's a problem.

Policy: They have the same issues in the oil sands, don't they, with the workers from Newfoundland and Cape Breton, who fly in, and fly out?

Bob McLeod: Yes, and then you're trying to build an economy and now we have probably, on a per capita basis, we probably have the best airline coverage, at least in Yellowknife,

where we have four airlines that are flying in and out of Yellowknife, sometimes twice a day. A story I like to tell is about 10 years ago, if you wanted to fly out of Yellowknife to Edmonton, return, it would probably cost you about \$1200 and we had two regional carriers. We had First Air, and Canadian North. About six years, maybe eight years ago now, Air Canada started flying, back and forth just to Yellowknife, and so the cost went down to probably \$600. And I think three years ago WestJet came in and the cost went right down to \$150 round trip. You can still get a seat for about \$150.

Policy: Do you have some of the same challenges and issues Alberta's had, on a smaller scale, managing growth?

Bob McLeod: On a smaller scale because people work, get jobs, get skills and then move South, so we're losing a few people. At one time Newfoundland and the Northwest Territories were the only two jurisdictions that were having population decline. Then Newfoundland became a have province. The NWT has the only population on the decline, not by much, mind you, but we're down 100 to 200 people a year. We had to figure out what was going on, so we worked with the mining companies to do surveys and we realized that we were the victims of our own success. That we trained up people, workers would move south where it was cheaper and then fly in and fly out. We never thought aboriginal people would do that as well, but they're just like anybody else; they want to do what is best for their families, their children. So now, we are working with all our governments and communities. We realize that we had to have more housing and more infrastructure. We have the best student financial assistance program in Canada. We have good health care, a clean environment, lots of outdoor activities, if that's what you are looking for. We are finding that we have to promote ourselves. People who come up North live there because they like it, they like the lifestyle. **P**