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PRIME MINISTER'S ANNOUNCEMENT IN PRINCE ALBERT

(APPLAUSE)

RT. HON. STEPHEN HARPER (Prime Minister of Canada): Thank you. Bonjour. First of all, thank you Brian for that kind introduction. As I said last night, I do want to thank you and all of your fellow Saskatchewan MPs for the great work you do for your province and for our country, but also to wish you all the best on your retirement. We will be missing you and this is probably the last chance for me to say this before it happens in Prince Albert, so we really do appreciate everything you've done for me, everything you've done for the party, and... (APPLAUSE) it's a pleasure for me to be able to say it in front of so many colleagues, both past and present. Thank you also to Darren McCaffrey and to the EA Rawlinson Centre for hosting us at this fine facility today, and greetings as well of course to Premier Wall who will elaborate on today's important announcement about jobs, communities and the economy in a few minutes.

These are exciting times for Saskatchewan. 2007 was of course a banner year for the Roughriders, also a banner year for mineral exploration in the province. Uranium, potash and other Saskatchewan resources are in high demand all over the world. There are new prospects for oil sands development in the Northwest and for light oil in the Southeast. Saskatoon and Regina are two of the hottest real estate markets in the country,

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and the province's population I'm told is back up over a million and counting, because Saskatchewan offers the best of both worlds, economic opportunity and great quality of life. Best of all, it is native sons and daughters of Saskatchewan who are leading the migration back. They're coming home, home to a province with a bright future, home to a province that is going to take on a bigger role in national decision-making. And if I may say so, Premier, home to a province as well with a new government that is committed to realizing Saskatchewan's full potential. Like Saskatchewan, Canada's economic foundations are strong, diverse and resilient. We've been enjoying one of the strongest periods of economic growth in our country's history. The national unemployment rate is lower than it's been for three decades. The federal tax take is falling to its lowest level in four decades, and we're reducing the national debt so future generations don't get stuck with a mortgage they didn't create. So our economic fundamentals are very strong. But as I said before, as a free trading nation, we are vulnerable to the current volatility in the world economy. Certain regions and certain sectors are facing significant challenges. Prince Albert, for example, has been hit hard by the problems of the forestry sector. Across Canada, people who work in traditional sectors like fishing, tourism, manufacturing, face significant difficulties. Since taking office, our government has taken numerous steps to adapt and to adjust to these realities. We delivered significant support for the struggling forest sector in budget 2006. We accelerated capital cost allowances to help manufacturers in budget 2007. We brought in long-term, broad-based tax cuts for all businesses in the fall economic statement, and we have boosted federal support for skills

training, infrastructure and scientific research and development to make sure Canada can compete with everyone in the world.

Dans le discours du Trône de l'automne dernier, nous avons promis de prendre de nouvelles mesures pour aider les travailleurs et les communautés des industries traditionnelles. La semaine dernière, nous avons donné suite à cet engagement en annonçant le Fonds de développement communautaire. Ce fonds d'un milliard de dollars va aider les régions vulnérables, les communautés en difficulté et les travailleurs mis à pied à s'adapter aux circonstances économiques changeantes.

In last fall's Throne Speech, we promised more action to stand up for workers in communities in traditional industries. Last week we delivered on that commitment by announcing the \$1 billion Community Development Trust to help vulnerable regions, hard-pressed communities and laid off workers adapt to changing economic circumstances. This major new national initiative will support provincial and territorial efforts to help communities and workers buffeted by international economic turbulence beyond their control. It will benefit workers in communities dependant on single employers who are facing major downturns or regions hit by layoffs across a range of sectors. The Community Development Trust will support a wide variety of initiatives from coast to coast to coast, including older worker support, job training and skills development to create new opportunities for displaced workers in sectors where labour demand is high, community transition plans to stimulate local economic development and create new jobs, and infrastructure development, that enables economic diversification.

Entre temps, mesdames et messieurs, j'ai le grand plaisir d'annoncer aujourd'hui que le nouveau gouvernement de la Saskatchewan a accepté d'être un partenaire du Fonds de développement communautaire.

Ladies and gentlemen, I'm very pleased to announce today that the government of Saskatchewan...excuse me, I'm very pleased to announce today, I should say, that Saskatchewan's new government has agreed to be a partner in the Community Development Trust. The province has identified several measures that fit very well with the aims of the trust. I'll let Premier Wall explain his government's own plans for trust funding, but let me just conclude by saying that Ottawa and Saskatchewan, all of the provinces and territories are working together to turn the economic challenges we face today in to economic opportunities for our citizens tomorrow.

C'est le fédéralisme d'ouverture à son meilleur. Notre gouvernement prépare prudemment le Canada à l'incertitude qui s'annonce. Nous nous positionne...positionnons en vue d'une croissance et d'une prospérité accrue à long terme.

This is open federalism at its best. Our government has been prudently preparing Canada for the uncertain times ahead and positioning us for greater growth and prosperity over the long term. This is what good governance is all about, not using taxpayers' money to prop up the status quo, but instead helping workers, communities and business adapt, adjust and prepare for the future. And that's what today's announcement is really all about. So thank you very much. Merci beaucoup, and I'll turn it over to Premier Wall to give you the details on his side. (APPLAUSE)

PRIME MINISTER'S Q&A IN PRINCE ALBERT

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(APPLAUSE)

DIMITRI SOUDAS (Deputy Press Secretary to the Prime Minister): Good morning, we'll start with David Shield, CBC Radio. Just go to the boom mic.

REPORTER: Didn't know you'd start this early. I guess, Prime Minister Harper, do you have any comments on Liberal Party infighting up in the Northern riding in Desnethé.

RT. HON. STEPHEN HARPER (Prime Minister of Canada): Uh, no. (LAUGHTER) I'm always told when your opponents are fighting among themselves, stand out of the way. (LAUGHTER)

DIMITRI SOUDAS: On va continuer avec Marie Line, Radio-Canada radio.

JOURNALISTE: Donc ma question serait allez-vous continuer à rendre conditionnelle cette aide de 1 milliard \$ qui sème la controverse à plusieurs endroits dans le pays?

TR. HON. STEPHEN HARPER: Si quand vous utilisez l'expression "conditionnel" il est conditionnel de l'adoption du budget, et ce n'est pas une nouvelle idée. C'est toujours le cas. C'est toujours le cas que de nouvel argent pour des priorités, pour des priorités majeures ont besoin toujours de l'appui du Parlement. C'est la même chose dans chaque province. Pour dépenser des fonds, des provinces, y compris le Québec, des autres, doit avoir l'appui de leur parlement, de leur Assemblée nationale au cas de Québec. Et moi je suis convaincu que tous les partis de l'opposition ont demandé cette aide et je suis...j'espère qu'ils vont voter pour leur propre priorité.

DIMITRI SOUDAS: James Wood, Star Phoenix.

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REPORTER: Prime Minister, Premier Wall has spoken about not pressing Saskatchewan's equalization demands anymore and taking a different tact, looking for investments in other areas and kind of using the target equalization money as sort of the target for funding. What is your receptiveness to this approach? What do you think of this, and is there a possibility of seeing these kinds of funds come to Saskatchewan in a different way?

RT. HON. STEPHEN HARPER: Well, we're looking forward to working with the new government of Saskatchewan on shared priorities. And we've had some good discussions. I'm not going to comment on any specifics. Let me just say this in general. And I hope the Premier doesn't mind me saying this, but you know, off the record, I was asked by some friends what I thought when the Saskatchewan election was called, and the former government was running on getting more equalization. I said, "If they run on that, they're going to lose," because my judgement is that the people of Saskatchewan and certainly the new government of Saskatchewan, like the government of Canada, think it's a good thing that Saskatchewan's a have province and the vision is that Saskatchewan's going to be a have province for a long time to come. I think that's a vision we share and I think that's the right direction both for Saskatchewan and for Canada.

DIMITRI SOUDAS: Nous allons continuer avec Pascale Bouchard, Radio-Canada télé.

JOURNALISTE: Monsieur Harper, pour ce qui est du dossier de la Commission de sûreté nucléaire, est-ce que vous pensez qu'une partie des torts devrait être attribuée à Énergie atomique Canada?

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TR. HON. STEPHEN HARPER: Excusez, répétez la question, s'il vous plaît?

JOURNALISTE: Pour ce qui est du dossier de Madame Linda Keen avec la Commission de sûreté nucléaire, est-ce que vous pensez qu'une partie des torts devrait être attribuée à Énergie atomique Canada également?

TR. HON. STEPHEN HARPER: Je peux dire seulement que nous appuyons une société, la société Énergie atomique du Canada. Nous cherchons un avenir. C'est une compagnie avec beaucoup de problèmes de gestion et de finance et le gouvernement tente depuis notre élection de trouver une solution de ces problèmes. En même temps nous avons un défi majeur avec la Commission nucléaire. Le gouvernement a dû intervenir pour sauver le système de santé et les vies des citoyens à cause de ces décisions qui ne sont pas nécessaires, et à cause de ça, nous avons agi. Et nous allons, nous avons des responsabilités pour assurer une compagnie forte. Nous avons beaucoup de travail à faire pour l'accomplir et en même temps nous avons des responsabilités pour protéger le système de santé et les vies des Canadiens.

DIMITRI SOUDAS: Continue with Megan Craig, Global Television.

REPORTER: Hi there. There are reports out of the US that this funding will jeopardize any truces that have been made so far in the trade dispute. What are your thoughts?

RT. HON. STEPHEN HARPER: That's I think just some political posturing in the United States. I've been very clear when I've talked to the Premiers that there's enormous flexibility in this fund, but I've said there are two things we don't want to see the money spent on. We don't want to see

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it spent on, you know, other than, you know, helping certain workers who may need help, we don't want to see the money spent in regions that have a hot economy, and I think the Premier indicated that obviously his focus for this funding will obviously be the areas of the province, including this region, that have been having economic challenges. The other thing I've been clear on is this is a fund for, you know, it's for communities, it's for workers, it's also, you know, could involve some, you know, broad based initiatives to improve research and development or for sectors, but it is not for company bail-outs. And the federal government will be very insistent that the money not be used to violate any of Canada's trade obligations. And frankly in all my conversations with the provinces, none of them have indicated any intention of using the money in that way. So as I say, I think this is pure political posturing in the United States during an election year.

DIMITRI SOUDAS: Continue with Mark Ragstadt, CTV.

REPORTER: Good morning, Prime Minister. I'm curious, and you alluded to it just a moment ago, political posturing, your opponents might say that this announcement today includes a figure that we have heard already publicly. How much of it is about public policy and how much of it is about politics in light of a federal by-election that's coming up, sir?

RT. HON. STEPHEN HARPER: Well, this is a national program, so I don't think it can be attributed to a federal by-election. I'd like to believe that good policy and good politics are the same thing. Not always the case, but I think in this case this is good policy. We have promised it in the Throne Speech that we would do something specific to aid sectors and regions affected by the downturn in certain traditional sectors or overly affected by

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that downturn, and that's exactly what we're doing, and my anticipation is that every province and every territory will ultimately be a partner with us in delivering this support and delivering it in the ways that we intend it to be delivered.

DIMITRI SOUDAS: Continue with Steve Pasquillato, CBC Television.

REPORTER: Good morning Prime Minister. What specifically did Linda Keen do to provoke her dismissal at the atomic agency, and your thoughts on criticism that the agency has lost independence, and if I may, sir, your thoughts on Robert Gates' comments saying that he didn't think that NATO forces were able to combat the insurgency in Afghanistan.

REPORTER: Well, in the latter, you know, officials from the United States at all levels have always conveyed their appreciation and confidence in Canadian Forces, and I've heard that from both military and non-military sources, and I believe Secretary Gates conveyed that to Minister MacKay yesterday, so there should be no misinterpretation of those comments vis-à-vis Canada. In terms of the other issue, look, the government was faced in December with an unpleasant and frankly extraordinarily unusual situation where the government had to ultimately intervene, had to get Parliament to intervene. We did so, by the way, once again, with all party support. We had to intervene to stop a course of action from the President of the Nuclear Commission, which would needlessly jeopardize the healthcare system and the lives of Canadians and people around the world. That was very unfortunate. We subsequent to that made efforts to assure ourselves that this could not happen again. We did not get those assurances. Quite to the contrary. So the government took the only course of action it could take. The government has

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to take its responsibilities, its ultimate responsibilities to Canadians for the health and safety of this country seriously, and the government has had to act in what has not been an easy situation, nor one under normal circumstances where the government should ever have to intervene, but unfortunately we did.

DIMITRI SOUDAS: Mervin Brass, News Talk Radio.

REPORTER: Good morning Mr. Prime Minister. How concerned are you that the recession in the United States will hit Canada even harder than you expected in the late December interview that you did with Reuters?

RT. HON. STEPHEN HARPER: Well, actually I did say at the end of the year in a series of interviews that there continues to be significant volatility in the world economy and specifically in the American economy. We are concerned about it. We believe that Canada is entering this period with very strong economic fundamentals. We have banking sectors, household sectors, government sectors that are all in strong financial positions overall. You know, virtually every senior government in the country is in a surplus position. Canadian household sector, domestic demand has been very strong, so we approach this in a position of strength. We also have taken in our judgement over the past couple of years a number of policies that position Canada well for the long term. All I can say is we're watching that situation obviously with some interest. We're not telling Canadians there won't be volatility here, but we think we're in a good position to manage it and we'll obviously watch what happens in the United States with great interest.

DIMITRI SOUDAS: Dave Simms, Missinippi Broadcasting.

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REPORTER: Mr. Prime Minister, this week's Canadian census shows that the number of First Nations people leaving reserves and moving to the cities is growing. Can we expect to see more dollars for things like training, affordable housing, outreach centres, that type of thing coming from Ottawa in the next budget?

RT. HON. STEPHEN HARPER: Well, I will not comment at all about the next budget other than to say what I said at the end of the year. As you know, the government moved most of its budgetary actions up early this year. We did them in the fall. We concentrated on long-term tax reductions for business, for families and for individuals. We are not anticipating taking on in the spring any kind of significant on-going additional tax or expenditure commitments. We're going to pay down some debt as we've been doing and making sure that the financial position remains strong during a period of economic uncertainty. That said, I think the broader question, or what you led into the shift of Aboriginal people from reserve to the cities is a trend that's been going on for some time. It reflects, frankly, the trend in the population as a whole. It's been a long-term trend in this country, and we believe that we are in a period where there is, as I said to the Premier and other premiers at our dinner last Friday night, I believe we are in a period of unprecedented opportunity for Aboriginal people. There is tremendous growth in our economy, and particularly in parts of Western Canada where Aboriginal people often are highly concentrated where Aboriginal people live, and there is tremendous opportunity in the resource development we're seeing in Saskatchewan and Alberta and across the West for Aboriginal people to participate. And I see signs that that's happening. I was up in Fort McMurray. I saw a lot of Aboriginal people very involved in oil sands development there.

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I was up last year at the Jericho diamond mine in Nunavut and was pleased to see that probably about a quarter of the workforce at that diamond mine was composed of Aboriginal people, principally Inuit. So I think there's tremendous opportunity and I think all governments are anxious to work together to ensure that that historic opportunity can be exploited so that we can have a much better future for the Aboriginal populations of this country. That actually turned out to be a pretty recurrent theme of the discussion we had on Friday night, and one, as I say, we're all anxious to exploit to the maximum.

DIMITRI SOUDAS: Tara Campbell, Daily Herald.

REPORTER: Good morning Prime Minister. I have a question related to Afghanistan. Do you have plans to be speaking directly with the President of the United States in regards to their recent announcement to make a surge there?

RT. HON. STEPHEN HARPER: I anticipate yes, I will be speaking about that to the President and anticipate that I will have further discussion with other NATO leaders about long-term needs in Afghanistan. You know, we continue to say Canada's...I think everyone has acknowledged Canada has made its contribution. We've made a commitment in 2005. Canada continues to fulfil that commitment. I think we've been one of the leading countries in that regard and I'm not certainly going to diminish the American contribution. It has been significant as well, and we need to see NATO as a whole step up to the plate. We have seen some significant improvement in the past couple of years. I think of the most...the clearest example is Poland, which has made enormous additional commitments to its capacity in Afghanistan. So I anticipate, yes, I will be having further conversations with leaders. You don't mind if I say as well that I won't be, in

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any of those conversations, suggesting to leaders what Mr. Dion has suggested in recent days that Canada abandon Afghanistan and invade Pakistan. That's really not on our horizon.

DIMITRI SOUDAS: We'll continue with Calvin Ketnich from CTV. Ok then, we'll move to the last question, Verne Falkner, Prince Albert...

RT. HON. STEPHEN HARPER: I think they got him.

DIMITRI SOUDAS: We found him? Ok.

RT. HON. STEPHEN HARPER: We'll just get you the mic if you don't mind.

REPORTER: Good morning sir. A question on the national scale. The women's ski jump team, the Canadian women's ski jump team, do you have an opinion on if there should be a team, should there not be a team, this controversy that's been going on?

RT. HON. STEPHEN HARPER: I actually don't have any opinion on it. I must admit that I haven't heard a lot about it. I guess I haven't looked at the sports pages in the last couple of days, but I promise you I will find out more about it.

DIMITRI SOUDAS: And last question, Verne Falkner, Prince Albert Daily Herald.

REPORTER: Both you and Mr. Wall have spoken about the potential for economic growth in this community and in Northern Saskatchewan. That said, with the kinds of growth we've seen in Alberta, we can probably expect to see pressures on our infrastructure, our roads, our highways, our sewers, our power. What kind of support do you anticipate the federal government being able to give this province in terms of maintaining

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existing infrastructure, helping Prince Albert perhaps deal with potential growth and with perhaps building new infrastructure in the years to come?

RT. HON. STEPHEN HARPER: Well, first of all there are two things. The first is that this government has announced the largest infrastructure investments in Canada in over half a century. We have committed \$33 billion in new infrastructure investments across this country over the next seven years, and obviously that is available, you know, to Prince Albert as it's available to all communities. In terms of the specific announcement today on the partnership on the Community Development Trust, infrastructure investments in hard hit communities and regions are specifically authorized. That's certainly an option for the province. I think it's clear the provinces in, as all provinces are, by the way, are in the process of developing their plans. If you don't mind me just maybe mentioning that earlier, because I was asked about it earlier in French about this money being conditional on adoption of a budget. Of course it's conditional on adoption of a budget. All new spending is conditional on adoption of a budget always in every single jurisdiction in this country. But as well, you know, this is new money and the provinces are very quickly putting together their plans and we do anticipate there'll be a period of weeks before those plans are finalized by the various provinces.

DIMITRI SOUDAS: Thank you very much, everybody.
Merci beaucoup. Thank you.

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