

The Honourable Robert McLeod
Premier of the Northwest Territories
Legislative Assembly
Yellowknife, NT
X1A 2L9

Dear Premier McLeod:

Thank you for your letter and for working with our Government over the years to strengthen the Northwest Territories. Our Conservative Government believes that Canada's North is a fundamental part of our heritage, our future and our identity as a country. Building on our Government's vision for a new North, we have taken action to ensure that the Northwest Territories realizes its full potential by exercising our Northern sovereignty, promoting economic prosperity and supporting the health of Northerners.

We have a proven record and a plan for the future that is based on low taxes, balanced budgets and a clear focus on helping Canada's fragile economy grow and thrive in the midst of global economic turmoil. This stands in stark contrast to the other parties, who are pushing a high-tax, high-debt agenda that will only hurt our economy, especially in places like the Northwest Territories.

Our Government promised Canadians that we would keep taxes low and balance the federal budget. We are proud to have done exactly this. In the wake of one of the largest economic and financial crises of the past century, we initiated a plan to return to balanced budgets as the economy recovered. In keeping with commitments made at the beginning of the economic recovery, our Government's plan to return to balanced budgets has focused on controlling operating expenses by federal departments rather than raising taxes that are harmful to job creation and economic growth or reducing transfers to individuals and other levels of government for social programs and health care.

Our plan is working. The federal Department of Finance recently confirmed that our Conservative Government had a \$1.9 billion surplus in the 2014-15 fiscal year, one year earlier than originally planned. We are currently running a \$5 billion surplus in the 2015-16 fiscal year, confirming that our responsible fiscal plan is on track. We have accomplished this while cutting taxes on families and job-creating businesses, and increasing transfers from the federal government to individuals, provinces and territories.

The Northwest Territories is benefitting from our responsible plan. In 2015-16, the Government of the Northwest Territories will receive \$1.3 billion through major transfers from our Conservative Government – an increase of \$524 million compared to the last year of the

previous Liberal government. Our record of increasing transfers helps fund the priorities of the people of the Northwest Territories including housing, education, and healthcare.

Unlike the previous Liberal Government, which gutted health care funding, we have increased health care funding to record levels. Unfortunately, the other parties want to put this all at risk. The Liberals have promised that they will return to multi-billion dollar deficits for years to come. The last time they took this approach, it resulted in the Liberals making devastating cuts to transfers to provinces and territories meant for health care and education. The NDP are promising billions in new spending with no plan to pay for it. Both are committed to fiscally irresponsible approaches that will hurt the economy through drastic tax hikes and high debt, and reckless carbon pricing schemes that will impact Northerners in particular by increasing the price of food, fuel, and home heating.

Responsible Resource Development

The Northwest Territories has tremendous economic potential, particularly in the mining and oil and gas industries. Our Conservative Government has a proven record of enhancing the economic infrastructure of NWT, promoting economic diversification, and developing the capacity of Northern organizations and individuals to help them take advantage of economic opportunities.

As you know, we share your interest in seeing Northwest Territories residents benefit from the responsible development of Canada's resources. We have ensured that every resource project undergoes a rigorous, science-based review to ensure it is safe for Canadians and safe for the environment. Unfortunately, the other leaders oppose most major projects before they have even been reviewed by scientists and experts. The Liberals and NDP will say one thing about a project when speaking to residents in one part of the country and the exact opposite when they are elsewhere. This irresponsible approach puts existing and future jobs at risk.

Our Conservative Government will continue to support resource development, including by renewing the Mineral Exploration Tax Credit and creating an enhanced Mineral Exploration Tax Credit for Northern and remote projects. This tax credit helps support potential mines that face high costs because of their remote location and distance from major transportation routes.

In addition, we have modernized out-dated, duplicative regulatory systems to encourage job-creating resource development in the Northwest Territories. We created the Canadian Northern Development Agency, which has invested more than \$77 million in almost 400 projects across the territory.

Making Life More Affordable for Northerners and Growing the NWT

In your letter, you indicated that your desire is to see the NWT grow and life become more affordable for NWT residents. As you know, our Government shares these same goals and we have taken concrete steps to ensure Canadian families thrive and succeed.

Our Conservative Government has cut taxes and is making life more affordable for all Canadians. By reducing taxes year after year and enhancing direct benefits to Canadians, we have made sure that Canadians keep more of the hard-earned money so that they can make the choices that are right for them. Our low-tax plan will return, in 2015, as much as \$6,600 dollars of tax relief and enhanced benefits back into the hands of a typical family in Canada.

Since 2006, our Government has cut taxes and enhanced benefits for Canadians. For instance, we have:

- Cut the lowest personal income tax rate to 15 percent.
- Cut the GST from 7 percent to 5 percent.
- Created and enhanced the Tax-Free Savings Account (the vast majority of accounts belong to low and middle income earners).
- Enacted income splitting for families and seniors.
- Established and enhanced the Universal Child Care Benefit.

Canadians at all income levels are benefitting from the tax cuts and enhanced benefits introduced by our Government, with low- and middle-income Canadians receiving proportionately greater relief. We have lowered taxes every year since coming to office and the federal tax burden is at its lowest level in more than 50 years. Canadians are enjoying the benefits of low taxes and a balanced federal budget. Our low-tax plan for Canadian families is working.

And in this campaign we have committed to establishing a new, permanent Home Renovation Tax Credit and providing major, new tax relief for single and widowed seniors.

In addition, a re-elected Conservative Government will continue with our low-tax plan, which will include a review of the Northern Residents Deductions to ensure they are appropriate to the realities of living and working in Canada's North, including places like the NWT.

Our Conservative Government understands the positive impact that quality infrastructure has on economic growth, job creation and long-term prosperity. That is why our Government introduced the largest and longest federal investment in infrastructure in Canadian history. Federal investment in infrastructure has increased dramatically since 2006, and is at an all-time high. In the Northwest Territories, our Government has more than tripled infrastructure investments when compared to the Liberal Governments between the years 1993 and 2006. The New Building Canada Plan will see the Government of Canada invest over \$53 billion in infrastructure across the country over the next 10 years.

We have made important investments in infrastructure in the North. We contributed \$200 million to build the Inuvik to Tuktoyaktuk Highway, completing the Dempster Highway to the Arctic Ocean. This project provides more efficient transport for northern goods to southern markets, but also lowers costs of supplies and materials for northern communities and families.

We will continue to make vital investments in transportation and energy through the New Building Canada Fund, both the hundreds of millions earmarked for NWT, and through the National Infrastructure component. Infrastructure is key to making lives easier and more

affordable for Northerners. Over the next ten years the Northwest Territories will benefit from approximately \$421 million in dedicated federal funding, including almost \$163 million under the New Building Canada Fund. This includes working with your government to fund \$96 million in highway improvements throughout the Northwest Territories.

While in Hay River, earlier in this election campaign, we announced that a re-elected Conservative government would fund 100 percent of the \$14 million to chipseal, widen and replace culverts in a 68-kilometre stretch of Highway 5 running through Wood Buffalo National Park in the Northwest Territories.

We have done this while lowering taxes to bring the federal tax burden to its lowest point in 50 years and balancing the federal budget. We are the only party in this campaign that has set forward a plan to keep the budget balanced, taxes low, and to make affordable, targeted investments in infrastructure and other areas that will protect our economy and create jobs.

Devolution of Authority

Our Conservative Government has worked to improve and devolve Northern governance through devolution and self-government agreements. Upon devolution, on April 1, 2014, the Northwest Territories took a historic step and assumed control of its onshore lands and natural resources. Devolution has given the people of the Northwest Territories greater authority and control over Crown lands, the power to make resource management decisions relating to the oil, gas and minerals beneath those lands, and also the power to collect and share in royalty wealth generated by those lands. We were proud to have reached such an important milestone in partnership with your government.

Recently, along with NWT Métis Nation President Garry Bailey, we announced the signing of the NWT Métis Agreement in Principle to negotiate a final land and resources agreement with the NWT Métis Nation. In addition the Agreement in Principle for the Inuvialuit self-government agreement was signed, which will help clarify roles and responsibilities of the three governments.

Our Government proudly worked with the Deline and NWT government to pass legislation to enact the *Deline Self Government Agreement*, which received Royal Assent in June 2015. Settlement of self-government negotiations is a northern priority and our Government is committed to providing Canadian families with prosperous and strong communities.

A re-elected Conservative Government will continue to build on this approach. We remain committed to continue negotiating self-government agreements, as they remain the best way of addressing Aboriginal rights and creating certainty for Aboriginal peoples and all Canadians.

Energy Sustainability and Climate Change in the North

Recognizing the importance of alternative forms of energy for the North, our Government recently announced a substantial investment to support the creation of a General Development plan to mobilize the forest industry to develop renewable energy opportunities based on biomass.

We have worked together to protect environmental heritage by expanding the Nahanni National Park Reserve in the Northwest Territories and have made great progress on establishing Thaidene Nene. Our Conservative Government is the first Government in Canadian history to achieve a net-reduction in greenhouse gas emissions. In 2013, Canada's greenhouse gas emissions were 3.1 percent lower than 2005 levels, while the economy grew by 12.9 percent during the same period.

Recognizing the importance of a diverse economy in the Northwest Territories, and throughout the North, I was pleased to announce last year in Fort Smith that our Government is supporting the establishment of a permanent campus for the Northern Farm Training Institute. We have also invested in the launch of the Northern Greenhouse Initiative, aimed at advancing the commercialization and enhancing the productivity of greenhouse projects across the North.

Our Government will continue to work with the provinces and territories while respecting their jurisdiction. We will not force the provinces and territories into carbon-pricing schemes and impose carbon taxes that will kill jobs, damage our economy and raise the cost of everything, including gas, groceries and electricity. To foster further collaboration, this summer, Minister Aglukkaq formally invited each provincial and territorial Environment Minister to join the Canadian delegation to the UN Climate Summit in Paris.

A Strong North

Our Government also understands the importance of hunting to the North. We abolished the long-gun registry and we will never bring it back. It was ineffective in protecting public safety, illegitimately targeted legal and law-abiding firearms owners in places like the Northwest Territories and wasted billions of dollars. This Liberal initiative was bad public policy that poisoned the relationship between the federal government and Northerners while having no impact on the criminal use of firearms.

Northerners have a choice between our Conservative plan to make their lives easier and more affordable through low taxes and strategic infrastructure investments, and the other parties' plans for a risky cap-and-tax carbon trading scheme, which will raise the cost of electricity, gas and diesel, groceries and home heating for Northern families.

No government in Canadian history has done as much for the North than our Conservative Government. The Liberals and NDP have the wrong plan for Northerners. They voted to keep the gun registry, they voted against infrastructure benefitting Northern communities, and they support a job-killing and punitive carbon pricing plan. Only a re-elected Conservative Government's Northern Strategy will help the North realize its true potential as a healthy, prosperous and secure region, within a strong and sovereign Canada.

Sincerely,

Prime Minister Stephen Harper