



**PREMIER OF SASKATCHEWAN**

**LEGISLATIVE BUILDING  
REGINA CANADA S4S 0B3**

**Calgary Chartered Financial Analyst Society Luncheon  
Calgary Petroleum Club  
Calgary, January 21, 2008  
Premier Brad Wall's Remarks  
(Check against delivery)**

Thank you very much to the Calgary Chartered Financial Analyst Society for the invitation to speak.

Obviously there are a number of logistical challenges that go into organizing an event like this.

It is a great forum for the Province of Saskatchewan and we do have a specific message for this very important market for our province.

So, we're very grateful that you could all be here and to have the chance to sell just a bit of Saskatchewan I think will be of interest to you.

I want to talk about change – change that's happening next door in Saskatchewan.

Not about political change. I'm actually not in favour of political change in Saskatchewan anymore.

I want to talk about the transformational change that's happening in the psyche of the people in Saskatchewan.

There's a significant attitudinal adjustment that's been occurring over the last couple of years that's really picking up momentum right now.

It's a change in the collective vision that we have for the future of the province of Saskatchewan.

Saskatchewan today is increasingly self assured, still humble, still very pragmatic, but more and more confident about today and about tomorrow.

We are, along with your province, British Columbia and Ontario—a “have” province.

And there is a new government in Saskatchewan with a vision that our province should aspire to permanent “have” province status. And that has not always been the case.

I’m not going to be partisan here this afternoon, but I can tell you that the previous government felt differently. They said on the record that they felt Saskatchewan would always be “in and out” of equalization.

I believe, we believe, that given our resources, given the potential of the province, given where we’re located, and given that we have what the world wants in increasing quantities, that we ought to be aspirants to permanent “have” province status. And that is the vision that we have.

There are other reasons for that improved confidence, that change next door.

All the major chartered bank economists are predicting pretty healthy growth for the province of Saskatchewan in 2008—in the mid three’s to near four per cent.

BMO Nesbitt Burns says that Saskatchewan is Canada’s “rising star” of economic growth.

Statistics Canada also notes that we have the fastest growing population.

Shortly after the election, the Potash Corporation of Saskatchewan announced a \$1.7 billion expansion. There are other potash expansions that have been announced. And for the first time since Elvis was alive and thin, there are people talking about new potash mines in the province of Saskatchewan.

The Canadian Federation of Independent Business’ annual survey of its members nation-wide showed that the highest rates of confidence amongst small and medium sized enterprises in the country in terms of the future are in the province of Saskatchewan.

There are a lot of reasons for the change and the momentum.

We also have the best football team in the country right now and that has also helped with the mood.

In fact, I would suggest to you that I am the luckiest man in Canada. Barely four days after we were sworn in as a government, I got to go down to the Grey Cup and was able to watch the Saskatchewan Roughriders win.

We're on a roll in Saskatchewan.

We know in a very grounded and pragmatic way that it is essential that we do what's necessary in the province to ensure that this current momentum transforms into a lasting prosperity, and to ensure that it does lay the foundation for the province to be permanently a "have" province for future generations.

This is not the first time that Saskatchewan has been on a roll economically.

In the first 30 years after we were born into Confederation as a twin to the province of Alberta, those first three decades were marked by stellar growth in Saskatchewan.

We were the third most populous province with the fastest growing population.

But in about the mid 1940s, just before the oil industry really got underway out west, there were some choices made in terms of policy decisions going forward that proposed government begin with wealth redistribution instead of government encouraging wealth creation that would translate into wealth sharing and improved quality of life.

So as a result, and I know this is over-simplifying our political and economic history, but as a result for 60 years our economy has underperformed to its potential in terms of the sheer portfolio of resources that we have.

We are home to a third of the world's potash, a third of the world's uranium. We're the second largest producer of oil and the third largest producer of natural gas.

You know the list.

We have for the last six decades underperformed to our potential.

Our people in too large a number for too many years have helped to build too many communities, too many provinces, other than our own. They have sought opportunity where it existed.

And some today, the people in Saskatchewan, see the potential for all of that to change and for Saskatchewan to be a leader in the New West, a leader in Canada.

And I can tell you this. Their message to me as the Premier, to Bill Boyd as minister, and to our new government now and during the election was very clear.

People want leadership that will ensure that Saskatchewan is living up to its potential in the long term.

People want the kind of policies, the kind of vision that will not accept mediocrity anymore in terms of economic performance.

There is increasingly an understanding that the only way you can have enough nurses to shorten up wait times, the only way you can provide for MRIs, for quality of life or a social safety net, is a tax base.

This, in the long term, is people with the capacity and the ability to pay their taxes, to create wealth and opportunity.

And so their message to our government is pretty simple, and we know what our job is.

In fact, we campaigned on some very specific things and some more notional ideas on how our new government, a Saskatchewan Party government, would achieve this on behalf of Saskatchewan people and with Saskatchewan people.

We've kept some of those promises early on.

We've already had a sitting of the legislature. We called it in December for two weeks and we've already introduced labour legislative changes, including Trade Union Act amendments that would simply ensure that our labour legislative environment is competitive with other jurisdictions.

We obviously want collective bargaining to proceed as it should, but there needs, in our view, to be balance between management and unions.

And that's what we seek.

You will notice our legislation prescribes secret ballot certification and the ability of employers to talk to employees during certification to provide some information.

You'll see in our changes something that is reasonable, something that would ensure that our labour legislative environment is competitive with other jurisdictions.

We've also introduced essential services legislation, which again, we think is reasonable, given the fact that it simply is competitive with what other provinces are doing.

We've also already introduced legislation to create something that is called Enterprise Saskatchewan – a new model for economic development in the province.

Enterprise Saskatchewan will be a public-private partnership.

It will engage the stakeholders in the economy – all of them, including those in education, those in business, First Nations, municipalities, and labour, as a public-private partnership to replace the old mind approach of government in terms of economic development.

Its purpose will be simple: to identify in those sectors that we know can provide growth and investment, both the opportunities we have going forward, but also the challenges that exist that make us less competitive than we should be.

And more on that in a moment.

The model of Enterprise Saskatchewan by the way is simply to ensure that our economy in Saskatchewan is as fleet a foot as it possibly can be. That we can react in a very proactive, quick way, to international situations, national and regional situations that we can take advantage of, and also, so we can plan for possible challenges.

We're informed in this way by a quote, and those of you who have had a chance to hear me speak in the past know that I quote Thomas Friedman quite a bit.

He's quite a seminal important writer in the area of the globalized economy. He's a New York Times columnist and in his last book *The World is Flat*, he provides a quotation for an African proverb, that I think provides you with an idea of what will inform our approach to the economy and what we want Enterprise Saskatchewan to be doing.

It's an African proverb that was translated into Mandarin and posted in a factory in Beijing which was owned by an American auto parts manufacturer. The proverb goes like this:

*"Every morning in Africa a gazelle wakes up and realizes he must outrun the fastest lion or he will be eaten. Every morning in Africa a lion wakes up and realizes he must outrun the slowest gazelle or he will starve to death. It doesn't matter if you're a lion or a gazelle, when the sun comes up, you'd better start running."*

And that's the approach we want to take from an economic development standpoint. That's really the spirit behind Enterprise Saskatchewan, and as I say, we've introduced that legislation.

We've also signaled that we intend to get government spending under control.

We've already introduced the Growth and Financial Security Act.

It will toughen balanced budget legislation in the province.

It will actually prescribe debt reduction.

We need to move to reduce the debt of the province. It will also legislate that our government, that government in general going forward, cannot grow faster than the population it serves.

We've done all of this in the first two week session of the legislature.

But with respect to the economy, with respect to the opportunities that exist, we have laid out a plan to deal with other areas and other priorities.

We know that there are challenges that come with the growth that we're seeing in Saskatchewan and the growth that we wish to attract into the future.

I'll deal with three of those challenges today.

One of them is infrastructure. We have an infrastructure deficit in our province.

This isn't a political statement by the way, there is an infrastructure deficit right across the country.

So, we are working with our municipalities to develop long-term funding.

And by the way, we truly do need longer term funding that sees past the next election cycle to deal with this infrastructure issue.

We've also set the tone in terms of priorities.

Prior to the election, there was the privatization of the oil upgrader in Regina and a decision made by the previous government to invest the proceeds of about \$400-million into an environmental fund. And we were not critical of that idea at all.

But given the pressing need for infrastructure, we've said we'll be investing part of that money in environmental technologies, but some of it we need for immediate debt reduction, and a large part of it we need for some one time major infrastructure initiatives. So, that may give you an indication of the priorities we'll set with this first of the three challenges.

The second challenge for our province – and it is shared here in Alberta, in B.C., and in Manitoba – is the labour shortage. We have an acute labour shortage in Western Canada. The Canadian Association of Petroleum Producers is saying that in Alberta alone there is a need for 40-thousand energy workers in the next 8 years.

For us, part of the answer is immigration. We've had low targets in the province up until now on this front. We need to have higher targets.

We need to move as your Premier has done here to establish unique and bilateral relations with Ottawa that will serve our goals for immigration.

The other very important answer to this challenge is First Nations.

We have the highest per capita population of First Nations in the nation. There are also structural unemployment levels between 40 and 50 per cent amongst First Nations at a time of a labour shortage.

Seems counterintuitive doesn't it? It seems like not only a challenge but an opportunity. And we've already taken initiatives with the Federation of Saskatchewan Indian Nations to deal meaningfully with this opportunity and this challenge.

The final challenge of the three is our province needs a government in the province to provide leadership. We need to identify from a vision standpoint the key areas of strength of our economy that we want to build on.

I'm going to touch on two of them very quickly.

One is mining.

For example, there is a huge amount of interest world wide in the expansion of the potash industry. And we're going to be working hard to make sure we're offering competitive tax structures, that we're working with the industry in terms of turning around permits in a quick fashion as companies increasingly seek to expand, and, as I mentioned earlier, that we're looking at new mine opportunities.

The second key strength for our province that we want to focus on is energy.

I have a vision; our government has a vision, for Saskatchewan being an energy centre on the continent and internationally.

We offer the complete portfolio of energy resources in our province: renewables including biofuels, and non-renewables including conventional and non-conventional oil and gas assets, and significant amounts of coal.

We are the Saudi Arabia of uranium, with a third of the world's supply.

And by the way the next ore, the next ounce of uranium ore we add value to before we export it, will be the first one. And that has to change.

This has been a missed opportunity in our province for decades. An opportunity missed by not just one particular party in government. It isn't too late.

The good news of course is there is a renaissance in terms of the interest in the nuclear option, in uranium value-added opportunities and we want to be on the vanguard of that as a province. That's certainly part of our vision as well.

There are really three priorities we've identified in achieving excellence in these two areas, in terms of building on our strengths to see Saskatchewan develop into an energy centre on the continent.

One of them, certainly, is our regulatory and tax regime. And I want to be very clear here in Calgary today.

The new government in the province of Saskatchewan will not be increasing royalties in the province of Saskatchewan.

We have said that we want a review, and I wish there was another word, but that's the best one.

We want to review both the royalty and the regulatory structures we have in place, not just by the way in oil and gas, but in regard to potash and other resources that we're looking at.

We want Enterprise Saskatchewan's sector team, which will involve industry by the way, to do this review for the purposes of trying to be more competitive.

We need to move in that other direction and here's why: we have all this undeveloped potential. We're behind a little bit, frankly, in developing the hydrocarbon assets of the province of Saskatchewan and some of the other resource opportunities that exist.

So, we've got to have a sharper pencil. We've got to make sure we are turning around permits. We've got to make sure that our regulatory structure is as conducive to non-conventional assets like shale gas and shale oil as it might be to more conventional assets. That will be our focus.

That will be the direction that we give to Enterprise Saskatchewan.

We do have some catching up to do and we will.

The second priority in developing these key strengths is Research and Development.

There is a role for government in R&D.

We announced in the campaign, and we will be keeping this commitment here soon, that we will be investing additional resources in the Petroleum Technology Research Centre at the University of Regina.

The centre together with EnCana provides world leadership in the area of CO2 sequestration in southeast Saskatchewan.

We want to pursue further opportunities for enhanced oil recovery and sequestration opportunities as well.

With respect to uranium R&D, this means looking at the cycle again.

It means reclaiming Saskatchewan's position in leadership.

You know we once were leaders in this area in the 1940s. Certainly in the area of nuclear medicine, we were leaders from the University of Saskatchewan. We need to reclaim that.

We have some ideas in fact about what might be a bright future for Canada's nuclear industry and how it might play into that.

And so with respect to research and development, we will be making those investments. We will be requesting partnerships from industry. We will be looking to work with businesses and those interested in improving and enhancing oil recovery.

We're very aware of the fact, that if we could simply through R&D increase recoverable oil in our province by five per cent, we could double production. That has our attention when we get that kind of briefing from Bill's officials.

So we'll be looking for new partners.

And finally, in terms of our priorities to fully capitalize on our vision for Saskatchewan as a continental energy centre, is the transmission grid.

We can't have the discussion in our province about increasing energy production without answering the questions, "How do we get it somewhere?" and "How do we sell it?"

We can't go ahead if there's no demand for what we could possibly produce.

I'll be very engaged and interested in the Western Canadian and the national discussion around the grid. I've written to the Prime Minister, even as an opposition leader, and said if the first national dream was a railroad, maybe the next one is a grid – a transmission grid that can provide energy security to central Canada and, in turn, opportunities here in the West.

So by way of conclusion let me say, yes, I am here to promote the province of Saskatchewan. I am here in Calgary to try and attract investment and people.

And I am very mindful we will be competing in these two areas as provinces. We have portfolios that are very similar.

I also want to make something else very very clear.

Our new government and the Province of Saskatchewan understand what an opportunity it is, and how fortunate we are to be located beside the province of Alberta. We are respectful of the fact as well of the opportunities that exist because of decisions taken here by the corporate sector, by the government sector, and by the leadership that continues to be provided on the energy side.

I also want you to know that while we'll be competing just by definition of our economies for people and capital, that you have an ally when it comes to some potential issues down the road in federal-provincial relations.

You will have a strong and clear voice in support from the Province of Saskatchewan as we make the case for the new west continuing to lead economic growth in the country.

We just had a first ministers meeting down in Ottawa as you know and the high dollar dominated the discussion and certainly it's an issue for the whole country.

But certainly it was my message, and I think it was Alberta's as well, that while these issues are important and are challenges with the national economy, let's not lose focus as a country on what's working in Canada in the new west and on what's driving growth.

And if we get things right nationally in terms of energy policy, that could continue to drive growth – not just for people in this room or for people in Swift Current, Saskatchewan, but for people right across the country.

And that message needs to be heard in this country.

And I'll tell you, I think the strength of Alberta and Saskatchewan and British Columbia working together on promoting this message is a positive thing. You'll certainly have a friend and support from the province of Saskatchewan and our new government as we seek to help make that message heard across the country.

There are nation building opportunities in front of us right now, especially around energy security on the continent.

As the western world grows increasingly fatigued by the thought of the dependence on foreign energy resources, we're the answer to a lot of questions in the United States right now – a country that's increasingly rattling the protectionist sabres as they go through an election cycle.

We have a huge opportunity as a country, again led by the new west, to make the case on the continent and around the world that this is obviously the answer to a lot of energy security questions.

It's also the intention of the new government of Saskatchewan to support efforts like your premier's recent trip to Washington where he met with U.S. Vice President Dick Cheney and a number of other American officials to again make the case

We're going to be working with your government and the government of B.C. in joint cabinet meetings – your two provinces have been doing this for some time. They've co-signed a bunch of Memorandum's of Understanding, and as a result, are doing better job of providing radiation therapy and purchasing in a joint way, pharmaceuticals and medical equipment. These are common sense areas of cooperation that our province never asked to be a part of.

We have made it known that we want to be there. And we're grateful to both Premier Stelmach and Premier Campbell for saying "absolutely" that Saskatchewan should be at that table and together we'll be stronger in these areas of cooperation.

So yes, we'll be competing for some things, but we'll also be working together on much bigger issues that go right to the future of the new west and right to the future of our province and the economic sectors we rely on.

We look forward to that.

In its January 2, 2008 edition, there was an article in the Financial Times of London with the headline "Saskatchewan Rides Commodity Boom." Let me read you just a few sentences in closing.

"Even the coldest winter in years cannot suppress a heady mood in Canada's prairie province of Saskatchewan. A commodities-fueled boom is also lifting spirits in the New Year. A decades-long population exodus has reversed, with housing markets in Regina and Saskatoon, the commercial centre, among Canada's hottest this year.

"The investment surge has softened Saskatchewan's traditional image as a hotbed of prairie populism. The new government under Premier Brad Wall insists that change will come fast.

"The business community has high hopes for the new government. A prominent Regina businessman predicts that they're going to move in a direction to make Saskatchewan more competitive than any province in the country."

And that is exactly our intention.

We are going to work very, very hard to earn your attention and to earn your confidence.

There are many people in this room whose companies and shareholders are already heavily invested in our province.

We're going to work very hard to earn the substantiation, the validation of that decision that you have made and to earn still more investment, as well as the interest on the part of other Canadians to make Saskatchewan home. That's our goal.

The election campaign did end on this message that hope would beat fear.

That hope for a completely different and long term future for the province could defeat the fear of change, because there's always a bit of that.

And it did.

It won.

Hope did win over fear on election night in the province.

And it's our job now as the new government to deliver on that and we're going to work very, very hard to do that.

I look forward not only to your questions here today but to your ongoing advice and input as we seek to make the sectors and the regions we represent stronger, within a great country.

Thank you very much.