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The Honourable Joseph L. Handley Premier of the Northwest Territories Legislative Assembly Yellowknife, NT X1A 2L9 Fax: (867) 873-0385

The Honourable Paul Okalik Premier of Nunavut Legislative Assembly Iqualiut, NU X0A 0H0 Fax: (867) 975-5190

January 6, 2006

Dear Sirs:

Thank you for you letter of December 14, 2005. We appreciate the opportunity to respond to the important issues facing the people of Yukon, Northwest Territories and Nunavut and to reaffirm the Conservative party's commitment to Canada's northerners.

Please find our responses below.

1. Adequacy of funding for programs in the North.

The Conservative Party of Canada supports in general terms the negotiation of "base-plus funding arrangements" with the northern territories. We recognize the unique circumstances faced in the North regarding the delivery of programs and services to residents and we are prepared to discuss the challenges regarding the costs and circumstances for the delivery of those services.

The Conservative Party of Canada also agrees that the Territorial Formula Financing arrangements need to be reviewed. We are prepared to discuss future arrangements with the territories in order to take into account the difference between the expenditure needs and the revenue means of the territorial governments.



We also recognize that the North faces unique circumstances in terms of the developmental needs of its youth. We will work with your government to address these issues in a meaningful fashion.

2. Strategy for northern development.

The Conservative Party of Canada agrees that a comprehensive strategy is needed to advance the common socio-economic goals of the North. We also believe it is essential to the economic development of the three northern territories that they have a resource revenue sharing agreement with the federal government.

As stated in an article in Diplomat Magazine in May 2005, Jim Prentice, our Party's Critic for Aboriginal Affairs, held that "the critical issues in the Canadian north focus upon five general areas:

- 1. the need to clarify and immediately reinforce and assert Canadian sovereignty;
- 2. the need for devolution of governance and revenue sharing arrangements in a manner which accords northerners control over their own futures;
- 3. the need to simplify the spiderweb of federal regulatory authority which threatens economic development in the north;
- 4. the need for an effective environmental plan which balances ecological protection with economic prosperity;
- 5, the need to ensure that the Canadians who live in the 96 northern communities have access to comparable standards of health, education and economic opportunity."

The Conservative Party of Canada believes these five general areas are critical for the economic development of the three northern territories.

3. Devolution and land claims.

The Conservative Party of Canada believes that Northerners should control their own future and we are committed to the orderly devolution of decision making away from Ottawa to the territories. We also recognize that the three territories are at different stages of development in terms of devolution of responsibilities, completion of land claims and implementation of self-governments. We are prepared to discuss the completion of specific agreements for all three territories.

4. Outcomes of the recent First Ministers' Meeting on Aboriginal Issues.

The Conservative Party of Canada agrees with the targets that were established to reduce aboriginal poverty on the basis of 5 to 10 year plans, as discussed at the First Ministers Meeting in Kelowna. We also believe that any effort to fight poverty requires a joint commitment by federal, provincial and territorial governments and, in order to achieve

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that, new jurisdictional arrangements are required between aboriginal communities, provincial and territorial governments and the federal government.

Unfortunately, the First Ministers Meeting did not arrive at a concerted financial plan to address the 5 to 10 year objectives. In particular, no agreements have been made concerning how the proposed federal financial commitment of \$5.1 billion would be split amongst provinces, territories and aboriginal organizations (ITK, AFN, CCAP and MNC) nor how the money would be divided between Aboriginal Canadians on and off reserves. In my opinion, these are very important details that should be examined, discussed and agreed upon by all stakeholders involved. Aboriginal Canadians deserve to see tangible results and feel that the improvements in their lives are taking place quickly.

I was also concerned that no solutions were agreed upon at the First Ministers Meeting in relation to the structural problems that cause poverty amongst aboriginal children and women. As two specific examples, no solutions were discussed regarding the amendments to section 67 of the Human Rights Act, nor were the problems relating to matrimonial rights discussed.

The Conservative Party is committed to improving the living conditions of Aboriginal Canadians in terms of health, economic opportunity, community safety, infrastructure, education and social services. We also agree that Canada must recognize and acknowledge that there are unique circumstances in the North and that specific measures need to be taken in order to address the needs of northerners.

Thank you for the opportunity to open this dialogue with you on these very important matters.

Sincerely,

Hon. Stephen Harper, P.C., M.P.

Leader of the Opposition

Leader of the Conservative Party of Canada