

Canadian Nuclear Association – Ottawa

Premier Brad Wall – 26 February 2009

Thank you very, very much Duncan (Hawthorne) for that kind introduction, and thanks as well to Bruce Power for hosting the luncheon. The more I get to know Duncan, the more I like him. The more time I spend with him the more I'm able to understand what he is actually saying.

I'll have more things to say about Bruce Power in a moment, but I just want to say thank you for that introduction, for sponsoring the lunch today and Murray (Elston) for the very kind introduction on behalf of the Association and for us to participate here, for me to be able tell the Saskatchewan story to some extent from the perspective of uranium development. I take every chance I can to tell the Saskatchewan story. It's not a bad story even if I do say so myself.

Especially, here recently and it creates for some interesting gifts, this occasion I have to promote the province. For example: I spoke about promoting Saskatchewan's beef industry. Not very long ago, we have a third of Canada's herd, and I got some beef jerky and a really nice Stockman's tie.

In Chicago, just early this month, I had a chance to promote the province and was talking about other agricultural products that we produce and specifically I focused on the fact that Saskatchewan produces 25 per cent of the world's mustard. That's what we grow in Saskatchewan, 25 per cent of the world's mustard. And the mustard growers of Saskatchewan sent me a mustard tie, and a mustard pocket square, and prepared mustard, cranberry mustard, mustard seeds, in a mustard coloured box.

I am mindful today that I am speaking to the Canadian Nuclear Association. And, I am hopeful that any gifts that I may receive, that I can actually store at my house.

Major General Carl von Clausewitz, who is best known for his seminal work: "Vom Kriege" or "On War", said this:

“Given an equal amount of intelligence, timidity will cause a thousand times more problems than audacity.”

There is much wisdom in this quote with respect to Saskatchewan's need to fully develop our amazing potential with respect to uranium value-added opportunity. There is both admonition and promise in that quote for our country. For all of us in Canada, in terms of, perhaps what we've done through the past, being a little bit timid with respect to a leadership role we can play in uranium value-added opportunities, in nuclear industry, but also of the promise that still exists today for us to take that leadership position.

By any measure, Saskatchewan is to uranium what Saudi Arabia is to oil. Our province alone is responsible for 23 per cent of the world's uranium production. Half of the uranium goes to the United States. Six per cent of the homes in the United States that will turn on the lights tonight can trace that electricity, to those electrons, to Saskatchewan uranium. Not just Canadian uranium but Saskatchewan uranium. More than half of Ontario's electricity is generated from nuclear. And Ontario's reactors—for the most part—to a significant degree certainly, are fueled with uranium from our province.

Saskatchewan today is at the front end of a complex value chain of the industry. Each year in Saskatchewan, the uranium mining industry spends more than \$188 million on salaries, wages and benefits. \$58 million of that amount is paid directly to the residents of Northern Saskatchewan. Half of the workers in the mining sector are First Nations or Metis. And I don't know of another industry on the continent that can make that claim.

I have always vowed as someone in this job to say thank you every chance we can to those who create wealth and opportunity in our province, to those who risk to do that. And many of those who are doing that in the province are represented very well in this room. And so to all of you, in front of this august group, let me just say thank you for what you do for the province of Saskatchewan, for our Aboriginal population and what you do for Canada.

Saskatchewan's uranium is plentiful, and it's high-grade. And there is evidence today that in the medium term, in the long term, the demand is going to continue to grow for that uranium. The 106 nuclear reactor in the planning stage worldwide—including two nuclear power projects in Canada, of course New Brunswick and here in Ontario, and at least 23 in the United States—make that prima facie case.

So, Saskatchewan's rich uranium resource is something that the world wants and it's going to continue to want. And we have a brand in our province of being a great place to mine uranium in prolific qualities. But that brand is not good enough for our new government.

And branding is important. It wasn't very long ago, I was driving our youngest daughter, Faith, to a birthday party. She held for me a little dissertation on branding, although she didn't know it. She said, "Dad, I have something to tell you." Whenever she says that I know its going to be important so I turned down the radio. I said, "What's that Faith?" She said, "Dad, I've been thinking about it and I want to tell you that I've decided my favourite Coke is Pepsi". I kinda thought about branding when she said that. Coke would be pretty happy they got the whole segment and Pepsi would be happy because they've obviously carved out quite an important niche in that branding segment.

Our brand in Saskatchewan with respect to uranium is all about mining. And we're seeking to change that. It is the vision of our government that our brand with respect to this resource is one that will involve electrons and one that will involve amazing value-added potential in medical research, in perhaps reactor technology development.

As it was 60 years ago in my province, it can be again. In July of 1949, Dr. Harold Johns of the University of Saskatchewan paid a visit to the Chalk River Experimental Nuclear Reactor facility in Ontario. Dr. Johns asked for and received Chalk River's first cobalt source.

It was tiny—2.5 cm. wide and 1.25 cm. thick. The tiny wafer was placed in a gigantic machine weighing close to a tonne, it was located in the newly constructed cancer wing at the University of Saskatchewan. After months of precise calibration and rigorous measuring, this machine delivered the world's first Cobalt 60 treatment, in the world, November 8, 1951.

The patient was a 40 year old woman, who had been diagnosed with advanced cancer of the cervix. And she lived to be 90. It saved her life. And that woman and the 6,700 plus who followed her to be treated by that machine before it was replaced in 1972, they are the face of your industry. They are the face of the Canadian nuclear industry and we need to make a better case of that because just as 1949 was a year and a time for miracles and that's what that would be for that woman and her family, 2009 can be the beginning of who knows what in terms of the miraculous achievements in sustainable energy development or the next medical application or development in science.

You'd think a province that as early as 1949 that was showing such leadership in the field, you'd think a province with such an endowment of uranium as resource, would have been able to consolidate and continue its leadership in research and development, value-added processing, reactor design and medical applications. But it never happened. The long and mostly political explanation for why this is true—I'm just going to set aside.

Because our government, the new Government in Saskatchewan has a different vision. I can tell that the new Government of Saskatchewan is committed to creating the business environment the research climate, is prepared to partner with real resources and provide the right environment so that we may thoroughly explore the chance for our province to be a leader in value-added opportunities related to this great resource.

I'm sure a lot of you have read Friedman. I like Thomas Friedman's three books on globalization, they are pretty compelling and you can disagree with parts and agree with others, but I think they are great books. In his latest book, "Hot, Flat and Crowded"—is about why his country, America, needs in his view a green revolution as part of a cure for what is ailing it economically. The green revolution, though, according to his thesis, is first and foremost, an innovation challenge—not a regulatory challenge. It's an innovation challenge not a regulatory challenge. I couldn't agree with that more.

Ladies and gentlemen, the major achievements of human kind have been made not by new systems of reporting things on balance sheets or shifting, in the case of the current dialogue, commissions around on balance sheets. The achievements of human kind have been about technological and innovation achievement.

There is a lot of discussion today about Cap and Trade and its impact on North American economy. I'll just say this. The province of Saskatchewan is not in principle opposed to Cap and Trade. We are not. I will make this case. It's a bit of a digression. If we pursue a system, a fiscal system like Cap and Trade, that is more about balance sheets, that is more about moving emissions around and not actually ensuring that there is a stringent requirement for investment in technological solutions that will clean up energy production in North America. Then, to be blunt, it's really analogous to fat guys paying skinny guys to eat their desert. We need to put away the desert. That the solution we seek with uranium, nuclear power.

Hot, Flat and Crowded includes a great quote from K.R. Sridhar, who is a fuel cell inventor with Bloom Energy. Listen to what he says:

“I don't want to be the first generation telling my kids you can't have a life as good as I did. Let someone else say that. I'm going to die trying to invent our way out of this.”

And frankly in Saskatchewan, in the province of Saskatchewan, we couldn't agree more. If this is, first and foremost, an innovation challenge, I asking you today—why shouldn't Saskatchewan be at the vanguard at those innovations? Why can't Canada take a leadership position in those innovations?

Our government is working hard to be part of that. Not just with respect to nuclear development but also with respect to things like carbon capture and sequestration, where we are held to be an international leader already. But with nuclear power, we are also making progress, thanks in no small way to Duncan and his team and Bruce Power.

In June of last year, Bruce launched its feasibility study to consider the role that nuclear could play in our province. Three months ago, a summary of that study was released under the title: *Saskatchewan 2020*. The summary concludes that a nuclear power plant could be an important part of Saskatchewan's energy mix. And, it could have a major, positive impact on Saskatchewan's economy in the long term. Public opinion research, I think you learned a bit about that earlier today, that has been conducted as part of that study and other polls have demonstrated that public support in Saskatchewan for nuclear power is among the highest anywhere in the world and certainly among the highest of any particular region in Canada.

We are encouraged and grateful for Bruce Power's interest in developing nuclear power in Saskatchewan, and working to partner with us on our vision for the rest of that uranium value-added cycle that is full of opportunity. And we look forward to the results of the public consultation and the engagement of the people of Saskatchewan which is happening even now.

We are excited about it because nuclear power generation could also act, will also act as further foundation for value-added development of our nuclear industry, including new uranium exploration and mining and conversion and refinement and a list that you are all familiar with.

I want to send a very clear signal here today, in our nation's capital, that the Saskatchewan Government's vision is to be a leader in uranium value-added opportunities. To further evaluate and understand that potential, our government has established the Uranium Development Partnership. The Partnership is chaired by Dr. Richard Florizone, who is Vice President of Finance and Resources at the University of Saskatchewan. Dr. Florizone holds several degrees in engineering and physics, including a PhD in Nuclear Physics from M.I.T.

Canada's nuclear industry is also well represented on the 12 person Partnership by the likes of Mr. Grandey and Mr. Laferrere and Duncan Hawthorn. Under Dr. Florizone's leadership, the Partnership is tasked by our government and will identify and evaluate opportunities for value-added development of our uranium industry and make recommendations on those best suited for the province. We expect there to be a report very soon.

We will most assuredly engage the people of Saskatchewan in a discussion of those recommendations. And, we're going to, I believe, take the next step in the province. Do you know, and those who have heard me speak before have heard me say before, that the next ounce of yellow cake that we add any value to at all will be the first. Well that day is coming and it's coming soon for the province. We think that there is an economic and a moral obligation to future generations that Saskatchewan would be so engaged and so purposed with respect to uranium development.

One of the members of our Partnership is someone who will be known to you, Patrick Moore, formerly of Greenpeace, who of course is an advocate of nuclear power and a strong environmentalist. And, by the way we should note with interest, by way of another digression, that he has been recently joined by what is probably now someone who was a former colleague at Greenpeace, Stephen Tindale, the Executive Director of Greenpeace UK for some period of time, has now, after opposing nuclear power, as you know, come to a very public statement of support.

The quote is great from Mr. Tindale, let me share it with you:

“Like a kind of religious conversion (he refers to it as) being anti-nuclear was an essential part of being an environmentalist for a long time. It's actually quite widespread now (says Tindale) this view that nuclear power may not be ideal but it is better than climate change.”

I want to say that the influence of Mr. Moore on our committee, on this particular team, has been dynamic. The work already of the Uranium Development Partnership has been very useful, we look forward to their report. And I repeat very clearly that in the New Saskatchewan, we will act on their recommendations. We will take our place with respect to uranium related opportunities and in research, in medicine and maybe in diagnostic isotopes. Certainly in the research that is required into better ways for the storage and recycling. We are exploring the potential of a

research reactor and a great capacity at the Centre of Excellence at the University of Saskatchewan.

I am personally interested in the potential of small reactor technology. And I can tell you that I've been a little bit frustrated as I talked to various people over the years, even back to opposition days, and just intuitively was curious about the potential of small reactor technology for our province and was always told that it was a long ways away and that it was not really working. And then I'd read about the efficacy of the reactors in aircraft carriers and submarines that had been applied literally for decades. And I thought, well it can't be that far away. And of course you'd know that it may not be.

Saskatchewan wants to signal here again today that we want to play a role perhaps, perhaps, in the development of Canadian small reactor technology. We may need, frankly, to look at this kind of technology for the opportunities of the distributive power for a country, that is as big as ours, that is sparsely populated, a country that needs to continue, to continue sustainably develop heavy oil and oil sands. But a country that needs to stop burning fossil fuels, to synthesize and extract fossil fuels. We ought to be looking aggressively at this opportunity. We want to play a part in that.

Canada can lead. And I in part and the Government of Saskatchewan welcomes the comments that we seen publically and in writing from Mr. Binder (*Mr. Michael Binder, President and CEO, Canadian Nuclear Safety Commission*) and the new approach that the regulator is going to be taking. And I am going to be saying a few things about that process but let me just be very, very clear what a breath of fresh air, and frankly, how important what you are saying and what you're doing is to Canada, assuming that leadership position, we know we can have with respect to the industry.

I do believe that the future is bright for this industry. There is more and more talk, frankly, about the future of mass transportation and individual transportation being fueled by electrons rather than hydro carbons. Where those clean base loads electrons come from, Canada can lead. It's going to require some vision. I think that we've, frankly, seen that vision exhibited by the current national government in its open minded approach to what's happening with AECL and the recognition that change has got to happen for the betterment for all of us as Canadians and for this industry.

We can lead. It will require common sense. Some international dispensation for countries like Canada that would permit us to actually enrich and convert. It will require expanded uranium mining in future and, therefore, some liberalized non-resident ownership policies for our country. It will take the resolve of our national government to grant more regulatory sovereignty to provinces like Saskatchewan to avoid unnecessary duplication. It's going to take a change in the focus of this due diligence away from process and in favour of performance. Our Ministry of

Environment in Saskatchewan is turning things on its head. We are going to be moving towards a results based process for an environmental analysis.

The status quo is not acceptable. The status quo is causing uranium mine and mill licensing to take seven to ten years, when comparable times for non-uranium mines is about three years. I am holding in my hands here, ladies and gentlemen, a chart, a regulatory activity for uranium mining and mining facilities in Saskatchewan. You can't see this, but this is the provincial requirements for regulation and this is the federal requirement and this is additional other federal requirements and there are category after category where there is a yes in both columns, where you need both. And so the province has its share of explaining to do, and has its share of work to do and we are prepared to do it.

But it's really quite amazing, because in a number of these where you need both the same provincial and the same federal oversight, then there's a list of these additional federal regulatory involvement here's what most of them say. You're going to need the involvement of CEADFOACDC9F. You get winded just saying it. Somewhere between this and the company burns is the balance that will prevail and ensure the advancement of the industry in Saskatchewan. And I salute you for trying to find it.

It's going to take the kind of strong leadership we have seen at the Ministerial level here in Canada. I'm going to cite Stockwell Day's recent trip to India as an example. We want to commend him for that. We want to encourage the Minister to continue that kind of work and conclude a bilateral nuclear cooperation agreement with India in order to open up that civil nuclear market.

Canada can lead. But, it's going to require a vision for the uranium and nuclear industry, the likes of which we have not yet seen in Canada. As for our province, as for Saskatchewan, we are prepared to do what it takes to play a part. We are prepared to provide whatever leadership role we are asked and maybe some roles that we are not asked to provide.

We're going to need some help from external forces. And so as always, let me conclude by inviting, on behalf of our new government, inviting all of you to consider a partnership with Saskatchewan, to consider working with us to help achieve this vision for our province and hopefully to the great benefit of Canada.

Remember: "Given an equal amount of intelligence, timidity will cause a thousand times more problems than audacity." It is time to be audacious.