

Lies, damned lies, and statistics

Northern News Services

Mark Twain quoted British Prime Minister Disraeli as saying "There are three kinds of lies: lies, damned lies, and statistics."

Recent media reports concerning the minerals industry have us all wondering where the truth lies.

Given the mining industry is at the heart of the attention, we'd like to wade in.

Annual diamond production since diamond mining began has exceeded \$2 billion in our best years.

Federal statistics show the total value exceeds \$27 billion. Production has fallen recently, due to weaker diamond prices and the closure of Snap Lake.

So where does all this money go? An economic study done by Ellis Consulting in 2000 shows that the largest share, about 40 per cent goes to governments in various taxes and royalties. Slightly more goes to recovering the costs to build and operate the mines. And the smallest portion goes to profits.

And how does that translate to the North?

Under socio-economic agreements with the NWT

government, all mines must report their socio-economic statistics annually. This week, our chamber of mines is releasing the most recent figures, and they continue to be stunning.

More than 26,000 person-years of Northern jobs since 1996, of which 50 per cent are Indigenous; over \$13 billion, or 70 per cent of mine spending has remained with Northern business, of which \$5.6 billion was with Indigenous businesses

In addition, over \$100 million has been spent in Northern communities in various benefit agreement payments, scholarships and donations. On top of that, there are the several billion dollars paid to governments in various taxes and royalties.

Incidentally, since devolution both now flow to Indigenous governments too, a first for Canada.

It is no wonder that in many years, our direct and indirect contributions have exceeded 40 per cent of the entire NWT economy. And we have optimism that we can do this again.

But to do so, we need a strong, steady supply of mines. We all know individ-

ual mines don't last forever, but an industry can. That means continuous, healthy investment to explore for new mines, which means we need access to lands. Figures for both should be of concern to our leaders and the public: we missed out on over \$1 billion in exploration investment since 2007, and the mining recorder's map shows that well over 30 per cent of the NWT is unavailable to explore. The premier's figure

of 43 per cent is even more foreboding. That's the size of entire countries, and will hold the economy back if it's not addressed.

Should a responsible politician be concerned? Absolutely. A healthy minerals industry is essential to a healthy NWT economy and to healthy communities and families.

I encourage you to get a copy of our Measuring Success Report, and read the

<p>GUEST Column</p>	
<p>Gary Vivian is the president of the NWT & Nunavut Chamber of Mines</p>	

facts for yourself. And yes, Diavik did pay royalties in 2015, in fact \$38 million on just Rio Tinto's 60 per cent of production.

We might then calculate that the entire mine paid about \$60 million.

But then, that would be statistics.