

## **From the House**

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An interesting statement on CBC recently was that Food retailers in Nunavut were pleased with the reduction that they claimed had happened in the cost of a "Canada food basket" in selected northern communities. It had dropped from 510.00 dollars a week to \$460.00. This really shows how desperate the situation is. The average cost for Canada in 2010 was 112.00 per week (2010 Statistics Canada).

The new Nutrition North Program, like other efforts made in the past by the Federal Government to do something for this state of affairs, falls well short of dealing with the extreme cost of living in the north, now escalating out of control.

There is a spiraling cost of all goods and services in northern Canada, be it in the three territories or across the north of the provinces. Food is the most immediate and visceral example of this cost escalation. It really speaks to the failure of southern lifestyles being duplicated in remote northern communities.

One has to view the whole situation in the north to understand what has gone horribly wrong. Take for instance the cost of heating home or business in the north. Of the some 400 communities in Canada beyond the range of a natural gas pipeline or a major electrical grid, the last decade has been pure hell. While the majority of Canadians bask in the warmth of natural gas that is at its lowest level in a very long time, those northern homes and businesses which have been supplied by imported fuel oil have seen their prices go up by 3 or 4 hundred percent in the last ten years. When the degree days of heating are double that of southern cities, the magnitude of the problem becomes apparent.

When one considers that many of these same communities generate their electrical energy from that same fuel oil and the cost of that electricity to run the coolers in those grocery stores is over ten times what it is in Toronto or Ottawa, one begins to appreciate the failure of the imported system introduced to northerners as progress by others many years ago.

Food and energy, linked together in Canada's north as they are across the world today are only part of the picture. Housing is another. The cost of constructing new healthy homes has gone through the roof ( so to speak). Utility costs are astronomical. The provision of sewer and water in remote northern communities is invariably by truck. Haul the water in, haul it out again. Once again escalating energy costs have made a mockery of low inflation for northerners.

Transportation of people, goods and energy is another area where the cost surge from high energy prices has been an Achillies Heel to the lifestyle of northerners. Distances are great, roads are poor if existent at all. Air travel is based on low volumes, small planes and high prices. It can cost you more to fly from Edmonton to Ft. Chip than to Europe.

We talk about sustainable harvesting of healthy country foods in the north. These are primarily fish, land and marine wild animals, birds and berries. All of these today in almost all places require ground transportation of fuel heavy aircraft, atv's, boats and snowmobiles. This vital activity has been made much less viable with gasoline at 1.80/ litre in a place like Inuvik, which actually has a road link. For other more remote places, these costs are much worse. Talking with hunters in Ulukhaktok, where harvesting is of utmost importance, the costs are skyrocketing. A caribou hunt with a boat in summer where one has to travel 150 kilometers one way may see an output of a thousand dollars with an ability to return with six caribou, total butchered weight around 400 pounds. Gas at 40 dollars a jerrycan adds up very quickly. Equipment is expensive and in the north's harsh environment, pretty short lived.

The lack of essential financial services have left many northern communities vulnerable to much higher costs of doing the most simple tasks difficult, expensive and inconvenient. If you live in Ulukhaktok, you don't have a local bank account, and you pay dearly at the local store for any routine service. If there is a bank machine, you will pay double the service charge. If you have to get something done in a hurry, you can pay the express envelope service with your local air service for up to 70 dollars.

Oil price rises are the crisis point for northern living today. What has the federal government response been so far? I would say mediocre. After great pressure put on them by northerners and myself in the House of Commons in 2006/08, the Conservatives raised the Northern Residents Tax Deduction by 10 percent rather than the 50 percent which we had pushed for. The 50 percent represented just the rate of inflation over the 20 years of no increases under the Liberals.

Today, this deduction is totally inadequate, and needs to be redesigned with a separate rate for the most isolated places. When you consider what the Federal government pulls in from the higher GST on energy, this is a net sum game for the most part. An up to date and fair taxation system that recognizes the vulnerability of northerners to inflation and high costs would be a fundamental improvement.

However improving the taxation regime would only be the start of dealing with the northern dilemma. There are really two divergent and different paths that could be followed from there. The first and the one being followed to date would be to continue to think of costs in relation to a southern model. That would entail raising subsidies and support programs on a variety of products and services for those on low and fixed income to compensate for the northern inflationary pressure of energy. It would also mean much larger wage increases for the average worker and higher fees for all northern located services. The result of this attitude and direction, the one we are unconsciously on right now will be increased inflation, loss of a northern service base, reduced government finances for long term investment, and more southern fly in workers to our resource extraction industries.

An example of this, the newly revised "Nutrition North Program" has accepted the premise that the existing southern based marketing model, represented by CO-OP and Northern retail stores, should remain the model for food delivery and their costs should be simply subsidized. The convenience packaging, the brand name promotion, and other elements will remain the way of doing business in remote communities.

One strong element of the old food mail program, individual food orders has been made more difficult, forcing many with the personal resources and initiative to arrange their own food supply to shop in the high price retail outlets in their communities. The logic that the Federal Government used to make this policy change, is that everyone in the community should share the inefficiencies of the local retailer. The system of dependency is being intensified, not lessened with all these policy decisions.

Is there another way to go in our northern communities? What are the strengths of northern life that can be brought forward to deal with the crisis of the cost of living?

The other path can be summed up simply, "northern sustainability". Sustainability is a word thrown around to cover a variety of situations from large industrial projects that support local employment and business, to the allowable yield of wild animals for human consumption.

As a lifelong northerner, I would see sustainability defined as the ability to maintain a modest lifestyle that can be enhanced and made prosperous with the addition of medium term resource development projects.

I like to think that sustainability has a temporal aspect to its definition, that it gives myself confidence that my grandchildren will continue to enjoy a modest and secure lifestyle in the future.

In a practical context regarding the northern cost of living, sustainability can apply to supply systems , attitudes, materials, local economics and consumption practises. Societal tools for influencing sustainability include full market pricing (based on a complete understanding of all costs), education, advertisement, incentives, regulation and policy.

Likely, with the pressures of global increases in crude oil continuing as they have for the past two decades, at a 6 percent

per year rate, a primary key to sustainability will be local sources of renewable energy.

Small hydro, wind, solar, and biomass, are all real answers for the north. Energy storage is part of this scenario.

Progress is being slowly and painfully. The Government of Canada which announced in the 2011 budget an investment of 6 million over two years for clean energy in northern and aboriginal communities continues to practise tokenism. This amount is peanuts for the 250 remote communities where hundreds of millions are required to make real change and where that change can demonstrate real payback.

However, regionally some change is happening. There are some answers that northerners have started to develop for some renewable energy alternatives that make sense and that can be replicated across the country.

In the NWT, industry, government, and individuals are picking up very well on biomass energy for heating homes, businesses and institutions. This is a program that has been picking up steam over the past 6 years. Much more can be done here, especially with developing cost effective local supplies of various forms of biomass.

Diavik Diamond Mines has just installed a larger scale Wind farm, 8 megawatts at its remote mine on the barren grounds of the north. No thanks to the Feds, who have decimated the wind energy support programs.

In fact, Health Minister Leona Aglukag has just announced a major study into the impacts of wind turbine noise on human health. At the same time, the US EPA has just conclusively shown that diesel exhaust fumes are extreme carcinogens, something that has been common knowledge for decades. The Health Minister has shown no interest in this issue, although every community that she represents in Nunavut is completely tied to diesel generation and heat production.

Solar energy, riding a global surge of innovation and investment,

is now less expensive to generate electricity than the cost of the fuel used in almost all diesel generating communities. Solar energy is a bad word to the Conservative Government of Canada. However, the GNWT is weeks away from releasing a solar strategy that as a bottom line see the provision of 10 percent of all remote community electricity from photovoltaics. With advanced storage systems this percentage can be much higher in years to come.

Sustainability in food supply can be greatly assisted by lower energy costs. This is part of the equation. Going forward, many other factors must come into play.

Marketing must change. If the existing retailers want to lead on this change, that would be excellent. In not, an independent panel should be struck to seek out best practises for reducing marketing costs. Convenience packaging should give way to bulk food products. Small value added facilities like bakeries, country food processing, delicatessen counters, should be encouraged. Properly established food banks need to be a priority, with support from southern Canadian institutions. Financial services need to be improved to make consumers less vulnerable and more flexible in their buying.

Northerners are blessed with a number of real advantages in sustainability that should be recognised and promoted. First and foremost is the northerner lifestyle has time. No commuting to work in small communities, not much wasted time in shopping or entertainment. We have communities that were always strong in sharing and working together. We are close to the land, which can supply so much. and time to spend on it.

Two generations previous we lived much more sustainably. Rather than continuing wholeheartedly in that direction, decisions were made to bring us into the convenience lifestyle of modern urban Canada. We have to change. Paradoxically, we will only move forward sustainably by going back to the values of our parents and grandparents. Utilising the modern tools and techniques at our disposal, this transition can be exciting, innovative, creative and prosperous.