

From the House

By Dennis Bevington MP Western Arctic

The Crisis in the Cost of Northern Living

There is a spiraling cost of all goods and services in northern Canada, be it in the three territories or across the northern portion of the provinces. Food is the most immediate and visceral example of this cost escalation. The failure of expectations for the new Nutrition North Program was inevitable. This really speaks to the failure of southern consumer practices being duplicated in remote northern communities. One might also question the removal of the subsidy on freight costs under the old Food Mail program replaced with a subsidy for the retailer instead.

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 challenging to say the least. 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 increase by three or four hundred percent in the last ten years.

Food and energy costs, in Canada's north are only part of the picture. Housing is another. The cost of constructing new healthy homes has gone through the roof and utility costs are astronomical. The provision of sewer and water in remote northern communities is invariably by truck and once again escalating energy costs have made a mockery of low inflation for northerners.

With these increasing costs, what has the federal government response been so far? I would say mediocre. After pressure was 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 the NDP 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 the inclusion of a new rate for the most remote and isolated northern places.

When you consider what the Federal government pulls in just from the higher GST on energy, the result, for the most part, is a net sum gain. An up-to-date and fair taxation system that recognizes the vulnerability of northerners to inflation and high costs is a fundamental improvement. Tax breaks are one thing, changing the way we live, consume and produce the things we need is another.

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?

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. I like to think that sustainability gives us all confidence that our grandchildren will continue to enjoy a modest and secure lifestyle in the future.

Over the course of this summer, I will be consulting with northerners across the territories looking for ideas and actual best practices that can deal with the crisis in the cost of northern living.