

EDITORIAL

with Hartley Coles

Affordable homes

In an article in this week's New Tanner, reporter Francis Niblock explores the cost of housing in this area with local real estate agents. The nub of the story is that the housing market has cooled off but the market is "good and stable."

According to Royal City Realtor Damian Nikic the market is turning from a sellers' to a buyers' market. Last year, he says, every third deal involved a building war with multiple offers on houses. Now, Nikic says buyers are getting pickier and are well educated about the market.

Nikic recommends that sellers make adjustments in their asking price to reflect the home's value. And well it should be. Houses were already beyond the pocketbook of a great many people.

Nikic notes that house prices in Acton have jumped on average by \$100,000 in the past 10 years. Few people experienced pay increases that would match the rising costs of buying a home.

It doesn't take a genius to figure out that there has to be a correction in the market. The Toronto Real Estate Board notes that October sales were down 25 per cent, supporting that contention.

Most homes sold in this area are to people from Brampton and Mississauga, many of whom sold their homes in those cities to finance new homes here. But for young people starting out in life the prices of new homes here makes them unobtainable unless they are bankrolled by their parents or other relatives.

In other times when house prices got beyond the reach of most people governments saw that affordable homes were built. The present situation indicates that we are again in a situation where the need supersedes the market.

Splitting income tax

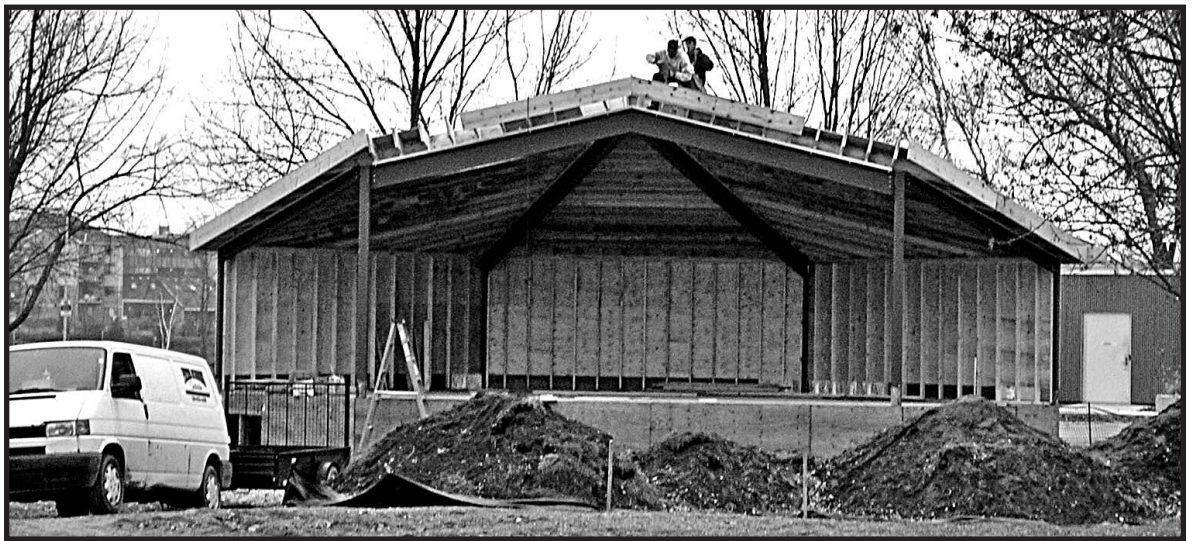
The federal government's surprise announcement on October 31 that Ottawa will allow retired couples to split their income for tax purposes in 2007 was an initiative that Halton Member of Parliament Garth Turner championed before he was dumped from the Conservative caucus.

Turner was in the vanguard of a group of 17 pension groups pushing for pension-splitting that resulted in a conference on Parliament Hill which attracted 30 MPs, representing all parties in the House of Commons. As he says, it was ironic that he was ousted from the national Conservative caucus just days ago, in part because of his lobbying inside and outside caucus policy for policy issues not on the administration's agenda.

The pension-splitting issue had long been a part of the Canadian Association for Retired People's (CARP) campaign before Mr. Turner, spearheaded a joint campaign to have the income tax act changed. He may have been late on the scene but he recognized there was basic tax unfairness and should be corrected.

Many of today's retirees or fixed incomes lived and worked in families where one spouse, usually the wife, stayed home with the children while the other worked. Pension income came to just one person. That meant a higher tax rate than a family with two incomes, creating a basic inequality. Now pension income can be split lowering the basic tax for retirees – an estimated 2 million will benefit – and put more money into their hands.

The federal government's decision to allow income tax splitting recognized there was basic tax unfairness. Along with another \$1,000 age benefit for seniors it was no doubt a SOP to alleviate the pain of eliminating income trusts, a painful decision for some seniors who rely on income trusts for their income. Nevertheless the decision was right and as Turner says "long overdue."



TAKING SHAPE: Work continues on Acton Rotary Club's new band shell at the point in Prospect Park just ahead of the Region's water pumping stations. The building is expected to be completely finished by year's end.

Stern warning alters debate

Sir Nicolas Stern's recent report on the economics of global warming has changed the nature of the debate. Instead of being pigeonholed as an environmental problem, global warming can finally be seen for what it really is – an economic one.

The Stern Report was huge. Literally, at 700 pages, but also for the shockwaves it sent around the world. Mr. Stern is no lightweight. He's a former chief economist with the World Bank. At his disposal was a team of 20 other researchers and academics. And the report they presented, while certainly not the final word on the topic, has finally assigned a dollar figure to the costs of global warming.

That figure is astounding: \$7 trillion (U.S.) – or between five and 20 per cent of the global economy – wiped out by the beginning of the next century because of problems brought about by a warmer planet. Global warming, the report says, could cost more than the first two world wars combined and lead to a worldwide depression.

Predictably, some people pounced on the report, saying it was alarmist and inaccurate. Of course, the reality is that no one knows how accurate it is. Creating a report of this kind naturally requires making certain assumptions and even some guesses about future trends. But it represents a very good estimate that can now be refined over time.

What we mustn't do, however, is get so bogged down in fighting

Science Matters



By David Suzuki

over the details that we fail to see the most important message in the report – that we can't afford not to take serious action. For years, many politicians and industry lobbyists have painted global warming as an environmental problem – like creating a new park, helping an endangered species recover or planting trees. Yes, we need to help the environment, they said, but we have to be careful not to do anything that could slow economic growth. In fact, some went to great lengths to insist that tackling global warming would mean "shutting down" the economy. Sure, they lamented, we could do something about the problem, so long as you don't mind living in caves and eating dirt.

Basically, global warming was

painted as an either-or environmental problem. Either you had a robust economy and accepted a hotter planet that might not have as many pretty birds or plants, or you had no economy and lived like the Flintstones with lots of fuzzy animals and spotted toads. According to the standard argument you couldn't have both.

Mr. Stern's report shows this is a lie, for two reasons. First, the economic costs, not just the environmental costs, of inaction are actually much higher than adequately dealing with the problem now. Mr. Stern says that measures to stabilize greenhouse gas concentrations at levels that will prevent dangerous global warming will cost just one per cent of the global GDP. This means that we most certainly can afford to take significant action.

Second, the report shows that tackling global warming is not about saving the whales or some such thing; it's about not being stupid. It's about having the capacity to recognize the health of the world we live in and the health of our people and our economies are intimately connected. It's about recognizing that, although we rarely think about it, the services provided by nature are worth a great deal (of money, if you like to think of it that way).

We can't stop global warming in its tracks, but we can avoid the worst of it. Fighting the problem certainly has a price, but it's manageable. These are the lessons of the Stern Report.



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Distributed to every home in Acton and area as well as adjoining communities.

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