



- ◆ **A Progressive Framing of Tax Reform.**
- ◆ **Recommended Book: The Wisdom of Crowds.**
- ◆ **Affordable Housing Agreement—What's the Catch?**
- ◆ **Funding Alternative Research.**

## **ANNUAL GENERAL MEETING SATURDAY—9 APRIL 2005—1PM UNITARIAN CHURCH—5500 INGLIS STREET—HALIFAX THEME: THE BENEFITS TO NOVA SCOTIA OF INCREASED IMMIGRATION**

All members of CCPA-NS are encouraged to attend the Annual General Meeting. It's a great opportunity to meet the Steering Committee members responsible for CCPA activities in Nova Scotia, to ask questions and exercise your rights of membership. Our last AGM took place at Port Hawkesbury in November 2003. We will be reviewing activities since that time including our response to a number of public policy issues and our progress on the development of organizational policy and revenue.

### **AGM PROGRAM THEME**

Immediately following the business component of the AGM, there will be a dynamic discussion of Nova Scotia as a place for immigrants. Labour Union leaders, students and academics will join us to explore why Nova Scotia needs immigrants, and the major issues involved in attracting and keeping

immigrants in Nova Scotia. Non-members are very welcome to attend. Updates on the AGM and the panel will be posted on the CCPA website: [www.policyalternatives.ca](http://www.policyalternatives.ca). Just follow the links to the Nova Scotia Office page.

### **CALL FOR NOMINATIONS**

Are you, or an organization you belong to, a member of CCPA Nova Scotia? If so, and you would like to be more actively involved please consider joining the Steering Committee. The Nominating Committee is welcoming interested parties. Please call Fred Furlong at 902-445-0343. The Steering Committee meets in person every other month, and by teleconference in the interim months. The terms of some individual and organizational members expire at this AGM (see back page). New members are needed.

## **CCPA-NS PUBLICATIONS 2004**

**THE NOVA SCOTIA CHILD POVERTY REPORT CARD 2004**, Pauline Raven & Lesley Frank  
November 24, 2004

This report shows how poorly Nova Scotia children and families fare among Atlantic neighbours on a wide variety of statistics related to poverty. Reporting on the years 1989—2002, this card gives more measures of poverty than cards of previous years. It includes information related to different groups of children as well as data on nutritional and housing needs.

**NOVA SCOTIA ALTERNATIVE PROVINCIAL BUDGET FISCAL PLAN 2004—2005**  
April 1, 2004

This Alternative Provincial Budget identified three fundamental challenges; under funding of programs, services and infrastructure; insufficient revenue; and the size of the province's debt. It puts forward a fiscal plan that reverses the 10% income tax cut, manages the debt, and decreases user fees and consumption taxes.

**EQUALIZATION: FINANCING CANADIANS' COMMITMENT TO SHARING AND SOCIAL SOLIDARITY**, Errol Black & Jim Silver  
March 1, 2004

This report serves as a great introduction to the equalization program. It points to a fundamental flaw by arguing that calculations should be based on a ten-provinces standard rather than the current five-provinces standard. The report shows how reform is a matter of national importance.

**ASSESSING PRINCE EDWARD ISLAND'S FISCAL SITUATION**, Wimal Rankaduwa & John Jacobs  
February 1, 2004

This report shows that PEI deficits are manageable as debt is relative to the size of the economy, similar to other provinces, and the lowest in Atlantic Canada. Based on this, it is argued that cuts to program expenditures are not justified. Data also shows PEI has room to increase revenue to bring the level of taxation more in line with that of other provinces.

**Free downloads of Nova Scotia reports at [www.policyalternatives.ca](http://www.policyalternatives.ca)**

## A PROGRESSIVE FRAMING OF TAX REFORM

The Rockridge Institute is an American think tank and a sister organization to the Canadian Centre for Policy Alternatives. Recently it has introduced a discussion of how “frames” control public debate. They argue that conservatives know precisely what they are doing when they consistently make certain choices (e.g., avoiding the use of “tax cuts” in favour of “tax relief”) while progressives may not be so careful or consistent with language choices.

Perhaps it is time for all of us to be consistent and strategic when it comes to language use in our everyday conversations with friends and neighbours.

### *Taxes as investments*

When we use the term “tax investment” instead of “tax increase” it lets individuals know that their taxes pay important dividends such as economic growth, job creation and maximizing population health.

### *Fair Taxes*

By talking about fairness we can point out that when others do not pay their fair share, then we pay for them. From this perspective it’s easier to point out that when corporations or extraordinarily wealthy Canadians avoid taxes, ordinary Canadians must pay more than their fair share.

### *Taxes as Dues*

When the focus is “taxes as dues” for living in a great society citizens can feel good about paying up. Our dues are paid for living in a democratic society that has the infrastructure needed to serve its citizens well (public health care, education, social security, highways, power and communication grids, etc.). Paying our dues ensures a civilized society for ourselves and future generations.

**BOOK RECOMMENDED BY LARRY HAIVEN**

**THE WISDOM OF CROWDS: WHY THE MANY ARE SMARTER THAN THE FEW AND HOW COLLECTIVE WISDOM SHAPES BUSINESS, ECONOMICS, SOCIETIES AND NATIONS**

**BY JAMES SUROWIECKI, DOUBLEDAY 2004**

**The  
“wisdom  
of the  
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James Surowiecki, regular columnist for the *New Yorker* magazine on financial matters, has written a book with an intriguing thesis: *under the right conditions*, a large group of people will nearly always make smarter decisions than the smartest person among them. For example, when the US submarine *Scorpion* sank in the North Atlantic in 1968, an investigator sought guesses from a wide variety of interested people. The Navy eventually found the sub 200 yards from the group’s aggregate decision, closer than the guess of any individual expert. In an earlier classic tale set in 1906, British scientist Sir Francis Galton sought to prove how *unwise* people in a democracy are. At a country fair he inspected the ballots of almost 800 diverse participants in a contest on how much a live ox would weigh once slaughtered and dressed. To his surprise, Galton found that the average guess was within one pound of the eventual answer.

You can guess the implications for all kinds of problem-solving exercises, not the least of them being democracy. The “wisdom of masses” is not just a cliché of the left, but something real. So what are those *right conditions* under which groups make wise decisions? Surowiecki lists them as: *Diversity*: Engaging in “groupthink,” does not yield good decisions. Group members must have a variety of points of view and different perspectives. *Independence*: Group wisdom works best where members are least swayed by others. *Decentralization*: Local and specialized knowledge is valuable for large and complex organizations. Centralized authority can lead to bad decision-making. But leaders need ways to interpret the information coming in from below, which leads to, *Aggregation*: In a simple problem like Galton’s ox, it’s easy to just average everyone’s guess, but sometimes it’s a lot trickier obtaining an aggregate.

It is interesting to note that the term “groupthink” comes from social psychologist Irving Janis’s famous 1982 study of horrible decisions by US leaders, especially the Bay of Pigs debacle. The conclusion of that study, obviously still not grasped by the people of power, is that good decisions are only possible if *dissent* is not only tolerated, but encouraged.

## AFFORDABLE HOUSING AGREEMENT: WHAT'S THE CATCH?

BY KATHERINE REED

Affordable housing advocates in Nova Scotia are frustrated with “the logjam” in the Canada-Nova Scotia affordable housing agreement. In September 2002, a much anticipated agreement was announced. Nova Scotia would help create about 1500 new or renovated affordable housing units by matching the \$19.8 million infusion of federal money, dollar-for-dollar. For a province that has built almost no affordable housing for over a decade, while poverty increased and the existing housing stock continued to age and deteriorate, this was good news indeed.

But as the agreement unfolded there was a major catch and as time advanced additional, substantive problems began to surface. The major catch was that neither level of government was prepared to spend enough money to make this affordable housing affordable for poor households. The agreement promised capital grants of up to \$50,000 per unit of housing (\$25,000 from Ottawa matched by \$25,000 from Nova Scotia) on the condition that the units be rented at, or slightly below, the average price for the community where the housing was located. Unfortunately, average rents are already well out of reach of most poor Nova Scotians.

The second catch became evident 18-months after the agreement was signed when provincial government officials issued the first call for proposals. Only then did developers learn that the Province would now be providing its 50% share in the form of rent subsidies over a ten-year period instead of in a lump sum of \$25,000 during the construction phase. This made a bad situation worse. Not only would less capital be available to developers, tenants would be kept in a low-income trap of sorts because rent would increase anytime household income increased.

A third catch related to interest-free, forgivable “Proposal Development Funding” loans, available through Canada Mortgage and Housing Corporation. These would not be given to proponents receiving the federal-provincial capital grants. In the past, such loans enabled groups to carry out the development phase of their housing projects by covering fees for technical

services, permits, and other early-stage costs. Without these loans and capital grants, moving forward becomes almost impossible. How can the early-stage costs be covered, if not by forgivable loans? Would the directors of non-profit housing groups be expected to put up their own funds or incur debt to get projects to the point of construction, only to be left on the hook if, for whatever reason, the project could not go ahead?

The fourth and final catch was that no provision would be made for “resource group funding”. This early-stage development funding used to be provided to groups or individual consultants who worked with non-profit organizations and co-ops to guide the complex planning process. These consultants possess a particular skill set and expertise. They are invaluable to organizations who know who they want to house, what the housing would look like, and how it would be made affordable, but don't know how to assemble the many different pieces of the development puzzle in a logical and timely way in order to bring the project from conception through construction and on to full occupancy. Such things are not learned overnight.

The foregoing might help explain why it is that after years of promises and pledges of millions of dollars, only a handful of affordable housing units have been built in Nova Scotia. Federal government consultations are taking place in cities all across Canada in early 2005 with the goal of “developing a Canadian Housing Framework”. The dates for Halifax meetings were scheduled for January 26<sup>th</sup> and 27<sup>th</sup>. By the time this publication is delivered, affordable housing advocates in Nova Scotia will have given some much needed advice to Joe Fontana, Canada's Minister of Labour and Housing, and his entourage. It is clear that alternatives to the current plan must be adopted if we hope to place affordable housing within the grasp of those who need it most.

Comments? Contact Katherine at: reebing@ns.sympatico.ca

Katherine Reed is the President of the Affordable Housing Association of Nova Scotia (AHANS).

**CCPA-NS WARMLY WELCOMES TWO NEW ORGANIZATIONAL MEMBERS  
THE AFFORDABLE HOUSING ASSOCIATION OF NOVA SCOTIA &  
COMMUNITY ACTION ON HOMELESSNESS**

### FUNDING ALTERNATIVE RESEARCH

Many of us support charities that provide for the short term needs of our citizens. We also need to fund research and analysis that promotes long term solutions to social problems. People are listening to CCPA-NS and we are influencing public policy. We need your help to ensure that we maintain our capacity to focus research and analysis on Nova Scotian issues. This Spring CCPA-NS will be approaching members asking them to invest in the province's future by providing a donation to our research fund that will allocate funds directly to research on Nova Scotia public policy issues. To find out more about how you can support our work contact us at (902) 477-1252.

**A REMINDER FOR CCPA-NS MEMBERS. DON'T FORGET TO RENEW YOUR MEMBERSHIP FOR 2005.  
PLEASE CONSIDER PRE-AUTHORIZED PAYMENT THROUGH YOUR CHEQUING OR CREDIT CARD ACCOUNT.  
SEE BACKPAGE FOR MEMBERSHIP FORM—OR PROCESS YOUR RENEWAL ON LINE—WWW.POLICYALTERNATIVES.CA**

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Please Choose Membership Type:

- \$300 Sponsor - receives The CCPA Monitor and a \$265 tax receipt  
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(\$100 membership = \$8.35/month, \$200 membership = \$16.70/month, \$300 membership = \$25.00/month)

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## CCPA-NS STEERING COMMITTEE MEMBERS

Below is an alphabetical listing of Current Steering Committee members. The list is categorized by when terms end. It also shows those with ex-officio status and those serving by special appointment. Current officers of CCPA-NS are listed at the end. Saturday, April 9th., is the date set for the AGM 2005.

### TERMS ENDING AGM 2005

**Nova Scotia Public Interest Research Group** (Cherise Adjodha) represents organizational members.

**Nova Scotia Teachers Union** (Ron Brunton) represents organizational members.

**Barbara Cottrell** represents individual members.

**Ian Johnson** represents individual members.

**Mary MacLeod** represents individual members.

Some members with terms ending at the AGM may re-offer.

### TERMS ENDING AGM 2006

**Feminists for Just and Equal Public Policy** (Janet Guildford) represents organizational members.

**Pauline Raven** represents individual members.

**Katherine Reed** represents individual members.

**Jim Sacouman** represents individual members.

**Canadian Federation of Students Nova Scotia** (Danielle Sampson) represents organizational members.

### EX-OFFICIO MEMBERS

**Canadian Union of Public Employees** (Barb Moore)

**Nova Scotia Federation of Labour** (Fred Furlong)

**Larry Haiven** is an ex-officio member representing the CCPA-NS Research Advisory Committee. Larry also sits on the CCPA-NS board as an appointee of the National Board.

### SPECIAL APPOINTMENT

**Clarence Batan**, a graduate student from the Philippines.

### CURRENT OFFICERS

**Fred Furlong**, Chair; **Pauline Raven**, Vice-Chair; **Barbara Cottrell**, Secretary; and **Ron Brunton**, Treasurer

MARK YOU CALENDAR NOW—CCPA-NS ANNUAL MEETING—1 PM SATURDAY APRIL 9TH

UNITARIAN CHURCH—5500 INGLIS STREET—HALIFAX—1PM—REFRESHMENTS SERVED