

Good morning. My name is John Keen, and this is my friend, John Kenneth Galbraith - Canada's most famous economist. He will be introduced to you a little later.

For now, I wish to talk about housing. The 2003 budget offers about 350 million in programs. But we need 4 billion. Lets look for it.

We will raise 2 billion annually from the CPP by selling them 50-year bonds bearing interest at 2% plus inflation. To be guaranteed jointly by Ottawa and the Provinces.

The E.I. Fund also has money. Let's combine an annual 2 billion grant from EI with the CPP bond and put 4 billion into housing. Each year.

CMHC can handle the administration, offering long-term mortgages.

Collecting interest and principal on the entire 4 billion and paying interest only on 2 billion means the program should grow like mushrooms in springtime. Plus principal repayments could be recycled.

EI and CPP are funded primarily by working people. Investing funds to improve their present lives makes more sense than waiting till they are retired or unemployed.

Building, renovating or repairing housing is a great creator of wealth. Most of the materials are found within Canada, and transforming sand, gravel, timber, copper ore and silica sand into a store of wealth for a working family is a miracle.

Wages are paid, leading to taxes paid. Good jobs lead to better health and less crime. From the 4 billion spent, over 1 billion in benefits will return as the money wends it way through our society. Half to Ottawa, half to Provinces.

Money to reduce debt or repair infrastructure, and so extend the chain of benefits.

Any government could be proud to do so much for so many.

If all this is so simple why don't we do it? It's not a shortage of money. We are in the middle of a 100 billion tax giveaway. And we still have cash on hand. We will soon hear from Mr. Galbraith.....

But first, let us talk about the failed attempt to end child poverty during the 90's. It was strange we failed.

On average there were around 1.25 million poor kids during that period. NGO's were looking for 2,000 dollars per child, per year. That is 2.5 billion a year, 25 billion during the decade. An imposing sum.

But, during that decade, Canadians moved over 800 billion (2002 dollars) to those who held government paper. 3 pennies from each of those dollars could have cured child poverty. Why didn't we do it?

Well, we can ask Mr. Galbraith. In an article he wrote ...in the New York Times of 1985....he gives what could be the answer. He says the relationship between the rich and the rest of us cannot be frankly discussed.

"The rich," says John Galbraith, "in our time have become a dirty secret."

"And that dirty secret," say I, "Is that those rich folks are starving the budget makers of the funds they need to create a better society."

During the last thirty years, seven Prime Ministers and five governments we have recreated the type of society which forbids both rich and poor to sleep under bridges.

But no one says that aloud. All those tax cuts, tax expenditures, and tax remissions, the transfer pricing, off shore financing, and funds sheltered in RRSP's, Trusts and Foundations seem beyond reach. No one seriously proposes taking back some of that money.

But those in governments, people like you, have to start dipping a few pails into that stream of wealth flowing to the cloud dwellers.

Some people are complaining this means the return of tax and spend government. Well, it is about time. To have a real surplus we need to tax and spend about 40 billion more. On the deficits in housing, health, education, infrastructure, foreign aid and on and on.

And why would anyone find it a problem if governments tax and spend? Do people complain if birds fly? What we need is a government that taxes and spends wisely. To do that we must recover some of the most recent tax cuts

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