



# HALT

# REPORT

VOLUME 4: NUMBER 2 FEBRUARY 1982

## EDITORIAL

## Pierre's Polish Joke

Prime Minister Trudeau shocked the free world and pleased the rest with his recent comments on the Polish situation. Claiming that things have improved in Poland with the imposition of martial law by the Polish army, he avowed that the loss of freedom was better than civil war or leaving matters to the Russians.

Reaction in Canada was swift and negative. The organized labour movement tore a strip off Trudeau's hide, as did the media. Yet the criticism seems to miss the mark. Too many of the barbs accuse Trudeau of making a "fuddle duddle"

remark; just another of those flippant, impetuous faux pas with which our Prime Minister beleaguers us. But is it that simple?

Although many of us do not have a high opinion of our Prime Minister, we must nonetheless acknowledge his intelligence. Mr. Trudeau is working to a long-range game plan. He knows exactly when it is appropriate to think out loud and when it is necessary to prepare statements with great care and cunning; everything he says is in the total context of his big picture. *(continued on page 2)*

## REBELS IN ACTION

by Elizabeth Bolstler

Talking to non-HALT members about tax limitation sooner or later elicits the response, "There's nothing you can do about it. The government's going to win in the end." It's a quick rationalization for doing nothing. HALT exists because we don't believe there's nothing we can do about taxes and government interference.

This month, we are spotlighting two cases where HALT members have

taken a stand; where they have set their own limit of tolerance and are fighting back against the system. The first action was taken through the courts; the second is strictly on an individual basis; both have far-reaching influence and effect on others.

The next time you're tempted to sit on your hands because you feel nothing you do will have any meaning, think of these cases.

### **Kelly Douglas: Challenge and demand**

Our August 1981 HALT Report included a news item about a raid by the Tax Department on the offices of Kelly, Douglas & Company in Vancouver, and the seizure of corporate records and financial documents. The company quickly challenged the legality of the seizure and demanded the return of its private property.

In October, the Supreme Court of British Columbia reached a decision

that vindicated Kelly Douglas and offered new hope to anyone finding himself subject to similar heavy-handed action by the Tax Department.

Mr. Justice MacDonell of the Supreme Court differentiated between two components of the subsection of the Tax Act that supposedly permitted seizure of the documents: 1) the authority to enter and search for evidence; 2) seizure of the evidence. In

his judgement, he declared "If no documents are found in the search that may afford evidence, then nothing can be seized. Likewise, the authorization does not permit documents to be taken that have not been examined or searched for their evidentiary value..."

Moving from the general to the specific, in the Kelly Douglas case, boxes of records and documents were carted off from four locations without consideration of how pertinent they were to any alleged violation. This was judged to be contrary to the limitations of the Act. The documents must therefore be returned to the owner unread and uncopied.

The judgement is significant in legally defining and limiting the power of government departments and police to make carte blanche seizures of private property in the hope of finding potential evidence. Companies and individuals are protected against government's "fishing trips" for previously unsuspected or unspecified infractions. *(continued on page 3)*

# THOUGHTS ON FREEDOM

I expect that Canadian newsmen found the recommendations from the recent Kent Commission to be shocking, but not too surprising. I further expect that every editor in Canada knew that the commissioners would advocate an increase in the regulatory power of government over the newspaper industry.

Likewise, I find the report to be totally unacceptable. All the recommendations, if enacted, would result in unwarranted interference into the business of producing newspapers.

When a newspaper is purchased, both members of the transaction benefit from the transaction. The producer values the money; the consumer values the newspaper. The government has no place in the transaction unless someone engages in the use of force or fraud.

Neither "force" nor "fraud" applies to the situation as it exists in Canada today. The publisher may wish to receive more money per newspaper sold, but is reluctant to raise the price because the higher price will result in fewer sales (some consumers choosing to buy from a competitor or not buy at all) and the net result will

be a lower profit. Similarly, the consumer may wish to buy a newspaper with a more comprehensive news coverage and more diverse editorial content, but continues to buy that particular newspaper because it is the best choice he has. Force never enters the picture.

As long as anyone who wishes to enter the newspaper market place is free to do so, with the hope of being a success if he or she can produce a better product at a lower price, and with the risk of failure if he or she can't, then the government has fulfilled its obligation of protecting rights. The government is not obliged to see that every social and economic news perspective is available somewhere in Canada, let alone in every location in Canada.

If the government influences the production of newspapers, then to that extent the press will no longer be free. We can have a free press only as long as the producers can own the printing presses and use them in any manner they wish, again the only restraints being force and fraud.

The press has been justified in denouncing the Kent Commission

report as strongly as it has. I only wish that the press had been as vigorous about defending the property rights of other groups and individuals when the government was busy eroding those rights.

If the federal government legalizes the Kent Commission recommendations then Canada will take another giant leap away from freedom of choice, and we will all lose as a result. We Canadians must either stand up and protest against this possibility or passively accept our fate.

Bruce Vaughan

★ ★ ★

It is a strange twist of contemporary morality that political conduct is judged by far lower standards than are the acts of individuals. Men who would not think of stealing or pillaging the property of others — who would rather suffer deprivation than to enrich themselves by such methods — believe that politics justifies all means. They engage in confiscatory taxation, devious inflation, and restrictive regulations in order to facilitate the transfer of income and wealth. Their political leaders, anxious to be the favorites of the transfer multitudes, yield to their prejudices, desire what they desire, and furnish the sophistry that will propagate and defend those desires. 

Hans F. Sennholz  
(from "There is No Escape")

## EDITORIAL (continued)

So let us examine this total context. Of particular interest is Mr. Trudeau's statement, "Any effort to prevent a civil war is a positive step." He is obviously not saying it to curry the favour of the labour movement, the civil rights movement or any of our Western allies. In spite of the fact that Poland's even partially leaving the Russian camp would mark the end of the Russian empire, Trudeau chooses to provide aid and comfort to the enemy. Why then did he speak as he did?

The fact is that his comment is not aimed at the Polish problem but at his captive Canadian audience. The civil war of which he speaks is not the one that needs preventing in Poland but rather the one that threatens here in Canada. The reaction that he is looking at is not the world's but ours.

Trudeau's Polish statement ties in strategically with his 1970 War Measures Act and with his constitution which abolishes all liberties during a

national emergency. And thanks to the federal policies of the Liberals, Canada is rife with potential for "national emergencies". Perhaps Mr. Trudeau will find it necessary to save Canada from Western or Quebec separation. Perhaps he will be forced to prevent French (or other) minority groups from having their rights violated. Perhaps he will be moved to prevent windfall corporate profits, or perhaps to prevent the unions from disrupting our economy with their strikes. The point is, he will be wielding immense power, and is now paving the way for gaining that power.

When Mr. Trudeau defends "any effort to prevent a civil war," he does not expect to be taken literally. But we must not be so easily duped — he means what he says. The prevention of a civil war being fabricated in his mind today is the justification of tomorrow's martial law in Canada.

We have been warned. 

v Richard Bolstler

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"Each person should earn his keep and keep what he earns."

Author Unknown

## REBELS (continued)

Secondly, and of equal importance to Kelly Douglas' reputation and peace of mind, the judge concluded there was no justification for the search warrant in the first place: that there was no foundation for the Tax Department's accusation that Kelly Douglas had withheld tax monies, and that the company had co-operated freely with the Tax Department at an earlier time to provide information that should have made this apparent.

This court decision has far-reaching consequences for all Canadians. Kelly, Douglas & Company disputed the Tax

### John Hayes: 'Won't be a part of the scam'

From Revenue Canada,  
December 8, 1981

Dear Sirs:

For purposes related to the administration and enforcement of the Income Tax Act pursuant to the provisions of Paragraph 231(3)(b) of the said Act, I hereby require from you on or before the 11th day of December, 1981 for the business carried on under the name of Site Investigations Services Limited the following:

(a) All of the payroll records for the 1981 calendar year to date.

(b) All of the returned cancelled cheques and bank statements for the 1981 calendar year to date.

(c) All of the acknowledgement slips, signed by employees, for receipt of wages paid in cash, for the 1981 calendar year to date.

(d) The following ledger accounts for the 1981 calendar year to date — Wages, Tax, C.P.P. and U.I.C. payable to Receiver General and Shareholder Due/From.

(e) A list of all Accounts Receivable as of November 30, 1981.

(f) A list of all Accounts Payable as of November 30, 1981.

If this requirement is not complied with on or before the 11th day of December, 1981, you will be liable to prosecution without further notice. Subsection 238(2) of the said Act provides that a person who fails to comply with this requirement is guilty of an offence and is liable on summary conviction to a fine of not less than \$200, and not more than \$10,000 or both the fine and imprisonment not exceeding six months.

The documents above required are to be forwarded to the Taxation Office indicated below. If you so request in your acknowledgement of this requirement, arrangements will be made for an officer of the Taxation

Department's right to seize their books. For them, it was not enough to feel outraged and self-righteous; their determination for justice led them to question government action in court. They won; we are all better off because they did.

To inform you about the second case, we're letting a brief exchange of correspondence speak for itself. The first letter is from Revenue Canada to John Hayes, owner of Site Investigation Services Limited in Peterborough. This is followed by Mr. Hayes' reply that eloquently explains his reaction.

Division to attend at your office to receive this information and inspect the documents required. Provision of the information and production of the documents to that officer at the time of his attendance at your office will be considered as compliance with this requirement if your acknowledgement is received on or before the 11th day of December 1981.

Yours sincerely,  
P.S. Broder  
Director-Taxation  
Dept. of National Revenue

Dear Mr. Broder:

I don't know what paragraph 231(3)(b) of the Income Tax Act says, but I am sure it must be potent stuff otherwise you wouldn't have quoted it in the kick-off sentence of your letter dated December 8, 1981. You certainly seem to be taking an avid interest in what is going on in my business of late. This seems a bit odd to me since Site Investigation Services Limited has been operating now going on 15 years and, so far as I can recall, you have never even dropped me a post card before.

I do remember that one of your lads was here about 7 or 8 years ago looking things over. He was here for a couple of days asking a lot of dumb questions about this and that, but apparently he was satisfied with our operation because he popped into my office on his way out to say so. Oh yes, he did want me to write out a cheque for over \$300.00 because I had, apparently, been two or three days late sending in the taxes on three occasions. This kind of annoyed me because for 7 or 8 years, I had been forwarding all that loot faithfully to you every month without pay or even a pat on the back. So I told your lad to go back to Belleville and to tell you about it and to get you to send

me a written invoice stating the reasons for wanting to charge me over \$300. when I figured we had been doing pretty good work for you. Well, he wasn't too happy about doing that, but I guess you talked some sense into him because that's the last I ever heard of it.

But that's all water under the bridge. Getting back to the present, I still can't get over all the attention you've been giving us over the last 3 or 4 weeks. Two of your lads have been in to see me, not once, not twice, but three times. If this keeps up, you might be better off setting them up with an office nearby or maybe a camper trailer. By the way, I see that you don't have much faith in the Canada Post either, since you had the lads bring the letter here in person. I don't understand why you sent two of them though, unless it was based on one for each page. Anyway, they probably enjoy having some company on their day trips out from Belleville. As they told me in the office a couple of weeks ago, they don't really like their jobs but someone's got to do it. They wouldn't tell me how much they get paid, but I suppose it's more than enough.

Their special trip with your letter really wouldn't have been necessary,

(continued on page 4)

## EASY COME, EASY GO

A showpiece light rapid transit line for the lower mainland, rushed to completion in order to be an attraction at the international transportation exposition to be held in Vancouver in 1986, will likely be a costly failure. So charges a former transit planning supervisor with B.C. Hydro who has written to members of the Greater Vancouver Regional District. Pointing to several flaws in the proposed system, Barrie Sandford says the lower mainland can get much better value for money and spread benefits more widely by opting for conventional approaches to rapid transit, such as a network of commuter trains operating over existing railway trackage — a suggestion that has never been given proper analysis, indeed, has simply been dismissed out of hand. One suspects Mr. Sandford lost his audience when he used that forbidden phrase "better value".

# GOLDEN GOBBLER

by Bill Buckler

The February Golden Gobbler Award goes to Mr. D.R.B. (Sandy) McArthur, Chairman of the Metric Commission. Mr. McArthur is giving 21 areas across Canada a belated Christmas present. On January 4, 1982, an "orderly conversion" to the metric system began in those areas. He has also, in the Christmas spirit, thoughtfully provided

## REBELS (continued)

however, if they had been listening to what I told them to tell you the last time they were here. Anyway, here's the whole story, (right from the horse's mouth as they say). It goes back to Black Thursday, November 12, 1981, when your big Chief in Ottawa brought us down with the budget. I could hardly believe what I was hearing when I realized that your so-called "loopholes" were all the savings and retirement incentives that you fellows had put into effect years ago. Talk about the "Big Lie"! Well, this was too much. I mean, 1984 is supposed to be 3 years down the road. Right then and there, I decided there was no way I could continue to be a part of the huge scam you fellows have got going.

It had always bothered me that you could force me, (as a businessman), to be your tax collector. In effect, your regulations say that I must take part of someone else's earnings without their consent and then turn it over to you on a regular monthly basis. You have made me into a thief, a special kind of thief admittedly, but a thief nevertheless. I am sorry that I've done your dirty work all these years, but there's not much I can do about that now. From here on in, however, I have resolved to turn over a new leaf.

As of November 13, 1981 I have been working out all the deductions for the C.P.P., the U.I.C. and the income tax. Because the company is obliged to contribute to the C.P.P. and U.I.C. schemes, I have forwarded all of these monies to you as always.

The employees' income tax deduction is another matter, however. This is money that each person who works here has earned and until he or she gives it up, the money belongs to that individual. Now, if the individual owes you taxes, that is a matter between

for \$1000 fines to be assessed against businessmen who do not comply with the metrification edict. Mr. McArthur has estimated the price tag for this conversion at \$50 million while independent estimates have put it as high as \$500 million. Another worthy example of bureaucratic gobbling.



The Metric Commission, a body made up of 102 committees and 2500 members, has a budget of \$6 million per year. In 1982, \$110,000 will be used to hire Jehanne Benoit and Bruno Gerussi to promote metric conversion. The points they will be making are, and I quote:

1. "A package of hamburger or chicken that looks big enough still is."

2. "Relax and be reassured that a pork chop is still a pork chop."  
Yes, and a turkey is still a turkey, too.

We at HALT would like to ask just one question of our metric bureaucrats. If metrification is the highly desirable process you are spending millions of our dollars to convince us it is, why is it necessary to *force* us to adopt it with the threat of business closures and fines to back you up? 

## Events

Public meetings will be held monthly in cities where there is an active HALT chapter. At that time, a competent spokesman will discuss HALT objectives and methods, its projects and progress. Everyone is welcome. A question and answer period will be part of the meeting format.

Edmonton: the last Monday of each month, 8:00 p.m. at the Edmonton Inn, 11830 Kingsway Avenue. Phone Bruce Vaughan at 462-0698 for further information.

Vancouver: the last Monday of each month, 7:30 p.m. at The Scottish Auditorium, 1605 West 12th Avenue. If you have any questions, phone 688-2308.

**HUMAN ACTION TO LIMIT TAXES**  
**909 THURLOW STREET**  
**VANCOUVER, B.C.**  
**V6E 1W3**

MARCO DEN OUDEN 8211  
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you and the individual to sort out. I can tell you that all of the people who work here are hard working, law-abiding citizens who, in my experience with them, are serious about meeting obligations. So I don't think you should worry about getting all the taxes that might be due. The only difference between now and before is that you will get the taxes directly from the individual. On the other hand, if anyone who works here wants to have us, on a strictly voluntary basis, send his or her taxes to you we would certainly consider doing that.

As for all those regulations you have cooked up over the years which force

me to be a thief, you can take them to that bureaucratic "black hole" (where much of our tax money disappears) and drop them in. I refuse to accept your authority or your regulations to the extent that they attempt to force me to be a common criminal.

Please don't misunderstand me. I still obey honest laws. I am still paying taxes. But I am not a servant (either paid or unpaid) of your government. I am not your tax collector. And don't think I've simply gone on strike. I have quit.

Sincerely,  
John A. Hayes  
President  
Site Investigation Services Limited 